

2013 ANNUAL REPORT



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Our Vision

To help build individual and commercial financial plans that will catalyze Turkey's success.

Our Mission

To forge a lifelong partnership with all our stakeholders by understanding their needs, finding the right solutions and aiming for maximum customer satisfaction.

Our Values

Respect and Commitment

Being "Us"

Innovation

Leadership

Message from the Chairman

We build life-long and successful partnerships with all our stakeholders through understanding and best fulfilling their needs.

Dear Shareholders,

2013 has been a year of social tensions and uncertainties, due to the negative impact of economic volatilities and regional conflicts. This year as in the previous year, the lower-than-expected growth pace of developed economies has had a negative impact on global economic growth. More importantly, the growth in developing countries also remained under expectations. The capacity utilization limits, low commodity prices, weaker emphasis on growth measures and lesser funding to these countries can be considered among the main reasons of this slower pace.

In this climate, Turkey's GDP will grow around 4% in 2013, after a period of controlled growth owed to the solid and consistent economic policies. Economic and social turmoil that were observed globally have also affected Turkey, which led to an unexpected deterioration in foreign exchange rates in the last days of the year.

New regulations, mostly affecting the retail and banking industries, were put

into action with an aim to diminish the current account deficit by cutting down consumption and limiting imports in 2013. These regulations will go into effect in 2014 and will bring a change of scenery to the existing competition.

As far as Finansbank is concerned, it has been yet another year of success, owing to our client focused strategies and the passionate and unflagging efforts of our committed employees. Finansbank became Turkey's fifth largest private bank by increasing its total assets to TL 66 billion, its shareholders' equity to TL 7.6 billion, its number of branches to 674 and its number of employees to 13,967.

We have achieved our objectives, in line with our strategies that oversee rapid growth in SME segment, expansion in corporate and commercial banking, deepening in existing customers and acquiring a controlled level of growth in retail banking.

We have consolidated our wealth banking services under our new brand "Quartz". We have established a joint

venture to start Turkey's first electronic invoice and billing company, eFINANS. Meanwhile, the first and only true digital banking service in Turkey, Enpara.com continues its strong growth.

Finansbank posted a net profit of TL 734 million in 2013, maintaining high liquidity, low debt and a capital adequacy ratio of 17%, which is the highest among Turkey's private banks.

Global economic and social climate, together with regional and national dynamics form a multi-dimensional, multi-constituent holistic sum that features an intense level of interaction. It is imperative for national economies, as well as for businesses to maximize their intrinsic, structural strengths and their level of resilience to external effects, in order to be able to minimize the risks to their sustainable growth plans.

Global economic and social environment and Turkey's developing economy imply that banking customers of all segments expect and demand more and higher quality financial



solutions. This is where Finansbank's values come to play a major role among the competition.

These values, which are our most important assets and our greatest strength, are empowered by our employees' expertise, energy and unyielding commitment to banking ethics and to our values. It is with this strength that we build life-long and successful partnerships with all our stakeholders through understanding and best fulfilling their needs.

We will continue to deliver a customer experience that goes far beyond conventional banking methods and services, to comply with existing rules and regulations and to keep creating value for our customers, shareholders, the country and the people in 2014 and onwards.

On behalf of the Board and the Shareholders of Finansbank, I thank all

our employees, business partners and customers for their trust in us.

Ömer A. Aras
Chairman and Group CEO

A handwritten signature in black ink, appearing to read 'Ömer A. Aras'. The signature is fluid and cursive, written in a professional style.

Message from the General Manager

We take the designated steps within the roadmap that would carry Finansbank to its goal of being among Turkey's top three players in the preferred fields of competition by 2020.

Dear Shareholders and the Members of the Board,

In line with our vision of building financial plans that will catalyze Turkey's success, Finansbank continues to grow with full responsibility towards its shareholders and customers, while maintaining a strong financial position.

Our new slogan adopted in 2013, "Everybody needs a Finance Professional" is in line with our unique understanding for unconventional banking services. Finansbank's values of Respect & Loyalty, Being "Us", Creativity and Leadership, are incorporated into this unique understanding, which forms the basis of our approach.

In line with this approach, we take the designated steps within the roadmap that would carry Finansbank to its goal of being among Turkey's top three players in the preferred fields of competition by 2020.

The impact of these steps is also evident in our financial progress. In 2013, total assets increased 21% and reached TL 66 billion. Retail loans expanded to TL 23 billion, and business loans to TL 19.4 billion with a growth rate of 42%.

As a sign of trust of our customers, demand deposits marked a 68% growth, amounting to TL 5.7 billion. The number of credit cards reached 5.4 million by increasing 3% and ranked among the top 5 banks. All these efforts have resulted in a TL 734 million of net profit in 2013.

Supporting the expansion of the loan book, growth in customer deposits was 16% and reached TL 37 billion.

Shareholders' equity of the Bank increased 5% to TL 7.6 billion. Our interest and commission income was recorded at TL 3.2 billion and TL 1 billion, respectively in 2013.

The share of SME loans continued to grow within our loan portfolio. We consider our support to Turkey's SMEs as one of our most important areas of contribution to our country's economy and competitive power in global markets. We will continue this support with our grassroots projects such as the "Future Bosses" with a focus on start-up companies, as well as our ongoing "SME Forum" initiative.

As a leading player in the credit cards market with a 12% market share, we have initiated the "My First Card" project, which aims to improve consumer awareness towards the proper usage of credit cards.

With additions such as an interface that recognizes and directs the user and various other new functions, the Bank continued to improve the Internet branch and alternative distribution channels.

The number of Enpara.com customers, Turkey's first and only digital banking service, has grown significantly and played a major role in the expansion of the deposit base.

SME Banking Internet Branch, another of Finansbank's digital solutions, offers a wide range of products and services to

SME clients doing business in various geographies on 24/7 basis.

Our success brought us recognition and accolade in prestigious international award programs in 2013. Enpara.Com has been awarded with 7 prizes in International Stevie Awards, while Finansbank was the only bank that received three Golden Stevies, in Best Product Development/Product Management Team, Marketing Campaign, Product Promotion categories. Meanwhile, Finansbank's "SME Forum" webpage has been awarded with a bronze prize in Horizon Interactive Awards, one of the world's most prestigious business award programs.

Another prize was awarded to "Finans Up", a career club to attract the best talent among university students, and to give a career opportunity to the interested youngsters. "Finans Up" received the "Outstanding HR Initiative" award from Global Business Excellence, a UK based top tier award program.

While every success gives us pride and fuels our ambition to achieve yet more, providing our employees with a career structure that features development opportunities with transparent processes is a priority for us. In this regard, the transition to a career architecture model from a conventional career management structure was completed in 2013. As part of the new model, our employees are enabled to on-demand access to tailored trainings for different fields of expertise, and they can be the architects of their own careers.



In line with our growth plans, we have reached a total number of 674 branches and 13,967 employees by the end of the year. Relying on the strength of our network and personnel, we will continue to provide our customers with services beyond conventional banking.

I offer my gratitude to all our employees, shareholders and business partners who have contributed to our achievements.

Temel Güzeloğlu
General Manager

A handwritten signature in black ink, appearing to read 'TEMEL GÜZELÖĞLU', written in a cursive style.

Financial Highlights and Ownership Structure

Profitability (TL million)					
	2009	2010	2011	2012	2013
Net Interest Income	2,261	2,254	2,225	2,877	3,163
Net Fee and Commission Income	553	594	801	1,029	1,032
Other Operating Expenses	1,162	1,376	1,574	1,796	2,294
Operating Profit before Tax	591	1,134	1,120	1,170	938
Income Tax Provision (-)	128	219	272	266	203
Net Profit	650	915	848	904	734

Growth (TL million)					
	2009	2010	2011	2012	2013
Total Loans	19,119	25,836	30,838	36,793	42,910
Marketable Securities	5,635	7,504	6,949	7,310	8,731
Total Assets	29,318	38,087	46,199	54,402	66,010
Customer Deposits	18,768	23,552	28,989	31,874	36,980
Shareholders' Equity	3,627	5,208	5,696	7,290	7,648

Ownership Structure		
	Paid in Capital (TL thousand)	Share (%)
National Bank of Greece S.A.	2,085,162	77.23%
NBG Finance (Dollar) PLC	261,343	9.68%
NBGI Holdings B.V.	213,300	7.90%
International Finance Corporation	135,000	5.00%
Publicly Traded	5,195	0.19%
Total	2,700,000	100.00%

Annual Activity Report Compliance Opinion

Deloitte.

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To the General Assembly of Finansbank A.Ş.:

We have audited the accuracy and compliance of the financial information in the accompanying annual activity report of Finansbank A.Ş. and its consolidated financial affiliates prepared as of December 31, 2013 with the audited financial statements as of and for the same period then ended. The Board of Directors of the Bank is responsible for the annual activity report. As independent auditors, our responsibility is to express an opinion on the audited annual activity report based on the compliance of financial information provided in the annual activity report with the audited financial statements and explanatory notes.

Our audit was performed in accordance with the accounting standards and principles and procedures of preparing and issuing annual activity reports as set out by the Banking Act No: 5411 and Turkish Commercial Code ("TCC") No: 6102. Those standards require that we plan and perform our audit to obtain reasonable assurance whether the annual activity report is free from material misstatement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial information provided in the accompanying annual activity report presents fairly, in all material respects, the financial information regarding the financial position of Finansbank A.Ş. as of December 31, 2013 in accordance with the prevailing accounting principles and standards set out as per the Article 40 of the Banking Act No: 5411 and TCC. The financial information provided in the annual activity report is in compliance with the audited financial statements and explanatory notes, and also includes the summary management report and our audit opinion on these financial statements.

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



Müjde Şehsuvaroğlu
Partner
Istanbul, March 5, 2014

Retail Banking

With the addition of 92 new branches in 2013, Finansbank's branch network expanded to 674, enabling the Bank to reach more customers.

With the addition of 92 new branches in 2013, Finansbank's branch network expanded to 674, enabling the Bank to reach more customers. Furthermore, 30 existing branches were moved to better locations. Finansbank's new branch model that was introduced in 2011 became active in 390 branches by the end of 2013.

The Bank's ATM network totaled 2,736, of which 1,430 are at non-branch locations.

Retail Loans

2013 was a year where the structural improvements were prioritized in order to move the customer satisfaction to a higher level. Projects implemented in this period focused on enabling customers make their loan applications and the Bank to evaluate these applications faster.

Finansbank Retail Banking continued to grant attractive credit offers to the retirees, public employees, nurses and teachers, while developing new mobile loan application channels to support its Direct Sales Team.

Finansbank's market share in consumer loans has reached 6.2% by the end of 2013.

With its favorable pricing strategy, Finansbank has maintained its competitive position in the mortgage loans segment and captured a market share of 6.6% in 2013.

Proven as an important channel for new customer acquisition, "Real Estate Agency Loyalty Program", which was launched in 2008, continued throughout 2013. Moreover, the time needed for approving a mortgage loan has been minimized by centralizing all operational processes under "Housing Services Office".

Mass Banking

A tuition payment agreement covering the 2013-2015 academic years has been made between Finansbank and one of the leading private schools in Turkey providing the Bank with the largest customer acquisition in the field of school tuition payment systems.

Thanks to the recent IT developments in salary payments and healthy synergy established with profit centers, there was a 43% increase in overall count of salary payments as of 2013 year-end. In terms of the number of companies under agreement and the amount of salary paid, there is an increase of 60% and 38%, respectively in the same period.

In 2013, Finansbank pioneered a campaign towards pensioners, offering cash prizes to retirees, who move their retirement pensions to Finansbank. Through this campaign, Finansbank reached 160,000 retired customers by the end of 2013, with an increase of approximately 700%.

The long awaited integration project between Finansbank and Sampo Japan A.Ş. and Cigna Finans Pension and Life for credit-linked and non-credit linked products have been completed. During this time, many new processes and systems were developed to support a seamless operation that is in compliance with relevant regulations.

Private Banking and High Income Segment

Finansbank expanded its retail demand deposits by 85% during the year.

Deposits, Investment Products and Gold Banking

Finansbank continued to offer a wide range of deposit and investment products to its customers such as Savings Accounts, Flexible Account, Payroll Account, Gold Accumulating Account, Multicurrency Time Deposit Account and Deposit Fun Package Account.

Having a commitment of meeting the needs of clients with a wide range of investment products, Finansbank expanded its retail demand deposits by 85% during the year. Finansbank's "Double Yolk Account", which combines the flexibility of a demand deposit with the yield of a time deposit, attracted strong customer attention and reached 250,000 in number.

2013 was also an active year in terms of gold-based investment products. "Gold Collection Days" and the "Gold Account", which allows buying and selling of gold by book entry, enabled Finansbank to increase its gold investor base by more than 62% and its gold accounts volume by 68%. Another gold based product "Gold Accumulating Account" reached 150,000 customers by the end of its first year.

Private Banking

Private Banking provides a wide range of products to Finansbank retail customers, whose cash assets are in excess of TL 500,000. Private Banking serves customers with a 78 member

sales team via 7 Private Banking Centers, 73 Branch Offices and 16 Regional Offices.

While boosting its brand awareness by sponsoring many cultural, artistic and sporting events and activities that enhance the lives of its customers, Finansbank Private Banking also offers its customers free attendance to many of these events.

As in previous years, seminars on the Turkish economy were organized in 2013 in 7 cities for our customers who are following economic and market developments for their short and long term investments.

High-Income Segment

In 2013, the Bank focused on strengthening the relationship with its affluent customers through a variety of products.

"Down-payment Pension Plan" gained considerable momentum after its launch and the number of customers increased eight fold. In order to structure our products and services according to the needs of customers, "Lucrative Home-Country Package" was offered to non-resident customers in the second half of the year.

ClubFinans program offers privileged non-banking products and services to the high income segment. The majority of these products are about privileged services at airports and offering the

best experience possible during air travel.

Finansbank Private Banking and High-Income Segment offers doctors and nurses unique services. Launched in March 2013, "Nurses Program" reached 1 in every 5 nurses in less than a year.

Medium and Micro Sized Enterprises (SME) and Agricultural Banking

The department, offering its services through 1,701 personnel, 616 branches and 16 regional offices, surpassed the sector's growth average in 2013 and increased its support to Turkish economy and its real sector.

Finansbank's Medium and Micro Sized Enterprises and Agricultural Banking Department is organized into 3 different divisions, which are Agricultural Banking, Small Enterprises (Micro) and Medium Enterprises. Businesses with annual revenues of up to TL 2 million are administered under the Small Enterprises segment, while those with between TL 2 million and 20 million are under the Medium Enterprises Segment's portfolio. The department, offering its services through 1,701 personnel, 616 branches and 16 regional offices, surpassed the sector's growth average in 2013 and increased its support to Turkish economy and its real sector.

Medium and Micro Sized Enterprises' loans of Finansbank increased by 51% to TL 10.6 billion, boosting its market share to 4.5%. These loans comprised 25% of the total loans of Finansbank by the end of 2013.

Medium and Micro Sized Enterprises Banking

The banking sector's support to the SMEs is not only essential for the growth of SMEs and their contribution to the economy but also is instrumental for sustaining the growth of the banking sector. Therefore, Finansbank will continue to focus on SMEs with high growth potential.

In 2013, Finansbank embraced a concept of a solution-oriented service model towards SMEs, with its wide

product array ranging from foreign trade services and loans to deposits and cash flow products. The Bank has been offering its customers short-term installment loans for their working capital needs, long-term commercial loans for large-scale investments and flexible loans depending on their loan repayment ability.

As the first Turkish bank authorized to use the European Investment Fund (EIF) guarantee, Finansbank offers long-term financing to SMEs without asking for additional collateral, with convenient repayment options and attractive interest rates. This financing benefits from a guarantee issued under the European Community's Competitiveness and Innovation Framework Programme.

Small Enterprises segment achieved significant growth in 2013 with cash loans totaling TL 5.4 billion, up 63% from the prior year. Total demand deposits increased 53% to TL 969 million from TL 635 million and continued to bolster the Bank's deposit base. Medium Enterprises segment's total cash loans reached TL 5.3 billion, growing by 40%. The total amount of demand deposits increased 55% to TL 796 million from TL 515 million.

Finansbank, focusing scrupulously on the needs of its customers, raised its insurance revenues by 15%, while premium production increased from TL 33 million to TL 55 million. The Bank also

gained some competitive advantage through its new partnerships with Mapfre Insurance & Euler Hermes Insurance in 2013.

Finansbank's major services and products for SMEs in 2013 are summarized below:

- "SME Money-in-the-Pocket" service enables the small business owner to apply for a loan of up to TL 50,000 via SMS message and learn the outcome on the same day.
- "KOBİ Plus" offers an extension of the maturity and the amount of customers' loan, while the monthly payments remain unchanged.
- "Dynamic Loan" allows the customer to set their own limits with collateralized checks, cash or POS receivables, in less than an hour.
- "SME Cash Account" allows the customer to withdraw cash from all Finansbank branches and Finansbank or Single Point ATMs, also enabling the payment of bills, checks, taxes, social security, loan and credit card balances, even in the absence of sufficient funds in the customer's account.
- "Salary Loan" makes salary payments of SMEs even if they don't have sufficient funds in their accounts.
- "POS Opportunity Package" combines banking and cash flow services with its

Agricultural Banking's loan size reached over TL 500 million, growing 137% in 2013.

desktop and mobile POS solutions.

- "Kobi Cloud" agents, through a specialized call center serve as the relationship managers, assisting SMEs with their daily transactions and operations.

- At "KOBİ Center", a website that has over 10,000 subscribers, SMEs can promote their products, find partners to expand their businesses and get consulting services from experts.

Besides developing new services to allow for loan application of SMEs through SMS and Internet channels, Finansbank's Corporate Internet Branch was renewed in 2013.

Via its eFinans affiliate, Finansbank will offer SMEs an e-Invoice integration application along with an e-Booking system in 2014. "Finans Star" module will also help them manage their bulk payments and accounting transactions.

Agricultural Banking

Finansbank strongly believes in the strategic importance of the agricultural sector for the Turkish economy. Thus, the newly restructured Agricultural Banking segment offers its services through 145 branches and 213 customer representatives, most of whom are agricultural engineers.

Agricultural Banking diversifies its services by customizing its products to the related agricultural segment and to the specific region where activity is

being carried out. Agricultural Banking's loan size reached over TL 500 million, growing 137% in 2013.

In order to support the modernization of the sector and to better take advantage of the economies of scale in agribusiness, Finansbank offers favorable payment terms and up to 10 years maturity on its investment loans. The Bank channel funds from institutions like IPARD for rural development projects, while offering affordable working capital and agricultural mechanization loans provided by the European Investment Bank.

In an effort to establish long-term relationships with customers, Finansbank newly launched a service called "Farmer's Cash", which was created to meet the short term funding requirements of customers by helping them pay their bills and social security payments with flexible repayment options.

Concerned with the quality of the products offered to the consumer, Finansbank Agricultural Banking supports certified agricultural production which ensures and increases product quality. In addition, organic farming activities are supported by favorable credit rates and repayment options.

Agribusiness is rapidly evolving by modernizing and restructuring itself in

line with macro economic targets of Turkey. In line with these developments, Finansbank Agricultural Banking will continue to improve its business models and expand its organization parallel to the needs of the sector in 2014.

Corporate and Commercial Banking

Finansbank's Project and Structured Finance Group completed the financing of some big ticket infrastructural, energy and real estate projects in 2013, while being involved in financing of the newly introduced PPP (Public Private Partnership) projects.

Finansbank Corporate Banking serves Turkey's major local business groups and multinational companies with four corporate branches in Istanbul and Ankara, and sub-branches in Bursa, Izmir, Antalya and Adana. Finansbank Commercial Banking was reorganised under 16 regional offices with 67 branches and 350 sales personnel.

Finansbank Corporate and Commercial Banking Department has created a solid customer base by developing customized solutions. The Department also cooperates with other business units to provide the best services to partners, employees, dealers and suppliers of corporate and commercial customers, aiming to deliver a high level of customer satisfaction throughout the value chain with differentiated credit and cash flow products.

In 2014, Finansbank Corporate and Commercial Banking will not only meet the standart financial needs of its customers but will continue to implement a comprehensive financial advisory approach to address customer needs, while also offering deposit and cash management products, derivatives, insurance and investment banking services.

Project and Structured Finance

Finansbank's Project and Structured Finance Group completed the financing of some big ticket infrastructural, energy and real estate projects in 2013,

while being involved in financing of the newly introduced PPP (Public Private Partnership) projects. The Bank also offers technical evaluation of projects, feasibility studies, documentation process management and advisory for transactions between local and international parties.

With its expert personnel closely following industrial trends, Finansbank Project and Structured Finance Group differentiates itself with solutions that are structured to meet the customer needs not only at the investment phase but also during the lifetime of the project.

After the reorganization in 2013, the Group increased its number of personnel and established three main segments, which are "Infrastructure, Acquisition, Real Estate", "Energy, Public Private Partnerships Privatization" and "Commercial Project Finance" segments in order to provide faster service for Corporate Banking customers by creating dedicated team of industry experts for different segments.

In 2014, Finansbank will closely monitor the financing of the private and public-private partnership projects as well as projects in infrastructure, construction, real estate and energy sectors and aims to be the most preferred bank in terms of project finance services in Turkey.

Cash Management, Trade Finance and Investment Banking

eFinans was established as a Finansbank affiliate on September 2013, in order to provide online banking solutions by e-Invoice filing, e-Ledger application and e-Trade portal.

Investment Banking

Investment Banking arm of Finansbank solidified its leadership role by increasing its market share in the Turkish bond market to 10%. Through various bond and bill issuances during the year, Investment Banking also contributed to the Bank's product range.

In 2013, Investment Banking provided intermediary services in the issuance of 15 TL denominated bills and 2 bank bonds worth a total of TL 5 billion, which were sold to both institutional and retail investors.

FinansInvest, a brokerage subsidiary of Finansbank, was awarded the "Best Investment Bank in Turkey" in 2013 by two leading global financial magazines, Global Finance and World Finance, thanks to the prestigious advisory and intermediary services.

Cash Management and Trade Finance

Trade Finance operations of the Bank were put under Investment Banking and Cash Management Group, in order to facilitate all related services from one service point. Cash Management and Trade Finance focused on delivering tailor made, technology oriented solutions in 2013. The Group aims to increase its market share in the financing of commercial activities such as Direct Debit System (DDS), Checks and Trade Finance. As a result, the Bank increased its DDS dealer network by 187%, while the number of customers with other bank checks and Finansbank

checks grew by 14% and 24%, reaching market shares of 4.3% and 6.7%, respectively.

In addition, number of customers with automated payment orders rose 55%, and trade finance volume increased 21%.

Regarding the newly introduced electronic-invoice regulation, eFinans was established as a Finansbank affiliate on September 2013, in order to provide online banking solutions by e-Invoice filing, e-Ledger application and e-Trade portal. Being the first bank to launch a company in this particular area, eFinans is planning to add e-Archive, e-Waybill and similar services to its product portfolio and aims to be the market leader in value added electronic payment and registry applications.

Direct Banking/Internet Banking

Parallel to the increasing usage of mobile devices, mobile advertisements were intensified in 2013 and mobile website projects were launched for Finansbank's existing corporate websites.

Finansbank continued to commit its energy to Direct Banking in 2013, in order to increase customer satisfaction, ease the workload in branches, and decrease service costs. Accordingly, Direct Banking Marketing and Customer Acquisition Team, established for the purpose of steering Finansbank customers to channels such as ATM, online branch, mobile branch, and "My Card Transactions", was restructured as Direct Banking Portfolio Management at the end of 2013.

Direct Banking Strategy and Product Development Group continued to improve the Direct Banking channels with new investments, aiming to respond to changing customer needs and expectations rapidly. In addition, the Customer Experience Management Group was established in order to boost customer satisfaction on Direct Banking Channels. Feedbacks from customers contribute to the continuous improvement of the existing services.

Android and IOS applications for mobile banking were renewed to offer customers more availability for banking transactions. A browser based application was made available through cep.finansbank.com.tr to support other phones in the market. These new applications offer new features on top of the existing ones.

Parallel to the increasing usage of mobile devices, mobile advertisements were intensified in 2013 and mobile website

projects were launched for Finansbank's existing corporate websites. Initially, "ClubFinans" mobile site was developed in the second half of 2013. "Finans POS" application was developed for iPhone and Android devices, enabling customers to reach the Bank via their smartphones regarding their POS related inquiries.

SME and Corporate Internet Banking site was renewed under the name of SME Internet Banking. Clubfinans.com.tr, cardfinans.com.tr and cardfinansticari.com.tr websites were completely renewed to facilitate better user experience. More application forms were added to increase the frequency of online product applications.

The in-house development of ATM host processors was completed. As a result, higher flexibility was achieved with regard to the development of new features for Finansbank's existing ATM network and deployment of new functions to various ATM vendors. In addition to higher flexibility, 3rd party dependence during development processes was diminished and shorter time periods were aimed for deploying ATM business requests.

Digital media was used frequently to raise awareness about the Bank's products and services, and to maximize participation in periodical campaigns. More number of products and services were advertised on Google, ensuring the continuity of cost-reducing optimization efforts. YouTube finally entered our pool

of digital platforms, ensuring commercials to reach a wider range of viewers, encouraging them to apply for products and services. In addition, complaints and suggestions sent via Facebook and Twitter were followed around the clock and were responded instantly.

The website (www.ilkkartim.com.tr) was created for Finansbank's first time credit card owners in October 2013. The website, which was supported by advertisements in a variety of digital media, promotes a conscious attitude of credit card spending. "İlk Kartım" was the first product of the Bank that was marketed solely on digital media.

Enpara.com

Enpara.com is a digital banking application that includes basic banking products and services for young and time-restrained professionals. These key customers are only served by the Enpara.com website and by a dedicated and separate call center. Since no associated branch costs are recouped, customers are offered better interest rates on deposit products and commission-free transaction privileges in basic banking transactions.

With the addition of two new products, an overdraft account called "Ekpara" and a new investment fund called "Yatırım Hapı", the number of Enpara.com customers has reached over 130,000 since its start in October 2012.

Payment Systems

CardFinans ranked among the top five brands in the Turkish credit card market in 2013. With more than 5.3 million cards issued, total turnover reached around TL 40 billion.

CardFinans

CardFinans ranked among the top five brands in the Turkish credit card market in 2013. With more than 5.3 million cards issued, total turnover reached around TL 40 billion. In terms of credit card receivables, CardFinans market share was at 12% with a loan balance of TL 10.9 billion.

In 2013, CardFinans users welcomed a new service called "S-posta", which offers the opportunity to receive their statements via their mobile phones.

Fix Card

Fix Card, which combines credit card, debit card and contactless payment capabilities in a single card, continued growing significantly in 2013. Fix Card is one of the first examples in the Turkish market of a card that doesn't have an annual fee.

ClubFinans & ClubFinans Xclusive

In 2013, ClubFinans continued to offer new services and privileges to Finansbank's credit card owners. A new service called "Global Mağazam" enabled card owners to purchase any product from online sales channels of premium stores that are located in U.S.A., even if the stores don't ship products to Turkey and don't accept payments done with Turkish credit cards. After the purchase, products are delivered to customers' address by "Global Mağazam".

Another new service called "Travel Advance Point" was launched in

September 2013, enabling customers to purchase airplane tickets by using credit card bonus points in advance to be earned later in the year.

ClubFinans Doctors and ClubFinans Xclusive Doctors

Thanks to Finansbank's initiative to embrace the healthcare sector, ClubFinans Doctors card, which provides privileged services to doctors, reached over 72,000 cards and penetrated 60% of the sector.

Nurse Card

Finansbank launched "Nurse Card" in March 2013, which is offered to nurses, midwives and medical assistants, for the first time in Turkey.

Nurse card combines credit card, debit card and paypass features in one card, offering ease of payment. In addition to the privileges offered by CardFinans, it also allows free access to VIP Lounge located at Istanbul Ataturk Airport International Flight Terminal and ClubFinans Lounge located at Sabiha Gokcen Airport Domestic Flight Terminal. The number of Nurse Cards reached 28,000 by the end of 2013.

CardFinans GO

Various on-campus activities were organised at Universities on MayFest during 2013. Number of fans on Facebook grew by 112% and reached 115,599.

CardFinans Cash

CardFinans Cash ranked among the top

five brands in the Turkish debit card market in 2013, capturing a 9.1% market share in terms of turnover and 5.3% market share in terms of number of cards with 5,359,750 cards issued.

CardFinans Cash offered cardholders many opportunities and benefits such as installment payments (a first in the sector), MoneyPoints, PosPara and e-commerce shopping.

My First Card Program

My First Card program (İlk Kartım), which was launched in October 2013, advises and educates first time credit card owners to be conscious credit card users. The program initially limits the spending and cash advance limits of the first time users. After a period of time, for the users who pay their debt regularly, restrictions on the limits are removed. More detailed information can be found on the website of the program at www.ilkkartim.com.tr.

POS

In line with the strategy of growing in the SME segment, the number of POS machines used in our merchant network increased to 233,715 from 218,100 by the end of 2013. POS acquisition volume reached approximately TL 2 billion and a 6.3% market share with nearly 200,000 Finansbank merchants.

Treasury

The Treasury Department plays an active role in creation-redemption processes and underlying asset pricing for the Bank's 5 different exchange traded funds (ETFs) listed on the Istanbul Stock Exchange.

Liquidity Management Desk is responsible for managing the liquidity of the Bank while fulfilling the responsibilities of the Bank to its customers, the CBRT and the BRSA. The desk aims to maintain the optimal liquidity composition parallel to the Balance Sheet evolution, growth expectations and business strategies. Desk targets to fulfill the reserve requirement obligation and monitors the liquidity ratios enforced by the BRSA. The desk performs transactions in Money, Swap and Repo markets and is also actively involved in deposit pricing processes.

The Balance Sheet Management Desk manages the Bank's balance sheet and executes transfer pricing. This Desk monitors the balance sheet items that have the potential to be exposed to risks, evaluates various developments in terms of risks, and executes the Bank's risk management strategy as determined by the Asset and Liability Committee (ALCO). The Desk uses hedging instruments such as interest rate swaps and cross-currency swaps.

The Trading Desk carries out fixed income securities, foreign exchange and derivative trading related transactions. Desk Heads and Dealers closely monitor trading limits and profitability. The Trading Desk successfully managed the turmoil in the FX and bond markets in 2013 by analyzing the market risks to take actions that will bring profitability to the Bank.

The Derivatives Desk provides competitive pricing to corporate and private clients who are interested in derivative products. The Desk performs pricing of all kinds of derivative products and trading of forwards, futures, options and other derivatives. The Derivatives Desk prices in both currency and equity based derivatives in domestic markets within the closely monitored limits according to the pre-defined risk parameters.

The Treasury Sales Desk, with its tailor-made approach to customers' diverse requirements, actively participates in the continuous increase in customer base, deal volume, while contributing to Finansbank's leading position in the capital markets. The Treasury Sales Desk targets to provide its customers with innovative derivative products, ranging from risk management ideas to investment products including capital protected investment alternatives.

The Treasury Department plays an active role in creation-redemption processes and underlying asset pricing for the Bank's 5 different exchange traded funds (ETFs) listed on the Istanbul Stock Exchange. It also provides liquidity for the ETFs in the secondary market.

International Banking

In November 2013, Finansbank obtained a one-year term syndicated loan from international financial markets at an amount of USD 167 million and EUR 265 million.

Correspondent Banking and Structured Finance

By maintaining a wide network of correspondent banks, Correspondent Banking and Structured Finance Group continued to improve the Bank's position in relation to foreign trade operations, funding, international payments and treasury operations. The amount of funding sourced from international markets totaled over USD 2 billion in 2013.

Finansbank continued to offer long term and low cost funding to SMEs and micro businesses through its facilities provided by European Investment Bank (EIB) and European Investment Fund. EIB financing benefits from a guarantee issued under the European Community's Competitiveness and Innovation Framework Programme.

In November 2013, Finansbank obtained a one-year term syndicated loan from international financial markets at an amount of USD 167 million and EUR 265 million. The facility, which will be used to finance the foreign trade operations of the Bank's clients, exceeded the size of the previous year's syndication by 10% with an all-in cost of Libor/Euribor plus 1%, which was 35 bps lower than the cost of the previous facility.

Financial Institutions Credit Management

The Financial Institutions Credit Management Group assesses the risks of all domestic and international banks

and allocates limits in line with the Bank's credit and risk policies. The Group allocates limits in compliance with Finansbank's internal rating system, while making sure that limits are in proper ratio with registered capital ceilings and are in line with the related country limits.

International Business Development

In 2013, the International Business Development Group contributed to the Bank's performance by supporting relationships with existing customers and exploring business opportunities with Turkish subsidiaries of companies operating in the countries where NBG Group companies are located.

Investor Relations

The Investor Relations Group represented the Bank in 3 investor conferences and at 46 meetings with research analysts, investors and rating agencies in 2013. Investor Relations met 180 investors during these meetings and responded to inquiries coming from shareholders in an accurate and timely manner.

Human Resources

Human Resources Policy

Finansbank Human Resources policy has been developed and approved in line with strategic targets and business plan of the Bank. Human Resources policy aims to increase the Bank's performance and contributes to its sustainable growth by ensuring the acquisition of new talents while retaining the existing ones. The four different aspects of the policy is given below.

- Human resources planning and recruitment: Attracting new talents by becoming an employer of choice and placing them in the right position in accordance with the Bank's needs.
- Performance management: Managing employee performance by ensuring integration between employee and bank targets.
- Talent and development management: Improving employee's technical and managerial knowledge and skills, retaining employees with potential and contributing to the career development of employees.
- Engagement and compensation: Setting policies to increase employee engagement and thus increase their involvement in the Bank's target achievement efforts.

Acknowledging its human resources as its most important asset, Finansbank closed 2013 with 13,967 personnel.

Talent Acquisition and Recruitment

As one of the banks recruiting the

highest number of new graduates, we are constantly organizing events and establish talent acquisition programs in targeted Universities. Our "Finans Up Career Club", an HR application that received the "Global Business Excellence Awards" of England in the category of HR Implementations that Make a Difference by Awards Intelligence, aims to assist young people shape their career. In addition, social media is effectively used to communicate with candidates. Questionnaires are given to learn the views of the candidates and recruitment process is continuously updated through the feedbacks received.

Contribution of all these activities to the brand image of the Bank is measured by Realta company by the favorite companies of Turkey consensus. Finansbank's preference rate among universities showed an increase from 4.8% in 2009 to 15.9% in 2013.

Performance Management

Performance management in Finansbank encourages career development with a continuous feedback culture and establishes long term talent strategies in order to support employee potential. Performance evaluation is made semiannually. Results are shared with the employees transparently. Performance evaluation process aims to foster loyalty through a fair and transparent system which assesses the performance of the personnel on concrete and measurable criteria. In addition, "360 Degree Feedback and

Development Inventory" is used to determine individual career development plans by focusing on strengths and potential improvement areas of the personnel.

Career and Talent Management

With the purpose of prioritizing internal resources of the Bank for its employment needs, Finansbank implemented "Career Architecture" program to help its Y generation employees make their own career choices, in line with their preferences. Furthermore, reinforcing the principle of equal opportunity, career bulletins are issued with the purpose of informing employees on career opportunities, addressing their transfer inquiries to other departments and subsidiaries, and meeting the employee needs of the Bank's departments internally. Within the scope of the "Development Architecture" (candidate pool) program, a measurement-evaluation center application is put into practice. Development of leadership abilities of the manager candidates is supported by coaching and mentorship training.

Training and Development Management

In addition to the orientation programs enabling rapid adaptation to the corporate culture, "Starting at Finansbank" and "Finansbank Faculty" programs are offered to the employees to boost their performance. Preparatory trainings are given to employees who are moving to another position within the scope of "Career Architecture" program. The development programs are based on creating an environment

that allows learning from each other and by experience. Besides technical and personal development trainings, various programs are being developed to improve leadership skills, loyalty and potential of the personnel. In 2013, average time spent on training per employee was 77 hours, with a utilization rate of 83%.

Employee Loyalty

The employee engagement inventory is taken every year since 2007 to make an analysis of motivation and loyalty, and evaluate the effects of the satisfaction factors shaping employee engagement. Results of the inventory are examined on divisional basis, and based on the analysis of the outcome, actions to be taken are defined individually for each division.

Remuneration Management

Purpose of remuneration management in Finansbank is to gain new talents and increase employee loyalty, satisfaction, motivation and synergy. Accordingly, a fair and transparent pricing methodology that is in compliance with the bank's ethical values and internal regulations is implemented. Moreover, incentive programs that are focused on individual and institutional targets without taking excessive risk are created and are encouraged. In 2013, The Bank's personnel received a cash bonus of around 2 salaries per employee as part of the performance-based remuneration scheme. Various benefits that will improve the living standards and increase labor productivity of the employees, such as health insurance,

annual leave, transportation, food, telecommunication aid and other employee support services are provided.

A Remuneration Committee was established and a Remuneration Policy was implemented after the approval of the Board of Directors in compliance with the regulation of the Banking Regulation and Supervision Agency on Corporate Management Principles of the Banks.

Appreciation and recognition programs were created to reward and motivate the employees, who act in compliance with the values of the Bank.

Internal Communications Management

Finansbank employees have the opportunity to attend many activities such as workshops, tours, sports tournaments, social activities that will contribute to their personal development and intellectual knowledge, under the umbrella of "FinClub Life Workshop".

In 2013, 35,266 employees came together in 300 events in different provinces, which were organized to make the employees feel privileged to be a part of the Finansbank family.

Information Technology

In 2013, new functions were added to Finansbank's core banking system (CORE Finans), credit cards backbone and alternative delivery channel applications for more user friendly and efficient functioning.

Finansbank's Information Technology completed 244 IT related projects as requested by Finansbank and its subsidiaries, with 9 projects aimed at supporting the Bank's technical infrastructure and software requirements. IT spent a total of 77,017 man-days on these projects with an average effort per project exceeding 300 man-days.

Also, IT responded to 3,698 small scale inquiries regarding software updates, with an effort of less than 40 man-days per project.

Finansbank's core banking system CORE Finans was integrated with the telecom infrastructure, enabling branches to hold campaigns and perform sales over the phone. A customer notification infrastructure was built in order to send SMS notifications and warning messages to the customer. Based on new banking requirements, ATM host and ATM device softwares were developed in-house. An ATM monitoring software was

developed and brought online. New online utility bill payment infrastructure for easy integration was established. Credit card debt monitoring and collection application was integrated with retail banking systems, enabling the monitoring of the collection process on individual customer basis. The new generation corporate internet banking branch, based on new business requirements was brought online. Enpara and Finansbank mobile banking applications were launched. A collateral discrepancy calculation tool was developed to allow for easier and faster loan application at the branches and the ADC.

Legal Counseling

In order to comply with the decrees issued by the Banks Association of Turkey, entered into force on 01.09.2013, Finansbank initiated an integration and training program with the participation of all related business units and revised all relevant procedures and instructions for a timely and seamless application.

Integration project for the new consumer protection law, which will go into effect on May 2014, continues while all relevant law related modifications are completed promptly. In 2013, Legal Counseling responded to more than 85,000 legal inquiries received via the "Legal Inquiry Application" system, after

due examination of the relevant legislation and precedent decisions. In addition, the Bank provided legal training on the latest laws and regulations to the head office business units.

Call Center and Telemarketing

In 2013, Finansbank Call Center responded to 47.3 million calls, of which 68% ended up at the IVR (Interactive Voice Response) system or were terminated.

Expansion of Finansbank Call Center in Erzurum accelerated in 2013 with the number of customer service representatives reaching 420. The

Bank's Call Center also continued to provide the Bank with well-qualified human resources during the year. 88 customer service representatives were transferred from the Call Center to the branches and other departments.

Finansbank's call center and telesales teams completed 240,000 CardFinans

and 734,000 automatic payment order sales from both internal and external sources in 2013. In addition, the teams generated a loan volume of over TL 1.4 billion for the year. Outbound calls by the call center, telesales and outsource teams reached 6.4 million customers.

Subsidiaries

Cigna Finans Pension and Life (Cigna Finans Emeklilik ve Hayat A.Ş.)

Cigna Finans Pension and Life has been established on 04.07.2007 under its former name Finans Pension and Life (Finans Emeklilik ve Hayat A.Ş.) as a 99,99% Finansbank subsidiary. In 2012, Cigna, one of the biggest health and life insurance companies in the world, signed a partnership agreement with Finansbank to expand its operations in Turkey and acquired a 51% stake in Finans Pension and Life. The decision taken in the Extraordinary General Meeting held on 31.05.2013 has been registered in İstanbul Trade Registry Office on 10.06.2013 and accordingly, the title of the company has been amended to Cigna Finans Emeklilik ve Hayat A.Ş.

This partnership unites the global experience of Cigna with the local power of Finansbank and it is the main drive of the quality and reliable service offered by Cigna Finans Pension and Life. The Company aims to increase the awareness of the consumer regarding the importance of saving for a reliable future. Therefore, it offers diverse services to its clients with the pension and life insurance products in its portfolio.

Cigna Finans Emeklilik ve Hayat A.Ş. generated 26% growth in its life insurance premiums, while it ranks 12th in the pension segment with a total fund size of TL 331.644.804, according to the official data released by EGM on 28.12.2013. The Company reached 1.3 million customers in 2013.

Finans Leasing (Finans Finansal Kiralama A.Ş.)

The Turkish Leasing Market grew by 30% in 2013, mainly owing to the enactment of the "Financial Leasing, Factoring and Financing Companies Act" of 21.11.2012, which allowed for sale-and-lease-back investments, operational leasing, leasing of software applications and leasing of machinery components separately.

Top three sectors in terms of leasing volume were construction machinery

(26%), other machinery and equipment (22%) and real estate (19%) in 2013.

Finans Leasing managed to increase its volume by 12% and reached USD 358 million with a market share of 5.1% in 2013. In line with the current strategy, Finans Leasing focused on small and medium-sized enterprises and the total number of contracts increased 9.4% to 1,764.

Finans Factoring (Finans Faktoring A.Ş.)

Finans Faktoring A.Ş. has been operating with a Head Office in İstanbul and 6 branches, which are located in Ankara, Antalya, İzmir, Adana, Gebze, Merter since 01.10.2009. Marketing operations are coordinated with Finansbank A.Ş., who is the main shareholder with 99% share.

The transaction volume increased 35%, reaching TL 1.9 billion, while receivables grew 42% and reached TL 521 million in 2013.

The representative offices have been converted into branches during the year. The share of small and medium-sized companies in the portfolio increased in line with the new strategy and the number of customers increased 85% to 1,044.

In 2014, an increase of 34% is targeted in transaction volume and factoring receivables with the goal of being among the top 10 companies in the sector.

FinansInvest (Finans Yatırım Menkul Değerler A.Ş.)

Finans Yatırım Menkul Değerler A.Ş. was established in 1996 and its current paid-up capital is TL 50 million. Its main shareholder is Finansbank A.Ş, which owns 99.6% of the company shares.

Through its 8 branch offices and Finansbank branches, FinansInvest offers services such as equity trading, portfolio management, corporate finance, margin trading, short selling, share loans, investment consultancy, derivative trading, leveraged trading and international investments. Furthermore, FinansInvest

customers can perform all their brokerage operations over finansonline.com in a speedy and secure manner.

As of 2013, FinansInvest is ranked eighth among the brokerage houses in Turkey in terms of transaction volume, with a market share of 3.4%. Owing to a campaign that was organized mutually with Private Banking and High Income Segment Group, the number of FinansInvest customers increased 44%.

Finans Asset Management (Finans Portföy Yönetimi A.Ş.)

Founded on 08.09.2000, main shareholder of the Finans Asset Management is FinansInvest (99.96%). Finans Asset Management plays a leading role in the sector by managing 8 Exchange Traded Funds (ETF), 15 Mutual Funds, 9 Pension Funds, 1 Hedge Fund, 1 Investment Trust and private portfolios of high-income individuals and companies. Finans Asset Management holds the biggest market share in the ETF market.

With a paid-in capital of TL 5 million, Finans Asset Management held a market share of 1.6% and its assets under management reached TL 1 billion by the end of 2013.

eFinans (eFİNANS Elektronik Ticaret ve Bilişim Hizmetleri A.Ş.)

eFinans started its operations on 10.09.2013 as a joint venture between Finansbank and Sibertek Danışmanlık Eğitim Ve Yatırım A.Ş. (Cybersoft), with 51% and 49% shares, respectively. Paid-in capital of the company is TL 6 million.

eFinans provides online invoice and registry services such as e-Invoice integration, e-Invoice provision, e-Invoice archiving and e-Ledger applications to its customers. It plans to add e-Archive, e-Dispatch Note and similar services to its portfolio within the scope of new regulations to be brought by the Revenue Administration. Clients can process all their online invoice and registry related transactions via the company's secure portal at www.efinans.com.tr.

Board of Directors

Dr. Ömer A. Aras

Chairman of the Board of Directors and Group CEO

Dr. Ömer A. Aras earned a bachelor's degree in Economics from the Economic and Commercial Sciences Academy in 1975; he then received an MBA in 1978 and a PhD in 1981 from Syracuse University. Subsequently and until 1984, Dr. Aras served as a faculty member in the Business Administration Department at Ohio State University. Between 1984 and 1987, he worked as Credit Marketing Manager and Credit Committee Member at Citibank. Dr. Aras participated in the founding of Finansbank in 1987, and served as Assistant General Manager for two years and as General Manager for six years. From 1989 to 2006, he served as Vice Chairman of Fiba Holding. Between 2003 and 2007, he was a Board Member of the Turkish Industry and Business Association (TUSIAD). From November 2006 until April 2010, Dr. Aras served as the Vice-Chairman of the Board of Directors of Finansbank and Group CEO of Finansbank, Finans Leasing, Finans Portfolio and FinansInvest. Since April 2010, Dr. Aras serves as the Chairman and Group CEO.

Prof. Dr. Mustafa Aysan

Member of the Board of Directors

After receiving his bachelor's degree from Istanbul University, Faculty of Economics, Prof. Mustafa Aysan earned a master's degree from Harvard University in 1959 and a PhD degree in 1974. Between 1968 and 2000, he taught at various universities in Turkey and abroad. Prof. Aysan served as the Head of the Committee for the Restructuring of State Economic Enterprises from 1964 to 1968, as the Head of the Budget Committee of Turkish Republic Advisory Council in 1981 and as the Minister of Transportation from 1982 until 1983. Prof. Aysan is currently a Member of the Board of Directors and Head of the Audit Committee at Finansbank.

Christos Alexis Komninos

Member of the Board of Directors

After graduating from the Chemical Engineering Department from Istanbul Technical University in 1971, Mr. Komninos worked for Coca-Cola Greece as General Manager between 1972 and 1987. He moved to Coca-Cola Ireland as CEO in 1987. He returned to Greece in 1990, and served as CEO of Coca-Cola Greece until 2000. Mr. Komninos served as CEO and Chairman of Papastratos Cigarette Manufacturer between 2000 and 2004 and CEO of Shelman SA between 2005 and 2010. Mr. Komninos is a Member of the Board of Directors at various companies and joined Finansbank in the same capacity on February 2011.

Sinan Şahinbaş

Vice Chairman of the Board of Directors

Mr. Sinan Şahinbaş earned a bachelor's degree in civil engineering from Istanbul Technical University, Faculty of Engineering in 1988. Mr. Şahinbaş then received master's degrees in International Relations from Istanbul University and in Finance from Yeditepe University. He started his professional career at Finansbank in 1990 and served in different positions in various departments of the Bank. He worked in the establishment of the representative offices of Finansbank (Suisse) SA and Finansbank (Holland) NV in Turkey. In 1997, he was appointed Executive Vice President of Garanti Bank (Holland) NV. A year later, Mr. Şahinbaş moved back to Finansbank (Holland) NV and served as the General Manager between 1999 and 2001. He became Senior Executive Vice President at Finansbank in 2001 and served as General Manager from 2003 to 2010. Mr. Şahinbaş was appointed Vice Chairman in April 2010.

Antonios Grammatikopoulos

Member of the Board of Directors

Mr. Antonios Grammatikopoulos earned his bachelor's degree in Economics at Pace University in New York in 1980 and his master's degree in Banking from Adelphi University in 1982. Starting his banking career at Continental Illinois of Chicago in 1983, Mr. Grammatikopoulos worked at various foreign banks including National Westminster from 1986 to 1987, Investment Bank (Emporiki Group) from 1987 to 1988, ABN AMRO from 1988 to 1989 and Societe Generale from 1989 to 2012 holding other executive positions. Mr. Grammatikopoulos joined NBG Group in January 2012 and was appointed Member of the Board of Directors and Head of Risk Committee of Finansbank.

Paul Mylonas

Member of the Board of Directors

Mr. Paul Mylonas holds a BSc degree in Applied Mathematics from Brown University, and MA and PhD degrees in Economics from Princeton University. Mr. Mylonas served as Assistant Professor in the Department of Economics at Boston University between the years of 1985 and 1987. From 1987 to 1995, he worked for IMF's Europe Desk as a Senior Economist in charge of Poland. Having also worked in the IMF Policy Development and Review Department from 1995 to 2000, he held the position of Senior Economist in charge of Greece and Spain in the Budget and Finance Division of Economics Department of the OECD. He also served as the OECD representative on the G-10 Secretariat during 1999 and 2000. Currently, Mr. Mylonas holds NBG's Chief Economist and Chief of Strategy positions; he also serves as the Secretary of the NBG Executive Committee and Member of the ALCO Committee. Mr. Mylonas was appointed Member of the Board of Directors of Finansbank in April 2010.

Stefanos Pantzopoulos
Member of the Board of Directors

Mr. Stefanos Pantzopoulos graduated from Istanbul University with a bachelor's degree in Economics and Commercial Sciences. After working for a company as a Chartered Accountant for five years, Mr. Pantzopoulos worked with Arthur Andersen and partner Chartered Accountants in Athens for 33 years; he served as the Company's Chairman and Managing Partner in Greece until 1998. Subsequently, Mr. Pantzopoulos served as a top-level partner at auditing firm KPMG between 1999 and 2004, Member of the Board of Directors of Don & Low firm in Scotland for two years, and Member of the Board of Directors and Head of the Audit Committee for the two largest subsidiaries of Alpha Bank, namely Hilton Hotel and Real Estate Co. Mr. Pantzopoulos joined NBG in 2004 as Member of the Board of Directors. Until the end of 2009, he served as Assistant Head of the Audit Committee and SEC Financial Expert responsible for the implementation of Sarbanes-Oxley (SOX) regulations. Mr. Pantzopoulos, as Advisor to the Chairman of the Board of Directors, resumed overseeing the activities of the Audit Committee during 2010 and 2011. He was appointed Member of the Board of Directors of Finansbank in October 2012.

Paula Hadjisotiriou
Member of the Board of Directors

After graduating from a high school in Southern Cyprus in 1975, Ms. Hadjisotiriou received a certificate of education on accounting from the London Chamber of Commerce with an "A" grade. She started her career at Howard, Wade and Jacop as a chartered accountant in 1976, before moving to Price Waterhouse & Co as a senior auditor in 1980. After holding several positions at John S. Latsis Group of Companies between 1982 and 1993, she was appointed Head of Internal Audit and Finance. In 1995, Ms. Hadjisotiriou started serving at Eurobank as CFO and became the General Manager of Finance & Strategy, member of the Executive Committee and the Board Secretary until 2013. She was appointed as the Group CFO of NBG in 2013 and as a Board member of Finansbank in October 2013.

Ali Teoman Kerman
Member of the Board of Directors

Mr. Kerman received his graduate degree in Economics from University of Hacettepe in 1980 and obtained post graduate degree in Project Planning and National Development from University of Bradford in 1982. He began his career at the Turkish Treasury where he held several positions including Deputy Under Secretary responsible from Regulation of Banking, Non-banking sector, Foreign Exchange, Insurance and Department of Administration. In 2000, he was appointed as the Vice President responsible from Regulation, Enforcement and Licensing of the newly established Banking Regulation and Supervision Agency (BRSA). He also served as a Board Member of Savings Deposit Insurance Fund (SDIF) for three years and Chairman of the Board in Generali, EGE and Toprak Insurance Companies. Mr. Kerman retired in April 2005 and set up KDM Financial Consultancy. In April 2013, Mr. Kerman was appointed Member of the Board of Directors of Finansbank.

Ioannis Vagionitis
Member of the Board of Directors

Mr. Ioannis Vagionitis graduated from Athens College and then received bachelor's and master's degrees in Mechanical Engineering from the University of Manchester Institute of Science & Technology and an MBA from Manchester Business School. He began his career in the securities field before joining HSBC's Athens operations, where he held various positions from 1992 to 2003. In 2004 he joined Bank of Cyprus' Athens office, then joined NBG in December 2004 as a Credit Risk Manager. After serving in this position for two years, Mr. Vagionitis became the Head of Corporate Credit, Greece, and in 2008 became Head of Corporate Credit, Greece and South Eastern Europe. In 2010 Mr. Vagionitis became the Head of Corporate Banking at NBG. He was appointed as a Member of the Board of Directors of Finansbank in 2013.

Mustafa Hamdi Gürtin
Member of the Board of Directors

After receiving bachelor's degrees in Statistics and Economics at Middle East Technical University, Mr. Hamdi Gürtin earned a master's degree in Economics from Vanderbilt University in the United States. Between 1975 and 1994, Mr. Gürtin worked for the Central Bank of the Republic of Turkey. Later he participated in the establishment of Garanti Securities and assumed the General Manager position. Subsequently, he served as the General Manager of Türk Ticaret Bankası, Member of the Board of Directors of Dışbank in charge of Risk and the General Manager and Chairman of the Black Sea Trade and Development Bank in Greece. He has been a Member of the Board of Directors at Finansbank since April 2010.

Temel Güzeloğlu
Member of the Board of Directors and General Manager

Mr. Temel Güzeloğlu has bachelor's degrees in Electrical and Electronic Engineering and in Physics from Bosphorus University, a master's degree in Electrical and Computer Engineering from Northeastern University (Boston, Massachusetts), and an MBA from Bilgi University. Mr. Güzeloğlu worked as the Executive Vice President of Finansbank in charge of Retail Banking until August 2008 and afterwards served as Executive Vice President in charge of Retail Banking and member of the Management Committee. He was appointed General Manager of Finansbank in April 2010.

Senior Management



Adnan Menderes Yayla
Executive Vice President

Mr. Adnan Menderes Yayla earned a bachelor's degree in Economics from Ankara University, Faculty of Political Sciences in 1985 and an MBA degree from the University of Illinois at Urbana-Champaign in 1994. He worked as an Assistant Auditor and Auditor for the Ministry of Finance from 1985 to 1995; Project Valuation Division Head for Privatization Administration from 1995 to 1996; Managing Director, Senior Managing Director and Partner of Pricewaterhouse Coopers offices in Istanbul and London from 1996 to 2000; and Executive Vice President in charge of Financial Control and Risk Management for Türk Dış Ticaret Bankası (Fortis) from 2000 to 2008. Having joined Finansbank in May 2008, Mr. Yayla has been serving as Group Chief Financial Officer since that time.



Ahmet Erzençin
Head of Internal Control and Compliance

After graduating from Middle East Technical University, Department of Public Administration, Mr. Ahmet Erzençin worked at Pamukbank from 1988 to 1993. He joined Finansbank in 1993 as Banking Regulations Manager. In 1996, Mr. Erzençin was appointed Head of Operations overseeing the operations of the branches and headquarters. With the establishment of the Head of Operations Center in 2001, he served as Operations Center until 2005. At the beginning of 2006, Mr. Erzençin assisted in the establishment of the Compliance Department and was appointed Head of Compliance. In September 2012, Mr. Erzençin was appointed Head of Internal Control and Compliance.



Aytaç Aydın
Executive Vice President

Mr. Aytaç Aydın received a bachelor's degree in Electrical and Electronics Engineering at Bosphorus University in 2000 and a master's degree in Electrical Engineering from Penn State University in 2001. He assumed managerial positions at Triquint Semiconductor between 2001 and 2005, and at McKinsey & Company from 2006 until 2008. After serving as Head of Banking Operations at Vakıfbank, he joined Finansbank in 2010 as Group Manager in charge of Information Technology Process Management. In November 2011, Mr. Aydın was appointed Coordinator of Operations and Alternative Distribution Channels. Mr. Aydın was assigned as the Executive Vice President of Operations and Payment Systems as of June 2013.



Bülent Yurdalan
Head of Internal Systems

Having graduated from the Faculty of Management Sciences of Eskişehir Economic and Commercial Sciences Academy in 1980, Mr. Bülent Yurdalan started his banking career at Pamukbank in 1982 and subsequently moved to Citibank. He joined Finansbank in early 1988, and assumed positions in the Branch Operations, Internal Audit, Treasury Operations and Accounting departments of Finansbank and senior positions in some Fiba Group banks. Mr. Yurdalan was appointed as the Head of Internal Audit Division in 2003 and subsequently served as the Executive Vice President in charge of Retail Credits. In August 2013, he was assigned as the Head of Internal Systems.



Erkin Aydın
Executive Vice President

Mr. Erkin Aydın earned a bachelor's degree in Civil Engineering at Bosphorus University, Faculty of Engineering in 1997 and an MBA at the University of Michigan, School of Business in 2003. Mr. Aydın started his career as a Business Development and Project Engineer at Guy F. Atkinson Construction in the USA in 1998. Later, he worked as a Project Manager for Clark Construction Group. In 2002, Mr. Aydın joined McKinsey & Company in Istanbul and worked respectively as Consultant, Project Manager and Associate Partner. He started to work for Finansbank in 2008 as Head of Housing and Consumer Loans. As of February 2010, Mr. Aydın was appointed Retail Marketing Coordinator and in May 2011 he was appointed Executive Vice President in charge of Retail Banking.



Ersin Emir
Head of Internal Audit

Mr. Ersin Emir graduated from Middle East Technical University in 1994 with a bachelor's degree in Business; he earned a master's degree in Organizational Psychology from the University of London in 2010. He started his banking career in 1995 as Assistant Auditor in İşbank. Mr. Emir then started working at the Internal Audit Department of Finansbank as Auditor in 1998. He was appointed Vice President of Internal Audit in 2004 and assumed responsibilities of the Head Office and Subsidiary Audits in the last two years in this capacity. Mr. Emir was appointed Head of Internal Audit in March 2011.



Filiz Sonat
Executive Vice President

Ms. Filiz Sonat received bachelor's degrees in Mechanical Engineering from Istanbul Technical University and in Business Administration from Anadolu University. After working as a Mechanical Engineer at a private construction company between 1982 and 1986, she started her banking career at İktisat Bank in 1987 and served as Executive Vice President at Sümerbank in 1998. Ms. Sonat joined Finansbank in 1999 and served as Coordinator in charge of Credits until 2007. She worked as Executive Vice President in charge of Corporate and Commercial Credits from 2007 until October 2013, when she became the Executive Vice President responsible for Corporate Credits.



Hakan Alp
Executive Vice President

Mr. Hakan Alp graduated from Ankara University, Faculty of Political Sciences, with a bachelor's degree in International Relations in 1989. He worked for the Internal Audit Department between 1991 and 1997 at Garanti Bank where he also served as Senior Vice President in charge of Training from 1997 until 1999. He then started working for Humanitas Doğuş Human Resources Management and served as Executive Vice President in charge of Training, Executive Development, Finance and Administration and Operations from 2000 to 2003. He held the position of Executive Vice President in charge of Human Resources from 2003 until 2005 at Tansaş and from 2005 to 2006 at Süttaş. In 2007, he became Senior Vice President in charge of Human Resources at Finansbank. Mr. Alp was appointed Executive Vice President in charge of Human Resources as of July 2010.



Halim Ersun Bilgici
Executive Vice President

After receiving a bachelor's degree in Law from Ankara University in 1991, Mr. Halim Ersun Bilgici received a master's degree in Economics from Yeditepe University in 2008. He started his banking career at İktisat Bank in 1992. In 2002, he started working as the Coordinator of Retail Marketing at Şekerbank. Mr. Bilgici began working at Finansbank's Credits Department in 2003. He was appointed Coordinator of Retail Credits in 2012. As of October 2013, he is serving as the Executive Vice President responsible for Retail and Commercial Credits.



Köksal Çoban
Executive Vice President

Mr. Köksal Çoban graduated from Middle East Technical University with a degree in Business Administration and earned a master's degree in Finance from City University. He worked for the Turkish Eximbank and Demirbank between 1995 and 1997. Mr. Çoban joined Finansbank Treasury in 1997 as International Markets Manager and served as Director of International Markets from 1998 to 2000. Beginning in 2000, he assumed various managerial positions within the Treasury Department. Mr. Çoban was appointed Executive Vice President in charge of Treasury in August 2008.



Levent Yörük
Executive Vice President

Mr. Levent Yörük, following his graduation from the Business Administration Department of the Military Academy in 1982, studied Business at Bosphorus University in 1995, Sales and Marketing at the University of Toronto in 1992 and Finance at Johns Hopkins University from 2001 until 2002. He served as a Military Officer in the Turkish Ground Forces Command between 1982 and 1991. Mr. Yörük then worked at American Life Insurance as the Sales Unit Manager from 1992 to 1996, and at various managerial positions in Citibank Turkey between 1996 and 2001. He worked in the United States at Citi Group - Citi Financial as Operations Director from 2001 to 2007. Mr. Yörük joined Finansbank in August 2007 as Group Manager at Retail Banking Alternative Sales Channels. He was appointed Executive Vice President in 2010, and currently serves as Executive Vice President in charge of Alternative Sales Channels and the Call Center.



Mehmet Kürşad Demirkol
Executive Vice President

Mr. Demirkol graduated from the Faculty of Electrical and Electronics Engineering at Bilkent University in 1995 and subsequently earned MSc and PhD degrees from Stanford University. He worked as an Application Engineer at Oracle-Redwood between 1996 and 1997 and as a Research Assistant at Stanford University from 1997 to 1999. He served as Senior Associate at the Atlanta and Istanbul offices of McKinsey & Company from 1999 until 2003. Mr. Demirkol worked as the Group Head of Business Development and Strategy Department at Finansbank in 2004 and as Vice President of Information Technology and Card Operations at Finansbank Russia in 2005. He then served as Business Development and Marketing Director at Memorial Healthcare Group from 2005 to 2007. He worked as Chief Information Officer of Vakıfbank in 2007 before undertaking the post of Chief Operating Officer in charge of Operations and Alternative Distribution Channels in 2008. Mr. Demirkol has been working at Finansbank as Executive Vice President in charge of Information Technologies, ADC and Business Development since October 2010.



Metin Karabiber
Executive Vice President

Mr. Metin Karabiber graduated from Çukurova University, Industrial Engineering Department. He began his banking career as a Marketing Specialist at Interbank in 1985. He then worked as a Branch Manager at İktisat Bankası from 1990 to 1995, at Demirbank between 1995 and 1997 and at Finansbank from 1997 until 1998. Mr. Karabiber served as Executive Vice President at Sümerbank during 1998 and 1999. Subsequently, he worked as Regional Manager at Fortis Bank between 1999 and 2003, and as Executive Vice President responsible for Retail Banking and Sales from 2003 to 2010. As of October 2010, Mr. Karabiber joined Finansbank as Executive Vice President in charge of Commercial Banking. As of October 2013, he became the Executive Vice President responsible for Medium and Micro Sized Enterprises and Agricultural Banking.



Murat Şakar
Executive Vice President

Mr. Murat Şakar holds a bachelor's degree in Industrial Engineering from İstanbul Technical University. He worked as Business Unit Manager at Rehau Polimeri Kimya Sanayi from 2002 to 2005 and as Purchasing Manager at Arçelik between 1992 and 2002. Mr. Şakar served as the Coordinator of Purchasing and Technical Services at Finansbank from March 2005 until August 2008. He was appointed Executive Vice President in charge of Purchasing and Support Services at Finansbank in August 2008.



Ömür Tan
Executive Vice President

Mr. Ömür Tan earned a bachelor's degree in Statistics from Hacettepe University. He began working at Yapı Kredi Bankası as a Management Trainee in 1995 and joined Finansbank in 1998. At Finansbank, he has served respectively as Corporate Branch Customer Relationship Manager, Corporate Branch Manager, Group Manager in charge of Head Office Key Accounts and Group Manager in charge of Corporate Banking. Mr. Tan was appointed Executive Vice President in charge of Corporate Banking, in October 2011. Since October 2013, he has been serving as the Executive Vice President responsible for Corporate and Commercial Banking.



Özlem Cinemre
Executive Vice President

Mrs. Özlem Cinemre graduated from Bosphorus University, Department of Business Administration in 1988. She started her career in the same year within the International Banking Division of Finansbank. Between 1988 and 1997, Mrs. Cinemre assumed various responsibilities at Finansbank. In 1997, she was appointed Executive Vice President responsible for Financial Institutions. Currently, Mrs. Cinemre serves as Executive Vice President in charge of International Relations including Correspondent Banking and Structured Funding, International Business Development, Investor Relations and Financial Institutions and Credit Management.



Saruhan Doğan
Executive Vice President

Mr. Saruhan Doğan received a bachelor's degree in Economics from İstanbul University in 1990 and a master's degree in Economics from London School of Economics and Political Science in 1992. Mr. Doğan worked as Economist and Treasury Marketing Department Head at Citibank between 1992 and 1997. He served as the Head of the Treasury Sales Department at TEB from May 1997 to July 1998; Head of Treasury Research and the Sales Group at Alternatifbank between 1998 and 2004; Group Manager of the Treasury Department at Finansbank from 2004 until 2007; and Executive Vice President in charge of Treasury at Deutsche Bank - Turkey from 2007 to 2008. Mr. Doğan rejoined Finansbank in October 2009 as Executive Vice President in charge of Investment Banking. He was appointed as EVP in charge of Investment Banking Trade Finance and Cash Management in June 2012.



Şebnem Karaduman
Executive Vice President

Mrs. Şebnem Karaduman received a bachelor's degree in Law from İstanbul University. She started her career as a Lawyer in the Legal Department at Finansbank in 1998. Mrs. Karaduman was appointed as Legal Advisor to Fiba Bank in 2002 and worked in various positions within Finansbank's Legal Department between 2003 and 2010. Mrs. Karaduman was assigned as the Legal Advisor of Finansbank in 2010 and appointed Executive Vice President in charge of Legal in 2012.



Tunç Erdal
Executive Vice President

Mr. Tunç Erdal earned a bachelor's degree in Industrial Engineering from Middle East Technical University in 1992. He started his professional career in 1993 within the Marketing Department of Ege Leasing A.Ş. Mr. Erdal then worked respectively as Dealer and Fixed Income Securities and Liquidity Desk Head at Alternatifbank from 1996 to 2003. Subsequently, he served as Investment Manager of the Department of Private Banking at Banque de Commerce et de Placement between 2003 and 2005. Mr. Erdal joined Finansbank in 2005 as Group Manager of Treasury Research and Sales. He served as Executive Vice President in charge of Private Banking at the Bank from 2010 to 2013. Since June 2013, he has been the Executive Vice President responsible for Wealth Banking.



Zeynep Aydın Demirkıran
Head of Risk Management

Mrs. Zeynep Aydın Demirkıran has a bachelor's degree in Economics from Bilkent University and master's degree in Economics from Georgetown University in Washington DC. She taught at Georgetown University until December 1998. Mrs. Demirkıran then worked as a Specialist within the Risk Management Department of Türkiye İş Bankası between 1999 and 2002. She joined Finansbank in 2002 and assumed the responsibilities of Senior Risk Manager and Basel II Program Coordinator. In September 2011, Mrs. Demirkıran was appointed Head of Risk Management.

Executive Committees under the Board of Directors

Audit Committee

On behalf of the Board of Directors, Audit Committee is responsible for monitoring the effectiveness, efficiency and adequacy of the internal systems of the Bank, the functioning of these systems together with accounting and reporting systems in accordance with Laws and applicable regulations and the integrity and reliability of information generated by these systems.

Members of Audit Committee are as follows:

- Prof. Dr. Mustafa A. Aysan: Board Member and Head of Audit Committee
- Sinan Şahinbaş: Vice Chairman of the Board of Directors (appointed as a temporary member in November 2013)
- Paul Mylonas: Board Member (appointed in January 2014)
- Ioannis Vagionitis: Board Member (appointed in January 2014 in lieu of Sinan Şahinbaş)

Risk Committee

The Risk Committee is responsible for defining the Bank's risk management policies and strategies, reviewing all types of risks that the Bank is exposed to, monitoring the implementation of risk management strategies and bringing the important risk related issues to the attention of the Board.

Members of the Risk Committee are as follows:

- Dr. Ömer A. Aras: Chairman of the Board of Directors
- Sinan Şahinbaş: Vice Chairman of the Board of Directors

- Antonios Grammatikopoulos: Board Member and Group CRO
- Paul Mylonas: Board Member

Corporate Governance Committee

Corporate Governance Committee is responsible for strengthening the Bank's corporate governance policies and its level of adherence to corporate governance principles and to submit related proposals to the Board of Directors.

Members of the Corporate Governance Committee are as follows:

- Prof. Dr. Mustafa A. Aysan: Board Member and Head of Corporate Governance Committee
- Christos Alexis Komninos: Board Member
- Mustafa Hamdi Gürtin: Board Member
- Ali Teoman Kerman: Board Member

Credit Committee

The Credit Committee examines, evaluates and approves the loan limits that fall under the authority of the Board of Directors in accordance with the Bank's loan strategies and the relevant legislation. The Credit Committee also monitors the quality of the Bank's loan portfolio and takes part in and manages the release process for loans.

Members of the Credit Committee are as follows:

- Dr. Ömer A. Aras: Chairman of the Board of Directors
- Sinan Şahinbaş: Vice Chairman of the Board of Directors
- Temel Güzeloğlu: Board Member and General Manager
- Antonios Grammatikopoulos: Board

Member and Group CRO

- Prof. Dr. Mustafa A. Aysan: Board Member
- Stefanos Pantzopoulos: Board Member

Remuneration Committee

The Remuneration Committee defines the remuneration and incentive policies for the Board of Directors and senior management and advises the Board of Directors on such matters in order to ensure the compliance of such policies with the Bank's ethical values, strategy implementation and targets.

Members of the Remuneration Committee are as follows:

- Sinan Şahinbaş: Vice Chairman of the Board of Directors
- Paul Mylonas: Board Member

Other Executive Committees

Asset and Liability Committee

The primary purpose of Asset and Liability Committee is to monitor and manage the balance sheet structure and structural asset liability mismatch of the Bank, as well as to monitor, control and manage the liquidity risk within the limits set by Finansbank.

Members of the Asset and Liability Committee are as follows:

- Dr. Ömer A. Aras: Chairman of the Board of Directors
- Sinan Şahinbaş: Vice Chairman of the Board of Directors
- Temel Güzeloğlu: Board Member and General Manager
- Adnan Menderes Yayla: EVP, Financial Control and Planning
- Köksal Çoban: EVP, Treasury
- İlker Kayseri: VP, Asset and Liability Management

Corporate Credit Policies Committee

The Corporate Credit Policies Committee is responsible for defining corporate credit policies, strategies and procedures; determining risk limits in line with the Bank's risk appetite and approving changes in these limits; monitoring the performance of the Bank's corporate and commercial risks; and ensuring that the Bank's corporate and commercial loan practices comply with legal regulations and the principles of the NBG Group.

Members of the Corporate Credit Policies Committee are as follows:

- Sinan Şahinbaş: Vice Chairman of the Board of Directors
- Antonios Grammatikopoulos: Board Member and Group CRO

- Temel Güzeloğlu: Board Member and General Manager
- Zeynep Aydın Demirkıran: Head of Risk Management
- Filiz Sonat: EVP, Credits
- Metin Karabiber: EVP, SME and Agricultural Banking
- Ömür Tan: EVP, Corporate and Commercial Banking
- Bora Uğur: VP, Credit Risk Policies and Information Management

Retail Credit Policy Committee

The Retail Credit Policy Committee is responsible for defining policies and strategies regarding the Bank's retail loan portfolio and approving amendments to these strategies; measuring, evaluating and monitoring the performance of all retail credit risks; and ensuring that the Bank's retail loan practices are in compliance with legal regulations and the principles of the NBG Group.

The members of the Retail Credit Policy Committee are as follows:

- Antonios Grammatikopoulos: Board Member and General Manager
- Temel Güzeloğlu: Board Member and General Manager
- Zeynep Aydın Demirkıran: Head of Risk Management
- Erkin Aydın: EVP, Retail Banking and Payment Systems
- Halim Bilgici: EVP, Retail and Commercial Credits
- Bora Uğur: VP, Credit Risk Policies and Information Management

Operational Risk Management Committee

The Operational Risk Management

Committee is responsible for determining operational risk policies; reviewing and discussing operational risk issues of the Bank; and ensuring to minimize them by action planning

The members of the Operational Risk Management Committee are as follows:

- Zeynep Aydın Demirkıran: Head of Risk Management
- Ahmet Erzençin: Head of Compliance and Internal Control
- Erkin Aydın: EVP, Retail Banking and Payment Systems
- Metin Karabiber: EVP, SME and Agriculture Banking
- Argun Derviş: Director, Security, Audit and Risk
- İsmail Akın: VP, Operational Risk and Business Continuity

Information on the Attendance of the Board and Committee Members to the Meetings

22 Board of Directors Meetings were held in 2013 with the attendance of all members except when prevented due to reasonable excuses.

8 Audit Committee meetings were held in 2013 with the attendance of all members except when prevented due to reasonable excuses.

4 Corporate Governance Committee meetings were held in 2013 with the attendance of all members except when prevented due to reasonable excuses.

2 Remuneration Committee meetings were held in 2013 with the attendance of all members except when prevented due to reasonable excuses.

Credit Committee meetings were held every Thursday in 2013 with the attendance of all members except when prevented due to reasonable excuses.

Summary Board Report Presented to the General Assembly

Dear Shareholders,

Welcome to the 2013 Ordinary General Assembly Meeting of Finansbank.

While presenting the Board Report, Auditors Report and Profit and Loss Statement for fiscal year 2013 for your examination and approval, we respectfully welcome our shareholders, their representatives and our guests who have honored this meeting with their presence.

2013 has been a year of social tensions and uncertainties, due to the negative impact of economic volatilities and regional conflicts. This year as in the previous year, the lower-than-expected growth pace of developed economies has had a negative impact on global economic growth. More importantly, the growth in developing countries too, remained under expectations. The capacity utilization limits, low commodity prices, weaker emphasis on growth measures and lesser funding to these countries can be considered among the main reasons of this slower pace.

New regulations, mostly affecting the retail and banking industries, were put into action with an aim to diminish the current account deficit through refraining consumption and limiting imports in 2013. These regulations will go into effect in 2014 and will bring a change of scenery to the existing competition.

In this climate, Turkey's GDP will grow around 4% in 2013, after a period of

controlled growth owed to the solid and consistent economic policies. Economic and social turmoil that were observed globally has also affected Turkey, which led to an unexpected deterioration in foreign exchange rates in the last days of the year.

In these circumstances, when examining 2013 financial results of Turkish banking sector; total assets increased 26.4% in 2013 compared to the previous year, and reached TL 1,732.4 billion as of December 2013. Total loans rose 32% and amounted to TL 1,073.0 billion, up TL 260.4 billion for the year. As of December 2013, the sector's capital adequacy ratio stood at 15.3%. Shareholders' equity increased 6.5% and totaled TL 193.8 billion. Profitability of the sector in 2013 amounted to TL 24.7 billion.

In light of all these developments, Finansbank's total loans portfolio increased 16.6% to TL 42.9 billion, total assets rose 21.3% and amounted to TL 66 billion. Customer deposits totaled TL 37 billion, up 16% from a year earlier, and shareholder's equity amounted to TL 7.6 billion, showing a rise of 4.9%. The Bank's capital adequacy ratio stood at 16.95% and net operating income totaled TL 734 million in 2013. Finansbank has continued to serve its customers with 674 branches and approximately 14,000 employees by the end of the year.

Dear Shareholders,

In our Annual Report showcasing our performance during 2013, we have presented the Balance Sheet and Profit

and Loss Statement for your examination and approval.

We express our gratitude to our customers who have not wavered in their confidence and the authorities of our State for their continuous support. We thank our employees whose superior and selfless contributions we value greatly; we salute with respect once again our esteemed shareholders and their representatives who have honored our General Assembly.

FINANSBANK A.Ş. BOARD OF DIRECTORS

Related Party Risks

Regardless of the nature of transactions, relations with companies in the risk group of/and controlled by the Bank. Transactions with the risk group are conducted in the scope of an ordinary bank-client relationship and in compliance with the Banking Law and prevailing market conditions.

Concentration of transaction volumes and balances with risk group and pricing policy. The pricing and other terms in the transactions with the risk group companies are set on an arms-length basis and based on prevailing market conditions. As of December 31, 2013, cash loans granted to risk group composed 0.3% of the Bank's total loans, deposits obtained from risk group composed 1,0% of the Bank's total deposits, and derivatives transactions performed with the risk group composed 0.3% of the Bank's total derivatives transactions volume.

Transactions involving the purchase and sale of real-estate and other assets and services; agency contracts, leasing contracts; transfer of data obtained from research and development activities; license contracts, financing (including loans and cash or in-kind capital contributions), guarantees and collaterals; management contracts, and the like: The Bank signs leasing contracts with Finans Leasing (Finans Finansal Kiralama A.Ş.). Net leasing payables incurred from these contracts amounted to TL 2.9 million as of December 31, 2013.

The Bank directs a certain amount of funds to Finans Asset Management

(Finans Portföy Yönetimi A.Ş.) from time to time.

The Bank entered into a contract with IBTech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek Sanayi ve Ticaret A.Ş. for research, development, and consultancy services.

The Bank receives cash transfer services from its 33.33% subsidiary Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş.

The Bank provides agency services to Finans Pension (Finans Emeklilik ve Hayat A.Ş.), which is co-controlled by the Bank with a 49.00% stake.

Information on Outsourced Services and the Individuals/Organizations Supplying Outsourced Services

The following services are outsourced pursuant to the provisions in the sixth paragraph of Article 5; in Articles 10 and 11; and in the first paragraph of Article 12 of the "Regulation on the Services Banks May Outsource and the Authorization of the Suppliers."

Supplier	Service Outsourced
3-D Bilişim Teknolojileri Danışmanlık Ve Teknik Servis Ltd.Şti.	Voice recording equipment operating system
Adecco Hizmet Ve Danışmanlık A.Ş.	HR outsource staff payrolling
Akbasım Matbaacılık Ve Tic.Ltd.Şti.	Cheque printing
Aktif İletim Ve Kurye Hiz. A.Ş.	Courier
Asseco See Teknoloji A.Ş.	Virtual POS application, maintenance and technical support
Atos Origin Bilişim Danışmanlık Ve Müşteri Hizmetleri San. Tic. A.Ş.	Outsource call center
Banksoft Bilişim Bilgisayar Hizmetleri Ltd. Şti.	Card payment systems software and application services
Bantaş Nakit Ve Kıymetli Mal Taşıma Ve Güvenlik Hizmetleri A.Ş.	Transportation and safekeeping of cash and valuable goods
BGA Bilgi Güvenliği Eğitim Ve Danışmanlık Ltd. Şti	IT security testing services
CMC İletişim Bilgisayar Reklam Ve Danışmanlık Hizmetleri San. Tic. A.Ş.	Outsource call center
Collection Platform Yazılım Ve Danışmanlık A.Ş.	Credit card and retail loan collection
E-Kart Elektronik Kart Sistemleri San.Ve T.A.Ş	Blank card procurement and customization
Etcbase Yazılım Ve Bil. Teknolojileri Anonim Şirketi	Legal proceeding system software development and maintenance
Fonoklik İletişim Hizmetleri Ve Ticaret A.Ş.	Loan/credit card application software, license and maintenance
GGsoft Yazılım Hizmetleri Tic.Ltd.Şti.	Data entry and form scanning
Girişim Alacak Yönetim Hizmetleri Ve Yazılım Servisleri A.Ş	Credit card and retail loan collection
Hobim Bilgi İşlem Hizmetleri A.Ş	Archive services for loans extended via Turkcell
Ibtech Uluslararası Bilişim Ve İletişim Tekn.Ar-Ge Danışmanlık Destek San.Ve Tic.A.Ş.	Information technology
Ingenico Ödeme Sistem Çözümleri A.Ş.	POS application development, update and technical support services
Kartek Kart Ve Bilişim Teknolojileri Ltd. Şti.	Software development, integration and maintenance service for instant card printing and card printing center
Konut Kredisi Com Tr Danışmanlık A.Ş.	Housing and consumer loans promotion and marketing
Kurye Net Motorlu Kuryecilik Ve Dağıtım Hiz. A.Ş.	Courier
Matriks Bilgi Dağıtım Hizmetleri A.Ş.	FX Blotter software maintenance and support
MGS Merkezi Güvenlik Sistemleri San.Tic. A.Ş.	Alarm system and alarm monitoring services
Plastkart Plastik Kart Akıllı Kart İletişim Sistemleri San. Ve Tic. A.Ş.	Blank card procurement/customization
Pozitron Yazılım A.Ş.	Mobile banking software, maintenance and technical support services
Reklam Pazarlama Telekomünikasyon Ve İletişim Hiz. Ltd. Şti.	Services for MoneyPoints topping up + statement balance inquiry via SMS
RGN Çağrı Merkezi Müşteri Ve İletişim Hizmetleri Ltd. Şti.	Credit card and retail loan collection
RM Arşiv Yönetim Hizmetleri Ticaret A.Ş.	Archive services
Securverdi Güvenlik Hizmetleri A.Ş.	Security services
Turkcell İletişim Hizmetleri A.Ş	Operational support for extending consumer loans
Uzman Bilişim Danışmanlık A.Ş.(Experteam)	Oracle e-business applications
Vega Bilgisayar Hizmetleri Ltd.Şti.	Customer loan information, legal reporting software and software maintenance
Verifone Elektronik Ve Danışmanlık Ltd. Şti	POS application development, update and technical support services
Youth Republic Pazarlama Ve Araştırma Hizmetleri A.Ş.	Cardfinans GO marketing and promotion

Corporate Governance Principles Compliance Report

1- Statement of Compliance with Corporate Governance Principles

As detailed below, Finansbank has complied with the principles set out in the Corporate Governance Principles published by the Capital Markets Board (CMB), throughout the financial reporting year of 01.01.2013-31.12.2013.

Finansbank has set up a Corporate Governance Committee responsible for monitoring whether the Corporate Governance Principles are complied with, describing the problems that may arise due to noncompliance and offering corrective actions to the Board of Directors. The Committee consists of Mustafa Aydın Aysan (Chairman), Mustafa Hamdi Gürtin, Christos Alexis Komninos and Ali Teoman Kerman. Additionally, the Committee coordinates the operations of the Investor Relations Division.

PART I - SHAREHOLDERS

2- Investor Relations Division

Finansbank established an Investor Relations Division, for the purposes of protecting the rights of shareholders and ensuring effective communication between the Board of Directors and shareholders, in line with Article 1.1.2 of Part I of the Corporate Governance Principles published by the Capital Markets Board in July 2003. The Investor Relations Division, reporting to the Corporate Governance Committee, is managed by Mr. Fikret Şehsuvar Aladağ.

The contact details for the Investor Relations Division are as follows:

Email:

investor.relations@finansbank.com.tr

Telephone: +90 212 318 52 07

A total of 95 inquiries were received, and a total of 46 meetings were attended by the Investor Relations Division during the financial reporting year concerned.

3- Shareholders' Right to Access Information

All information and changes that occur in relation to shareholders' rights, such as capital increases, are sent to Borsa İstanbul (İstanbul Stock Exchange) and published on the Public Disclosure Platform (www.kap.gov.tr) in Material Event Disclosure format. Shareholders are kept informed through emails, meetings and telephone calls, and through the Bank's web site, regarding material financial and/or operational information that may affect the exercise of the rights of shareholders.

Appointment of a special auditor is not regulated by the Articles of Association of the Bank. The Bank is audited both by the auditors appointed by the Bank's General Assembly and by the Banking Regulation and Supervision Agency ("BRSA") in accordance with the Banking Act.

At the Ordinary General Assembly commenced on 28.03.2013, one of the Bank's shareholders, Mr. Jilber Topuz, requested the appointment of a special auditor regarding the fine inflicted by the Competition Board. The inquiry has been rejected by the majority of the votes as was recorded in the notes of the meeting.

4- Information on Annual General Assembly

The Annual General Assembly Meeting

was held on 28.03.2013 with a meeting quorum of 95%. Shareholders were duly provided with the agenda of the Meeting through the Public Disclosure Platform in Material Event Disclosure format, as well as via publication in the Turkish Trade Registry Gazette and two national newspapers (Güneş and Hürses).

The Board of Directors invitation for the Assembly, the agenda and a sample power of attorney letter were published in the Turkish Trade Registry Gazette and two daily newspapers.

No other General Assembly was held during the financial year.

Shareholders were requested to receive their admission cards, which were issued according to the amount of registered shares in the share registry, from the Bank's Head Office at least one week before the date of the Meeting.

Shareholders are entitled to ask questions and receive answers during the General Assembly. Finansbank shareholder Mr. Jilber Topuz proposed an issue to be included in the Agenda regarding the delisting of the shares of the Bank from Borsa İstanbul. The issue was omitted from the Agenda, although the shareholders were informed about the request during the General Assembly Meeting Notes of the meeting is posted on the Bank's Website.

The invitation and relevant information of the Annual General Assembly that will be held in 2014 will be published in the Turkish Trade Registry Gazette, two high circulation daily newspapers and on the Bank's website. The minutes of the General Assembly Meeting, list of

attendees, agenda and related announcements will be made available to shareholders on the Bank's corporate website following the Assembly.

5- Voting Rights and Minority Rights

No voting privilege is granted and no cumulative voting procedure is adopted by the Bank's Articles of Association.

6- Dividend Distribution Policy and Dividend Distribution Period

Dividend distribution is calculated under the provisions of the applicable regulations and the Bank's Articles of Association. Accordingly, after deducting the legal and financial liabilities of the Bank, 5% of remaining profit is allocated to the statutory reserve fund and an amount corresponding to 5% of capital is allocated as first dividend to shareholders. After allocation of these amounts, 10% of the remaining profit may be allocated to founding shareholders.

After deducting statutory reserves, first dividend to shareholders and profits on the sale of property and subsidiaries that are mandatorily kept in the Bank accounts, all of the remaining distributable profit can be kept as reserves by the General Assembly at the recommendation of the Board of Directors.

Following the General Assembly, the shareholders are informed that the Board of Directors is about to make a decision to increase capital, in line with the growth targets of the Bank, by issuing bonus shares within the limits of registered capital and taking into account the mandatory distribution of 5% profits as a first dividend to the

shareholders by the Articles of Association.

7- Transfer of Shares

Finansbank's Articles of Association do not restrict shareholders from transferring their shares. However, share transfer is subject to BRSA approval pursuant to the Banking Law.

PART II - DISCLOSURE AND TRANSPARENCY

8- Disclosure Policy

In accordance with CMB's Communiqué (Serial VIII, No. 54) regarding the Procedures for the Disclosure of Material Events, and within the framework of its Disclosure Policy, Finansbank discloses publicly all material events regarding Finansbank through the Capital Markets Board, Borsa İstanbul and Public Disclosure Platform (PDP); corporate news releases are also sent to media outlets. The Bank's disclosure policy is posted on the its website at <http://www.finansbank.com.tr/en/investor-relations/disclosure-policy/default.aspx>

The persons responsible for Finansbank's disclosure policy are Dr. Ömer A. Aras (Chairman) and Sinan Şahinbaş (Vice Chairman).

In addition to the means of disclosure explained above, the Bank's Investor Relations Division holds informational meetings with domestic and foreign investors in their visits to the Bank or through phone or email, following each disclosure of quarterly profit and balance sheet data.

General-purpose disclosures, other than those legally required, related to

Finansbank products, services and strategies are made by the Communications Department in coordination with the Bank's other related departments.

All media inquiries communicated to Finansbank are classified and coordinated by the Communications Department and responded to by the related departments or the Communications Department.

9- Corporate Web Site and Its Content

Finansbank's corporate web page, www.finansbank.com.tr, contains information, both in Turkish and English, on the Bank's current shareholder and corporate management structure; Articles of Association; annual reports; periodical financial statements and reports; material events regarding the Bank; agendas, minutes and list of attendees of General Assembly Meetings; a sample power of attorney letter; and inquiries and answers provided under the FAQ section.

10- Annual Report

The Bank's Annual Report, which is prepared in accordance with the relevant regulations, includes the issues on corporate governance principles. The details are given in the "Corporate Governance Principles Compliance Report" section of the Annual Report.

PART III - STAKEHOLDERS

11- Informing Stakeholders

Bank employees are informed about the Bank's operations when deemed necessary via internal communications tools. In addition, managers at the Bank Headquarters and branches are

informed about developments via regularly held meetings.

12- Participation of Stakeholders in Management

The Bank does not have a model to ensure stakeholders' involvement in management.

13- Human Resources Policy

The Bank's Human Resources Policy has been developed and approved in line with the strategic goals and business plans of the Bank. The policy is based on increasing the Bank's performance, while attracting, developing and retaining new talent, and hence realizing sustainable development of the Bank's human resources.

The Bank's Human Resources Policy has four components:

- Human Resources Planning and Recruitment: Attracting talented employees to the Bank and placing them in the most suitable positions in line with Bank's staffing requirements.
- Performance Management: Managing staff performance by harmonizing goals of employees with the goals of the Bank.
- Talent and Development Management: Developing the technical and managerial skills of employees, retaining promising employees in the Bank and focusing on their development.
- Loyalty and Awards: Developing policies for increasing employee loyalty to the Bank and increasing their involvement in Bank's growth.

Finansbank's number of personnel reached 13,967 by the end of 2013.

Performance management in Finansbank encourages career

development with a continuous feedback culture and establishes long term talent strategies in order to support employee potential. Performance evaluation is made biannually. Results are shared with the employees transparently. Performance evaluation process aims to foster loyalty through a fair and transparent system which assesses the performance of the personnel on concrete and measurable criteria. In addition, "360 Degree Feedback and Development Inventory" is used to determine individual career development plans by focusing on strengths and opportunities of the personnel.

Purpose of remuneration management in Finansbank is to gain new talents and increase employee loyalty, satisfaction, motivation and synergy. Accordingly, a fair and transparent pricing methodology that is in compliance with the bank's ethical values and internal regulations is implemented. Moreover, incentive programs that are focused on individual and institutional targets without taking excessive risk are created and are encouraged. In 2013, The Bank's personnel received a cash bonus of around 2 salaries per employee as part of the performance-based remuneration scheme. Various benefits that will improve the living standards and increase labor productivity of the employees, such as health insurance, annual leave, transportation, food, telecommunication aid and other employee support services are provided with consideration of market conditions.

A Remuneration Committee was established after the approval of the

Board of Directors in compliance with the regulation of the Banking Regulation and Supervision Agency on Corporate Management Principles of the Banks.

No discrimination complaint has been received from the Bank's employees.

14- Social Responsibility and Code of Ethics

Finansbank believes in the importance of securing the future of a healthy and sound environment. The concept of sustainable banking is applied in every environmental, economic and social policy/process of the Bank. The Bank's business strategy and decision-making mechanism supports its goal to leave a livable world for future generations. With every transaction and funding decision, the Bank strives to promote a sustainable development mindset.

To this end, the Bank has set up a Social Responsibility Committee. In parallel with the research and studies of this Committee, the Compliance Department carries out activities in terms of compliance with national and international legislation. The Bank has also established a Social and Environmental Management System (SEMS) policy.

The Bank conducts investment projects and funding operations in line with Environment, Occupational Health and Safety Guidelines of the Bank's shareholder, the International Finance Corporation (IFC), and in keeping with local environmental laws and regulations. Lenders are required to submit an Environmental Impact Evaluation (EIE) Report along with other required permissions and documents. The Bank has issued an EIE Report for

one investment project in 2013 within this context. The Bank gave comments and assessments for 17 projects without the need for an EIE Report.

Social responsibility is and always will be of particular concern to Finansbank. This is reflected in the Bank's sponsorship of several foundations and organizations, especially in the field of education and health care. In 2013, the Bank donated a total amount of TL 77,762.20 to various foundations, associations and educational institutions.

Finansbank has adopted a code of ethics as specified under the Banking Law. The Finansbank Employee Code of Conduct and Finansbank Code of Ethics for Financial Professionals have been approved by Board of Directors and communicated to Bank staff as a leaflet and online via the Intranet.

PART IV- BOARD OF DIRECTORS

15- Structure and Formation of the Board of Directors

Members of Finansbank's Board of Directors are as follows:

Dr. Ömer A. Aras,

Chairman and Group CEO,

Sinan Şahinbaş,

Vice Chairman of the Board of Directors,

Prof. Dr. Mustafa A. Aysan,

Board Member and Head of Audit Committee

Temel Güzeloğlu,

Board Member and General Manager,

Ioannis Vagionitis,

Board Member and Member of Audit Committee

Antonios Grammatikopoulos,

Board Member,

Ali Teoman Kermen,

Board Member,

Stefanos Pantzopoulos,

Board Member,

Dr. Paul Mylonas,

Board Member and Member of Audit Committee

Christos Alexis Komninos,

Board Member,

Mustafa Hamdi Gürtin,

Board Member,

Paula Hadjisotiriou,

Board Member.

The backgrounds and bios of Board members are provided in the Annual Report.

In the General Assembly Meeting on 28.03.2013, it was decided that Mustafa Hamdi Gürtin shall be appointed as the independent member of the Board, and the members of the Audit Committee shall also be designated as the independent Board Members in compliance with the Communiqué Series IV No 56 of the Application and Designation of the Corporate Governance Principles.

It is acknowledged that, within the restrictions stated in the Banking Law, the members of the Board may also hold professional positions outside the Bank provided that no such position prevents them from fulfilling their respective responsibilities in the Bank and does not cause any conflict of interest.

16- Principles Related to the Activities of the Board of Directors

22 Board of Directors Meetings were held in 2013, in compliance with relevant laws and the Bank's Articles of Association, with the attendance of all members except when prevented due to reasonable excuses.

Finansbank's Board of Directors meets regularly, on a monthly basis, 12 times a year in any event. The Board also holds special meetings if needed. Each Board Member is provided with documents that include the agenda for each meeting, prior to the meeting. No dissenting opinion has been voiced during the Board meetings held previously.

The agenda of each Board meeting is determined on the basis of input and recommendations from Board Members and the General Directorate. Discussions on risk and monthly reports, assessment and approval/rejection of applications for loans, and loan amounts that exceed the authority limits of the Credit Committee and therefore require the approval of the Board are also included in the agenda of each Board meeting.

The Board of Directors has a secretariat who is charged with informing and communicating with Board members; the secretariat also ensures compliance of meetings and resolutions with applicable laws and regulations.

No Board member has preferential voting rights.

17- Number, Structure and Independence of Committees under the Board of Directors

There are five committees under the authority of the Board of Directors, which are Corporate Governance Committee, Audit Committee, Risk Management Committee, Credit Committee and Remuneration Committee.

As of 31.12.2013:

The members of the Corporate

Governance Committee are Prof. Dr. Mustafa A. Aysan (Chairman), Christos Alexis Komninos, Mustafa Hamdi Gürtin and Ali Teoman Kerman.

The members of the Audit Committee are Prof. Dr. Mustafa A. Aysan (Chairman) and *Sinan Şahinbaş.

The members of the Risk Management Committee are Dr. Ömer A. Aras, Sinan Şahinbaş, Antonios Grammatikopoulos and Paul Mylonas.

The members of the Credit Committee are Dr. Ömer A. Aras, Sinan Şahinbaş, Antonios Grammatikopoulos, Temel Güzeloğlu, Prof. Dr. Mustafa Aydın Aysan (Reserve Member) and Stefanos Pantzopoulos.

The members of the Remuneration Committee are Sinan Şahinbaş and Paul Mylonas.

The Credit Committee meets weekly, the Risk Management Committee meets monthly, the Audit Committee and Corporate Governance Committee meet on a quarterly basis. The Remuneration Committee meets at least three times a year.

*After Mr. Michail Oratis' resignation on 21.11.13, elected as the temporary member in compliance with the related regulations

18- Risk Management and Internal Control

In accordance with the Regulation on Internal Control Systems in Banks, the Bank's Board of Directors set up an Audit Committee, the current members of which are Prof. Dr. Mustafa Aydın Aysan and Sinan Şahinbaş (Temporary

Member). The Internal Control Office, Internal Audit Department and Compliance Department report to the Audit Committee.

Risk Management Department was set up at the end of 2001 as an entity independent from all other executive departments. The Risk Management Department is responsible for measuring possible banking risks, formulating risk management policies, and ensuring that the Bank is run in a manner so that the risks taken remain within the limits of the risks the Bank may wish to take in line with its strategic goals. The Bank aims to conform its Risk Management operations to Basel II standards and applicable legal requirements in force in Turkey. The Risk Management Department reports to the Risk Management Committee, which was established in 2007. Dr. Ömer A. Aras, Sinan Şahinbaş, Antonios Grammatikopoulos and Paul Mylonas were appointed as the Committee's members.

21- Mission, Vision and Strategic Goals

Our Vision:

To help build individual and commercial financial plans, that will catalyze Turkey' success.

Our Mission:

To forge a lifelong partnership with all our stakeholders, by understanding their needs, finding the right solutions and aiming for maximum customer satisfaction.

Finansbank's vision and mission are declared publicly on the Bank's corporate website.

The Bank prepares five-year business plans that are to be discussed with the Board of Directors. In addition to the business plans, the Bank's detailed annual budget is decided in consort with the Board of Directors. After the approval of the business plan and budget, the Board of Directors monitors and discusses the Bank's rate of attainment of the objectives, activities and performance at its monthly meetings.

The Board of Directors approves the strategic goals set by management and monitors the Bank's progress, operations and performance toward these goals.

20- Remuneration

During the General Assembly Meeting held on 28.03.2013, it was decided that each member of the Board of Directors shall be paid a net honorarium amount of TL 2,500 per month. In 2013, a gross total of TL 370,770 was paid to the Board members.

In addition, a gross amount of TL 40,275,961 was paid to the personnel, who hold a position of manager and above, as part of the existing performance based bonus structure.

Loans extended to Board members and managers are limited in Article 50 of the Banking Law. No loans are granted to Board members and managers above these limits.

The honorariums that are to be paid to the Board members are determined at the General Assembly Meeting of Shareholders.

Distribution of Profit

Dear Shareholders:

Seeking your approval, we kindly request:

- That, as mentioned in the agenda of our General Assembly Meeting of Shareholders, the net profit of TL 734,239,217.- which was calculated on the basis of our Bank's 2013 balance sheet by deducting the taxes payable, be distributed as follows in accordance with Article 26 of our Bank's Articles of Association:

TL 36,711,961	as ordinary statutory reserve,
TL 135,000,000	as first dividend to shareholders,
TL 562,527,256	as extraordinary statutory reserve,
TL 734,239,217	Total

- That the amount of TL 135,000,000.-, which was set aside as first dividend to be distributed to shareholders in the form of no par shares of 5% for each share with a value of 10.- Kurus until 30 June 2014 and the registered shares to be distributed to shareholders in accordance with the Capital Market Law on the central registry.

For and on Behalf of the Board of Directors

Ömer A. Aras
Chairman of the Board

Amendments to the Articles of Association

OLD VERSION

ARTICLES OF ASSOCIATION OF FİNANSBANK A.Ş.

ARTICLE 1 FOUNDATION

A joint stock company has been founded to be operated under the provisions of legislation in force in accordance with the Council of Ministers' permission resolution numbered 87/12075 dated September 4, 1987 published in the Official Gazette numbered 19575 dated September 15, 1987.

ARTICLE 2 FOUNDERS AND REGISTRATION OF THE COMPANY

Articles of Association of the joint stock company has been certified with the order of Istanbul First Commercial Court dated September 22, 1987, merits no. 1987/3582 and numbered 1987/3468 and registered with Istanbul Trade Registry on September 23, 1987 with no. 237525/185092 and the articles of association containing the names, surnames, domicile addresses and signatures of (100) founders have been published in the Turkish Trade Registry Gazette dated September 25, 1987 numbered 1857.

ARTICLE 3 TRADE NAME AND OPERATING NAME

The Bank's trade name is "Finans Bank Anonim Şirketi". As per the provision of article 55 of the Turkish Commercial Code, the Bank's operating name is shortly "Finansbank".

ARTICLE 4 PURPOSE AND SUBJECT

A) The Bank's purpose and subject of foundation are given below provided that the Banking Law and effective regulations shall permit so:

- a. To carry out all banking transaction,
- b. To form enterprises and undertakings in all sorts of economic, financial, commercial, industrial, mining, development, energy, agriculture, transportation, exportation, importation, tourism and insurance sectors and attempt to bring foreign capital into the country,

NEW VERSION

FİNANSBANK A.Ş. ARTICLES OF ASSOCIATION

ARTICLE 1 FOUNDATION

A joint stock company has been founded to be operated under the provisions of legislation in force in accordance with the Council of Ministers' permission resolution numbered 87/12075 dated September 4, 1987 published in the Official Gazette numbered 19575 dated September 15, 1987.

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ARTICLE 3 COMMERCIAL TITLE AND TRADE NAME

The Bank's commercial title is "Finans Bank Anonim Şirketi". The Bank's trade name is shortly "Finansbank".

ARTICLE 4 SUBJECT AND PURPOSE

A) To the extent allowed by the Banking Law and the applicable legislations, subject and purpose of the Bank's incorporation is as follows:

- a. To perform any and all banking transactions,
- b. To engage in activities concerning enterprises and undertakings focused on any and all economic, financial, commercial, industrial, mining, public works, energy, agriculture, transportation, exportation, importation, tourism and insurance matters as well as to bring foreign capital into our country,

<p>c. To spread the trainings, organizations and modern banking systems in social, cultural and particularly on Banking issues relating to the development of the nation, to establish foundations (facilities) for the purpose of giving scholarships to skilled persons for their education and training both at home and abroad, to participate in those foundations established for such purposes, to make contributions in cash and /or in kind both to the foundations (facilities) it has found or to those it has participated in,</p> <p>d. To follow, study and cause to study economic, financial, technical and banking developments both domestically and internationally and to produce publications in relation thereto,</p> <p>e. To make and cause to make organizations or reorganizations or undertaking the consultancy of existing or future local or foreign Banks, Companies, Organizations, Establishments and real person firms,</p> <p>f. To purchase and sell all sorts of shares (including Public Partnership Shares), to establish securities investment funds, to act as intermediary for the sale and purchase of securities in accordance with the Capital Market Law and provisions of the relevant regulations,</p> <p>g. To carry out the actions mentioned in above paragraphs directly by its own and/or together with local or foreign real persons or entities or to carry out the mentioned actions for and on behalf of those persons or entities,</p> <p>h. To establish all kinds of companies (including Banks) at home or abroad if it deems useful, to participate in those companies and Banks that have been established for the same purpose, to purchase their shares and shareholdings, to takeover other Companies and Banks fully or partially and to transfer or sell all of them to others as and when deems necessary,</p> <p>i. To act as correspondent or representative for local and foreign banks and to grant them the Bank's correspondence and representation,</p>	<p>c. For the purpose of the country's development; to extend training, organization, modern banking systems on social, cultural and particularly banking matters, to establish and to participate in the previously established funds (facilities) that provide scholarships to skilled individuals for obtaining trainings and internships within the country and abroad, to give charities and donations in cash and/or in kind,</p> <p>d. To follow up and study the domestic and international developments in economic, financial, technical and banking matters, to have them studied and to make publications thereon,</p> <p>e. To engage or have others engage in the organization and reorganization of the existing and future domestic and foreign banks, companies, agencies, institutions and real persons and firms, and to provide consultancy to the same,</p> <p>f. In accordance with the Capital Markets Law and the relevant provisions of the legislations, to purchase and sell all kinds of capital market instruments, all types of securities (including State Partnership Bonds), bonds, to issue securities, to perform securitizations, to establish mutual funds, to act as an intermediary in the purchase and sale of securities,</p> <p>g. To perform the foregoing matters directly in person and/or together with domestic or foreign real or legal persons or as an agent in their name and on their account,</p> <p>h. If it deems beneficial, to incorporate all types of companies (including banks) inside the country or abroad, to participate in already established companies and banks for the same purpose, to purchase their stocks, shares, to acquire, partially or totally, similar companies and banks, and to transfer or sell these to others, when necessary,</p> <p>i. To act as a correspondent or representative for domestic or foreign banks, and to provide correspondence and representation services of the Bank to the same,</p>
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- j. To establish insurance companies, to purchase the shares of insurance companies already established, to act as the agency of local or foreign insurance companies,
 - k. To carry out the representation, brokerage and agency functions of relevant local or foreign companies and organizations within the scope of its purpose and subject,
 - l. To carry out ordinary commission works,
 - m. To dispose of any rights relating to any kind of movable and immovable assets, non-material and intellectual (including know-how), unlimited or limited proprietary rights and personal rights provided that such rights will be within the scope of law in force and particularly the Banking Law, to pledge or encumber, sell or lease (including leasing) those mentioned above as and when it deems necessary, and to take pledges (including pledge of assets) and encumbrances on behalf of the Bank, to cause to write annotations at the deed office in relation to lease and sales commitment contracts on behalf of the Bank.
- B) The Bank may also act as consultant and intermediary to public and private sector organizations on financing, project financing, mergers, privatization, public offers, securities issuance, equities, shares and stock valuations and transfers, feasibility studies and sector due diligence and on counter-trade within the limits established by the Banking Law and effective legislation in force.

ARTICLE 5 HEADQUARTERS AND BRANCH OFFICES

The Company's headquarter is in Istanbul. The address of the Company is Büyükdere Cad. No: 129 Mecidiyeköy. In the event of change of address, the new address will be registered and announced through the Trade Registry Gazette and also notified to the Ministry of Industry and Trade. Notices and notifications made to the registered and announced addresses will be deemed to have been made to the Company itself. If the Company has left its registered and announced address then, the new address must be registered and announced in time, otherwise this will be grounds for termination of the Company.

The Bank may establish branch offices, agencies, liaison

- j. To establish insurance companies and joint ventures, to purchase the shares of already established insurance companies, to act as the agency of domestic or foreign insurance companies,
 - k. To act as the representative, agent and agency of domestic and foreign companies and enterprises that fall into the scope of its subject and purpose,
 - l. To engage in ordinary commissioning transactions,
 - m. Provided that it is permitted by the applicable laws, in particular, the Banking Law, to make dispositions on all kinds of movable and immovable properties, intangible and intellectual rights, patent, trade mark (including know-how), limited and unlimited real rights and personal rights, to pawn or mortgage, sell or lease the foregoing, and to receive all kinds of pledges and mortgages, including enterprise pledge, in favor of the Bank, to annotate lease and promise of sale contracts to the land registry in favor of the Bank.
- B) Within the limits set by the Banking Law and applicable legislations, the Bank may also provide consultancy and intermediation services in relation to financing public and private sector enterprises, project finance, inter-company mergers, privatizations, valuation and transfer of shares and stocks, feasibility studies and sector researches and counter-trade matters.

ARTICLE 5 HEAD OFFICE AND BRANCHES

The Company's head office is in Istanbul. Its address is "Büyükdere Cad. No: 129 Mecidiyeköy". In case of a change in the address, the new address shall be registered with the trade registry and announced in the Turkish Trade Registry Gazette and also notified to the Ministry of Customs and Trade. Notifications served to the registered and announced address shall be deemed as having been served to the Company. Failure to register the new address in due time despite leaving the registered and announced address shall constitute a ground for termination for the Company.

The Bank may establish branches, agencies, liaison

offices, offices at home and abroad provided that required legal permissions shall have been taken.

Provision of Article 14 of the Banking law is reserved.

ARTICLE 6 TERM

The Bank has been established for an indefinite term as from its definite date of foundation.

ARTICLE 7 CAPITAL

- a. The Bank has adopted the registered capital system as per the provisions of the Capital Market Law No. 2499 and this has been approved with the permission of the Capital Market Board dated 14.10.1993 and numbered 743.
- b. The Bank's registered capital is TRL 6.000.000.000 (six billion Turkish Liras) and is represented by 60.000.000.000 (sixty billion) registered shares each having a nominal value of 10 Kurush (ten kurush). The Board of Directors, as and when it deems necessary, is entitled to increase the Bank's registered capital up to such limit by way of issuing new shares in accordance with the provisions of the Capital Market Law.
- c. In accordance with the Articles of Association and with the legislation in force, the Board of Directors, may also resolve for the issuance of shares over their nominal value, shares deprived of voting power and limitation of the shareholders' rights (excluding founders' usufruct shares) to purchase the shares to be newly issued.
- d. The Board of Directors is also entitled to directly offer to public all shares representing the capital decided to increase by way of completely limiting the preemptive rights.

offices, offices and agents inside the country and abroad, provided that it obtains the necessary legal permissions.

ARTICLE 7 SHARE CAPITAL

- a. The Bank has adopted the registered capital system as per the provisions of the Capital Markets Law numbered 2499 and this matter has been approved by the permission dated October 14, 1993 and numbered 743 of the Capital Markets Board.
- b. The Bank's registered share capital is TL 6,000,000,000.- (Six Billion Turkish Lira), represented by 60,000,000,000 (Sixty Billion) registered shares each with a nominal value of 10 Kuruş. When it deems necessary, Board of Directors is entitled to increase the Bank's issued capital by issuing new shares up to the said limit, in accordance with the provisions of the relevant legislations.
- c. Board of Directors is entitled to directly offer to public, all of the shares representing the increased capital, by limiting the preemption rights upon satisfying the conditions set out in the relevant legislations.
- d. The Bank's issued capital is divided into 27,000,000,000.- (Twenty Seven Billion) registered shares with a totally paid-in nominal value of TL 2,700,000,000.- (Two Billion Seven hundred Million Turkish Lira).

Nominal value of the share certificates have been changed from TL 100,00.- to Kr 10.- within the scope of the law no. 5374 concerning the amendment of the TCC. As a result of such change, the total number of shares has remained unchanged and in consideration of 9,500,000,000 shares each with a nominal value of TL 100,000.-, 9,500,000,000 shares with a value of Kr 10.- will be given. Rights of the

- e. The Bank's issued capital has been divided into 16.537.500.000 (sixteen billion five hundred thirtyseven million and fivehundred thousand) fully paid up registered shares with a nominal value of TRL 1.653.750.000.(one billion sixhundred fiftythree million seven hundred and fifty thousand)
- f. Of the Bank's issued capital TRL 1.653.750.000.(one billion sixhundred fiftythree million seven hundred and fifty thousand);
- aa. TRL 103.960.000 (one hundred and three million nine hundred and sixty thousand Turkish Liras) portion has been collected in cash and;
- bb. Of the TRL 1.549.790.000 (one billion five hundred fourty nine million seven hundred and ninety thousand Turkish Liras), TRL 25.500.000 (twenty five million five hundred thousand Turkish Liras) portion has been covered from the net profit of the year 1998, TRL 41.112.500 (forty one million one hundred and twelve thousand five hundred Turkish Liras) portion has been covered from the profit of the year 1999, TRL 55.280.750 (fifty five million two hundred and eighty thousand seven hundred and fifty Turkish Liras) portion has been covered from the profit of the year 2000, TRL 17.745.260,5 portion has been covered from the profit of the year 2002, TRL 21.261.000 portion has been covered from the first profit of the year 2003, TRL 29.500.000 portion has been covered from the first profit of the year 2004, TRL 47.500.000 has been covered from the profit of the year 2005, TRL 62.500.000 has been covered from the profit of the year 2006, TRL 70.000.000 has been covered from the profit of the year 2007, TRL 75.000.000 has been covered from the profit of the year 2008, TRL 78.750.000 has been covered from the profit of the year 2009, TRL 43.839.265,807.937.(fourty three million eight hundred and thirty nine thousand two hundred and sixty five Turkish Liras eight hundred and seven thousand nine hundred and thirty seven Kurush) portion has been covered from the fund of Revaluation of Bank Fixed Assets), TRL 122.290.246,341.407 (one hundred and twenty two million two hundred and ninety thousand two hundred and forty six Turkish Liras three hundred and forty one thousand four hundred and seven Kurush) portion has been covered from the Affiliates' Sales Profit, TRL 36.329.190,686.315 (thirty six million three hundred and twenty nine

shareholders relating to such change are preserved.

- e. Registered capital permission granted by the Capital Markets Board is valid between 2010-2014 (for 5 years). Even if the permitted registered capital ceiling is not reached by the end of 2014, in order for the Board of Directors to resolve to increase the capital after 2014; it must be authorized by the general assembly upon obtaining the permission of the Capital Markets Board, for the previously permitted ceiling or a new ceiling amount.

When it deems necessary, between 2010-2014, the Board of Directors is authorized increase the issued capital by issuing shares up to the registered capital ceiling and also resolve on issues such as restricting the rights of privileged shareholders, restriction of rights of shareholders to purchase the newly issued shares (other than Founders' Jouissance shares) and issuing shares above the nominal value or without voting rights in compliance with the provisions of the Capital Markets Law. The authority to restrict the preemptive rights shall not be exercised in a manner leading to in equality among shareholders.

Shares representing the share capital shall be monitored in accordance with principles of dematerialization.

thousand one hundred and ninety Turkish Liras six hundred and eighty six thousand three hundred and fifteen Kurush) portion has been covered from the Real Property Sales Profit, TRL 21.394.659,129.700 (twenty one million three hundred and ninety four thousand six hundred and fifty nine Turkish Liras one hundred and twenty nine seven hundred Kurush) portion has been covered from the Revaluation Increase Fund, TRL 3.909.968,623.721 (three million nine hundred and nine thousand nine hundred and sixty eight Turkish Liras six hundred and twenty three thousand seven hundred and twenty one Kurush) portion has been covered from the Cost Valuation Increase Fund, TRL 330.347,643.262.- (three hundred and thirty thousand three hundred and forty seven Turkish Liras six hundred and forty three thousand two hundred and sixty two Kurush) portion has been covered from the Affiliates' Revaluation Fund, TRL 606.228.449,069.888 (six hundred and six million two hundred and twenty eight thousand four hundred and forty nine Turkish Liras sixty nine thousand eight hundred and eighty eight Kurush) portion has been covered from the Optional Reserves, TRL 6.844.996,337.050 (six million eight hundred and forty four thousand nine hundred and ninety six Turkish Liras three hundred and thirty seven thousand fifty Kurush) portion has been covered from the issue premium, TRL 484.031,813.862. (four hundred and eighty four thousand thirty one Turkish Liras eight hundred and thirteen thousand eight hundred and sixty two Kurush) portion has been covered as a result of the addition into the capital as per article 298 of the Tax Procedural Law and TRL 2.500.000 (two million five hundred thousand Turkish Liras) portion has been covered by selling to foreign corporate investors by way of limiting preemptive rights of the shareholders and TRL 11.493,046.858 portion has been covered by way of takeover of Fibabank A.Ş, TRL 181.477.841 (one hundred and eighty one million four hundred and seventy seven thousand eight hundred and forty one Turkish Liras) portion has been covered by way of the adjustment differences according to the inflation.

- g. While nominal value of each share was TL 100.000, pursuant to the law in relation to the amendment of the Turkish Commercial Code numbered 5274, the relevant nominal value has been amended as 10 Kurush. As a result of this amendment, the total number of shares has not been changed and 9.500.000.000 shares having a nominal value of 10 Kurush shall be given in

exchange for 9.500.000.000 shares having a nominal value of 100.000.-TL. In relation to the relevant amendment, the shareholders' rights arising from the ownership of the shares are reserved.

- h. The permission given by the Capital Market Board for the registered capital ceiling is valid for the years 2010 – 2014 (5 years). At the end of the year 2014, even if the registered capital ceiling levels are not attained, in order to take capital increase decision, for a previously approved ceiling level or a new level, the Board of Directors must get authorization for a new period, from General Assembly that will be held after permission of Capital Market Board. In case the company does not get such an authorization, the company will be considered as signed out from the registered capital system.

The Board of Directors, between the years 2010-2014, as and when it deems necessary, is entitled to increase the Bank's issued capital up to the registered capital ceiling by way of issuing new share.

Shares representing the capital shall be monitored within the principles of dematerialization.

ARTICLE 8 SHARES AND VOTING POWER

- a. It is imperative that all of the Bank shares will be registered and listed at the Stock Exchange.
- b. In General Assembly meetings, shareholders holding 1% or more of the Bank capital, and Chairman and members of the Board, Auditors and those with first degree signatory power may not cast votes as proxies or representatives. Maximum number of votes of others that may cast may not exceed 1% of the total number of votes. However, entity shareholders with a shareholding of over 1% may cause themselves to be represented by a single representative and real person shareholders may cause themselves represented again with one proxy in General Assembly meetings.

ARTICLE 9 TRANSFER OF SHARES

- a) Transfer of shares shall become valid against the Bank upon registry into the book of shares based on the affirmative resolution of the Board of Directors. Board of Directors may not consent to the transfer even

ARTICLE 8 SHARE CERTIFICATES

All of the Bank's share certificates must be registered and listed on the Stock Exchange.

ARTICLE 9 TRANSFER OF SHARES

- a. Transfer of the share certificates shall be valid towards the Bank upon registration thereof into the share book based on the affirmative decision of the Board of Directors.

stating no grounds and may avoid from registry; this provision is valid also for transfers among shareholders.

- b) Shareholders may transfer the shares that they own first to the other shareholders of the Bank provided that provisions of paragraphs (a) and (c) hereof shall remain reserved. In the event that a shareholder intending to transfer its shares notifies the Board of Directors with a registered letter that it has not been able to find a shareholder to transfer them and that it intended to transfer its shares to non-shareholding person or persons for this reason, the Board of Directors is obliged to notify its resolution in relation thereto with a registered letter to the person in question latest within thirty days starting from the receipt date of the registered letter.

In case of a negative resolution of the Board of Directors, the shareholder who wishes to transfer its shares, he or she may transfer its shares to a person/persons suggested by the Bank.

- c) Any acquisition of shares that result in the acquisition by one person directly or indirectly of shares representing ten percent or more of the capital of a bank or if shares held directly or indirectly by one shareholder exceed ten percent, twenty percent, thirty-three percent or fifty percent of the capital as a result thereof, and assignments of shares that result in shares held by one shareholder falling below these percentages, shall require the permission of the Banking Regulation and Supervision Board.

The shareholders with qualified shares shall be required to meet the criteria applicable to founders. The shareholders with qualified shares who do not bear the conditions required for founders any more shall not benefit from the shareholder rights other than dividends. In such cases, other shareholder rights shall be used by the Fund, upon the notification of the Agency.

- d) Partnerships and organizations participated by the Bank may not acquire the Bank's shares, may not accept them as pledge and may not give advance against such shares.
- e) The Bank may not assign its own shares and may not accept them as pledge. Provision of Article 329 of the

- b. Partnerships and entities that are the subsidiaries of the Bank cannot purchase, take as pledge and provide advances against the share certificates of the Bank.

- c. Relevant provisions of the Turkish Commercial Code shall apply to the acquisition or acceptance as pledge by the Bank of its own shares.

- d. In case of death, in order to make a share transfer for the successors of the deceased shareholder or other right holders, original or a certified copy of the decision obtained from the competent court must be submitted and entrusted with the Bank collectively by all right holders.

- e. After the share certificates are signed by the transferor on the back, by writing down the name, domicile of the

Turkish Commercial Code is reserved.

- f) In the event of decease, the resolution to be obtained from the competent Court should be duly submitted and presented to the Bank in order that transfer procedures shall be carried out on behalf of deceased shareholder's inheritors or other right holders.
- g) After writing on the reverse of the shares to whom it is transferred and endorsed, the domicile and the date of transfer, the transferor must affix its signature on the same. Then the transferee Shareholder may apply to the Board of Directors by registered letter and ask for the annotation of the date and number of Board of Directors resolution regarding the approval of transfer by the Bank and that it has been entered into the Book of Shares.

ARTICLE 10 FOUNDER AND USUFRUCT SHARES

- a) One hundred (100) registered shares have been issued and delivered at the foundation of the Bank.
- b) Holders of founding shares may benefit from the net profit of the Bank in the rate specified in the relevant article of the Articles of Association, and in the event that liquidation shall be resolved, they will get a share from the net profit to accrue in the liquidation balance again in the rate and on the bases as mentioned in the above-mentioned article of the Articles of Association after the prices of shares shall be paid to the shareholders.
- c) The General Assembly may resolve for the issuance of (Usufruct Shares) by way of amending the Articles of Association upon proposal of the Board of Directors. Usufruct Shares entitle their holders to get a dividend pro rata to rate mentioned in the article of the Articles of Association on the allocation and distribution of net profit.
- d) If and when the Bank wishes so, it may purchase the founder shares offered for sale, for disposal purposes.
- e) Dividend coupons of founder shares and Usufruct Shares are payable to the bearer and dividends shall be payable to the person presenting the coupon.

person to whom they have been transferred and endorsed and the date thereof, the acquiring shareholder may apply to the Chairmanship of the Board of Directors with a registered letter and request that the date and number of the decision of the Board of Directors, demonstrating the approval of the transfer by the Bank and registration thereof into the share book, be inscribed on the back of the share certificate.

ARTICLE 10 FOUNDERS' JOUISSANCE (USUFRUCT) CERTIFICATES

- a) At the time incorporation of the Bank, (100) registered founders' jouissance (usufruct) certificates have been created and delivered.
- b) Holders of the founders' jouissance (usufruct) certificates shall benefit from the Bank's annual profit in a ratio designated under the relevant article of the Articles of Association; and if the Bank is decided to be liquidated, they shall obtain a share according to such principles and ratios as set out in the relevant article of the articles of association, from the net profit occurring in the liquidation balance sheet, upon the payment of the prices of the share certificates to the shareholders.
- c) General Assembly may create (Jouissance Shares) by amending the Articles of Association, upon the proposal of the Board of Directors. Holders of the Jouissance Shares shall be given the right to receive dividends in the ratio set out in the article concerning the allocation and distribution of the annual profit of the Articles of Association.
- d) The Bank may, at its discretion, purchase the founders' shares offered to sale, for destruction.
- e) Dividend coupons of the founders' jouissance (usufruct) shares are bearer coupons; dividends are paid to those who present the coupon.

**ARTICLE 11
GENERAL ASSEMBLY MEETINGS**

The Bank's General Assembly meets ordinarily or extraordinarily with the quorum as shown in the specific law. Ordinary General Assembly meetings are held within three months from the end of annual accounts period.

**ARTICLE 12
CALLING GENERAL ASSEMBLY TO A MEETING**

- a) Calling the General Assembly to an ordinary meeting is the duty of the Board of Directors and calling it to an extraordinary meeting is the duty of both the Board of Directors and in the event there are imperative and urgent causes of the auditors.
- b) Calling the General Assembly to a meeting will be announced in the Commercial Registry Gazette and in at least one newspaper being published at the city where the Bank Headquarters is located, at least two weeks in advance of the meeting date excluding the dates of announcement and meeting. The announcements must include the place, date, hour and agenda of meeting. Moreover, Ordinary General Assembly invitation announcements shall specify that the balance sheet, profit and loss statement, Board of Directors' and Auditors' reports will be open to inspection of the shareholders at the Bank Headquarters and Branch Offices at least fifteen days in advance of the date of meeting.
- c) Meeting place, date, hour and the agenda of the General Assembly will be notified by the Bank's General Directorate to the Ministry of Industry and Commerce and Banking Regulation and Supervision Board two weeks in advance of the date of meeting, also by adding any other documentation relevant to the meeting.

**ARTICLE 13
VENUE OF GENERAL ASSEMBLY MEETINGS**

The General Assembly meets at the Bank's headquarters or at a convenient place of the city where the Bank's

**ARTICLE 11
MEETINGS OF THE GENERAL ASSEMBLY**

The Bank's General Assembly shall convene ordinary and extraordinary meetings, with the quorum set forth in the relevant legislation. Ordinary General Assembly meetings shall be held within three months following the annual accounting period.

**ARTICLE 12
INVITATION TO GENERAL ASSEMBLY MEETINGS**

- a. The authority to invite the General Assembly to convene an ordinary or extraordinary meeting is vested with the Board of Directors, and in accordance with the relevant provisions of the Turkish Commercial Code, the liquidators and subject to the conditions set forth in the laws, the shareholders.
- b. Invitations for General Assembly meetings shall be announced in the Turkish Trade Registry Gazette, at least one newspaper published in the place of the Bank's Head Office as well as other media required by the relevant legislations, three weeks before the date of the meeting including the announcement and meeting dates, at the latest. Announcements must contain the place, day, hour and agenda of the meeting. Moreover, in invitations for Ordinary General Assembly meetings, it shall also be stated that the balance sheet, profit and loss statement, financial statements, consolidated financial statements, profit distribution proposal of the board of directors, annual report of the board of directors and audit reports, are kept available for the examination of the shareholders at the head office and branches of the Bank at least fifteen days prior to the meeting day.
- c. Place, day, hour and agenda of the meeting of the General Assembly shall be notified prior to the meeting day, by the Bank's General Management, to the Ministry of Customs and Trade and the Banking Regulation and Supervision Board, in accordance with the relevant legislations, by enclosing other documents concerning the meeting, if any.

**ARTICLE 13
PLACE OF GENERAL ASSEMBLY MEETINGS**

General Assembly shall convene at the Bank's head office, at an appropriate place in the city of the Bank's head

headquarters is located.

**ARTICLE 14
GENERAL ASSEMBLY MEETING AND RESOLUTION QUORUM**

Meeting and resolution quorum specified in the Turkish Commercial Code shall be observed in General Assembly meetings.

**ARTICLE 15
METHOD OF VOTE CASTING AT THE GENERAL ASSEMBLY MEETINGS**

Votes are cast by raising hands at the General Assembly. Written voting is made upon request of at least 10% of the shares representing attending shareholders or their proxies and representatives. In which case, the Chairman takes necessary measures so as to ensure confidentiality.

office, or such other place to be designated by the Board of Directors. Board of Directors may decide to hold the General Assembly meeting in a city other than that of the Bank's head office or abroad.

**ARTICLE 14
GENERAL ASSEMBLY MEETING AND DECISION QUORUMS**

At General Assembly meetings, meeting and decision quorums written in the Turkish Commercial Code and other applicable legislations shall be observed

**ARTICLE 15
ATTENDANCE TO AND VOTING AT GENERAL ASSEMBLY MEETINGS**

- A) All shareholders contained in the list of persons entitled to attend the general assembly, prepared by the board of directors are entitled to attend the meetings of the General Assembly. Shareholders may attend the meetings of the General Assembly in person or send a third party as a representative, as permitted by the relevant legislations.
- B) Attendance to General Assembly Meetings in an Electronic Medium:

Holders of the right to attend the Company's General Assembly meetings, may also attend such meetings in an electronic medium as per article 1527 of the Turkish Commercial Code. Pursuant to the Regulation on General Assemblies to be Held by Joint Stock Companies in an Electronic Medium, the Company may establish an electronic general assembly system that will enable the right holders to electronically attend, express opinions, make proposals and cast votes at General Assembly meetings or procure services from systems established for such purpose. At all General Assembly meetings, the right holders and their representatives shall be enabled to exercise the rights set forth in the aforementioned Regulation through the systems established under this provision of the articles of association.

- C) Method of Voting:

Those who physically attend the General Assembly meeting shall cast votes by raising hands. Whereas, those who attend the General Assembly meeting in an electronic medium shall cast their votes through the Electronic General Assembly System in line with the provisions of the pertinent legislations.

**ARTICLE 16
MANAGEMENT AND THE MINUTES OF GENERAL ASSEMBLY
MEETINGS**

Attendance of a Government Officer from the Ministry of Industry and Trade in the General Assembly is imperative. After the Government Officer from the Ministry of Industry and Trade establishes that the required quorum is completed, the meeting will be opened by the Chairman, its deputy or one of the Board members. The Meeting Council consists of a Chairman, two vote collectors and a secretary which will be elected by the General Assembly. If and as necessary, a deputy chairman, more than two vote collectors, and more than one secretaries may also be elected. The Meeting Council will write the negotiations or their summaries and resolutions to the book. The General Assembly, may resolve the signature of meeting minutes by the Council, opposition annotations of those shareholders or proxies opposing the resolution are written into the meeting minutes and signed by such members. Meeting records are not valid unless they are signed by Government Officer from the Ministry of Industry and Trade. General Committee resolutions are binding upon all shareholders whether or not they were available at the meeting, and whether or not they have accepted, opposed to or abstained against the resolution, the Bank and Bank organs. The shareholders' rights to file a lawsuit for the cancellation of resolutions as per articles 361 and 381 of the Turkish commercial Code are reserved.

**ARTICLE 17
FORMATION AND FUNCTIONS OF THE BOARD OF DIRECTORS**

- a) Bank Board of Directors forms of at least five persons to be elected by the General Assembly. Where the General Manager is not available, its deputy is the natural member of the Board of Directors and is entitled to vote. The General Committee may at any time replace members of the Board of Directors. Provisions of article 23 of the Banking Law and article 315 of the Turkish Commercial Code are reserved.
- b) The Board of Directors has an absolute power in carrying out all sorts of commitments and actions in relation to the management of Bank operations and properties and to the purpose and subject of foundation as per the provisions of effective regulations and this Articles of Association, and it is entitled to apply to arbitration, come to an amicable

**ARTICLE 16
MANAGEMENT OF GENERAL ASSEMBLY MEETINGS AND
MEETING MINUTES**

General Assembly meetings shall be managed in accordance with the provisions of the "Internal Directive on the Principles Concerning the Working Principles and Procedures of the General Assembly of Finansbank A.Ş.", as prepared in line with the provisions of the Turkish Commercial Code and other pertinent legislations as well as the provisions of these Articles of Association.

Minutes of the General Assembly meeting shall be prepared in accordance with the relevant legislations and the provisions of the "Internal Directive on the Principles Concerning the Working Principles and Procedures of the General Assembly of Finansbank A.Ş.".

A representative of the Ministry of Customs and Trade of the Republic of Turkey must be present at the meetings of the General Assembly.

**ARTICLE 17
COMPOSITION AND DUTIES OF THE BOARD OF DIRECTORS**

- a) The Bank's Board of Directors is composed of at least five members, including the General Manager. When the General Manager is not available, its deputy shall be an ordinary member of the Board of Directors and have a voting right. General Assembly may change the members of the Board of Directors at any time.

Relevant provisions of the Banking Law and the Turkish Commercial Code are preserved.

- b) Board of Directors has absolute authority to manage the business and assets of the Bank in accordance with the provisions of applicable laws and these Articles of Association, and to execute all kinds of contracts and transactions related to the subject and purpose of its incorporation, and is entitled to resort to arbitration, make reconciliation and grant releases.

agreement and to acquit.

- c) In this regard, the Board of Directors has been entitled to issue Asset-Based Securities as per article 13 of the Capital Market Law provided that it shall comply with the provisions of the Turkish commercial Code and the Capital Market Law. Moreover, the Board of Directors has also been entitled to issue all sorts of securities and capital-like loans, including bonds replaceable with shares abroad.

**ARTICLE 18
MEMBERS OF THE BOARD TAKING OATH AND MAKING
STATEMENT OF THEIR ASSETS**

Before entering upon duty, Chairman, Deputy Chairman or members of the Board are obliged to take oath as per the provision of article 27 of the Banking Law.

Chairman, Deputy Chairman or members of the Board are obliged to make a statement of their assets as per article 27 of the Banking Law. This obligation continues throughout their term of office and such statements must be renewed at the latest end of February of the years ending with (0) and (5).

**ARTICLE 19
DISTRIBUTION OF DUTIES, MEETINGS AND RESOLUTIONS OF
THE BOARD OF DIRECTORS**

The Board of Directors elects a chairman, and a deputy chairman to conduct chairman's duties in its absence in its first meeting following the election.

As and when required by Bank operations and transactions, and at least once in every month the Board of Directors meets at the company headquarters. Provided that written notification will be sent to the Chairman, Deputy Chairman and all of the members of the Board of Directors, the Board of Directors may meet at any convenient site in the city where the headquarters is located or in another city. Absolute majority of the number of members must participate in the meeting in order that the Board of Directors to meet. Board of Directors resolutions, are taken with the affirmative votes of absolute majority of those present in the meeting. Unless

- c) Within the scope of the Capital Markets Law and other pertinent legislations, Board of Directors is authorized, for an unlimited duration, to issue registered or bearer bonds convertible into share certificates with a bonus or premium or of other types, financing bills, profit/loss sharing certificate, bank bills, bonds with or without participation to dividends or convertible to share certificates, gold, silver and platinum bills and all kinds of other capital market instruments and also to issue all kinds of other securities including bonds exchangeable with share certificates abroad, and to obtain sub-ordinated loans.

**ARTICLE 18
OATH AND DECLARATION OF PROPERTY BY THE MEMBERS OF
BOARD OF DIRECTORS**

Chairman, Vice-Chairman and Members of the Board of Directors cannot commence their duties unless they have given an oath as per the Banking Law.

Chairman, Vice-Chairman and Members of the Board of Directors must declare property as per the Banking Law. This requirement continues throughout their term of office and they shall renew their declarations in accordance with the relevant legislations.

**ARTICLE 19
DISTRIBUTION OF THE DUTIES, MEETINGS AND DECISIONS OF
BOARD OF DIRECTORS**

At its first meeting following the election, the Board of Directors shall elect a chairman and a vice-chairman who shall perform the chairman's duties in his absence, from amongst its members.

Board of Directors shall convene at the company's head office, at such times as may be required by the Bank's business and transactions. Board of Directors may also convene at another place within the city of the Bank's head office or in another city or abroad by serving a written notice to the Chairman, Vice-Chairman and all of the Members. Those who have the right to attend the Bank's Board meeting, may attend such meetings in an electronic medium as per article 1527 of the Turkish Commercial Code. The Bank may establish an electronic meeting system that will enable the right holders to

there is a request for negotiation by one of the chairman, deputy chairman or members of the Board of Directors, resolution may be taken by way of getting others' written consent to a proposal on a specific subject also. Resolutions of the Board of Directors are written down into the Book of Board of Directors and signed as per article 28 of the Banking Law.

**ARTICLE 20
REPRESENTATION OF THE BANK**

The Bank shall be administered, represented and put under obligation by the Board of Directors. Provisions of the Banking Law in relation to entitling region and branch managers and general manager to represent and put the Bank under obligation and the provisions of articles 318 and 319 of the Turkish Commercial Code are reserved. In order that the documents, instruments and papers issued and contracts executed on behalf of the Bank to become valid and binding on the Bank, they have to be signed by signatories whose signatory powers and degrees are decided by the Board of Directors, registered at the Trade Registry and announced via the Commercial Registry Gazette under the Bank seal.

**ARTICLE 21
TERM OF OFFICE AND REMUNERATION OF THE BOARD OF DIRECTORS**

Members of the Board of Directors may be elected for a maximum period of three balance years. Members may be reelected. The General Assembly determines the term of office of the members of the Board of Directors. As per the

electronically attend, express opinions and cast votes at these meetings pursuant to the provisions of the Communiqué on Meetings to be Held by Commercial Companies in an Electronic Medium other than General Assemblies of Joint Stock Companies, or procure services from systems established for such purpose. At the meetings to be held as such, the right holders shall be allowed to exercise the rights set forth in the legislations through the systems established under this provision of the Articles of Association or the system procured as a support service, within the scope provided in the provisions of the Communiqué. In order for the Board of Directors to convene, majority of the all Board members must be present at the meeting. Decisions of the Board are passed with affirmative vote of the majority of the members present at the meeting. Unless any of the members request a meeting, Board decisions may be passed by obtaining the written consent of at least the majority of all of the members, on a proposal made by a member on a certain matter, as drafted in the form of a decision.

Decisions of the Board of Directors shall be signed in accordance with the relevant legislations.

**ARTICLE 20
REPRESENTATION OF THE BANK**

The Bank is managed, represented and bound by the Board of Directors. Provisions of the Banking Law and Turkish Commercial Code regarding the authorization of regional and branch managers and the General Manager to represent and bind the Bank, and provisions of the relevant articles of the Turkish Commercial Code are preserved. In order for the documents, papers, bills issued and contracts executed in the name of the Bank to be valid and binding upon the Bank, they must be signed under the Bank's title, by the signature authorities, the levels, places and forms of which are to be designated by the Board of Directors and registered with the Trade Registry and announced in the Turkish Trade Registry Gazette.

**ARTICLE 21
TERM OF OFFICE AND REMUNERATION OF BOARD OF DIRECTORS**

Board members are elected for a maximum period of three years. Members can be re-elected. General Assembly designates the term of office of the Board members. For vacancies in memberships that occur prior to the end of a

provision of article 315 of the Turkish Commercial Code, new members are elected in place of members whose terms of office have terminated.

The attendance fee of the chairman, vice chairman and members of the Board of Directors are determined by the General Assembly of the Shareholders. The Board of Directors, within the provisions of the related law, may delegate all or some of its authority to managing director or managing directors who are Board Members or to Bank's General Manager to act severally or jointly. When it deems necessary the Board of Directors may decide that some Board Members will operate specific business and duties. The salary, wage, bonus, premium, indemnity or other payments to be made to the managing directors and the Board Members who will operate specific business and duties are determined by the Board of Directors or a Committee authorized by the Board of Directors.

**ARTICLE 22
FORMATION, POWERS AND SUPERVISION OF THE CREDIT
COMMITTEE**

The Board of Directors forms a Credit Committee of three members in order to carry out the functions as listed under the Banking Law, formed of two members to be elected from among the Chairman, Deputy Chairman and members of the Board of Directors and one from among General Manager or its deputy.

Moreover, two substitute members shall be elected to take duty instead of each principal member not participating in any meeting of the Credit Committee.

Unanimous resolutions taken by the Credit Committee are implemented directly; the resolutions given by majority by the Credit Committee are implemented after the approval of the Board of Directors.

The Board of Directors is obliged and in charge to supervise the resolutions and activities of Credit Committee.

Each one of the Chairman, Deputy Chairman and members

term of office, a new member bearing the legal conditions shall be elected to serve until the first general assembly meeting, in accordance with the Turkish Commercial Code.

Members of the Board of Directors may be paid a remuneration, salary, bonus, Premium and a dividend from the annual profit. Amounts of such payments are determined as per the relevant legislation. Save for the non-transferrable duties and authorities of the Board of Directors as set forth in the Turkish Commercial Code, Board of Directors may partially or totally delegate the management to one or more executive directors elected from amongst its members or the Bank's General Manager, who shall serve collectively or individually, under an Internal Directive to be prepared in accordance with the pertinent legislations. When necessary, it may decide various members to assume certain businesses and duties at the Bank. Remuneration, salaries, bonuses, premiums and other payments to be made to the managing directors, Board members who have assumed a certain business and duty at the Bank and other personnel designated by a Board decision shall be determined and designated by the Board of Directors or a Committee appointed by it.

**ARTICLE 22
AUDIT OF THE BANK**

- a) Audit of the Bank shall be conducted in accordance with the Turkish Commercial Code, the Banking Law, the Capital Markets Law and the pertinent legislations.
- b) Sufficient number of personnel shall be appointed to audit the compliance of the banking transactions and acceptance of deposits with banking principles, internal audit system and the legislations.

of Board of Directors is entitled to ask for information on the activities of the Credit Committee and to make any audit it deems necessary.

**ARTICLE 23
CREDIT COMMITTEE MEMBERS TAKING OATH AND MAKING STATEMENT OF THEIR ASSETS**

Each member of the Credit Committee are obliged to take oath and make statement of their assets as per the provision of article 27 of the Banking Law.

**ARTICLE 24
RESOLUTIONS OF THE CREDIT COMMITTEE**

Resolutions of the Credit Committee are entered into the specific Book and signed by its members as per the provision of article 28 of the Banking Law.

**ARTICLE 25
APPOINTMENT OF BANK'S GENERAL MANAGER AND VICE GENERAL MANAGERS**

The General Assembly or the Board of Directors elects a General Manager and sufficient number of Vice General Manager. Terms of office of General Manager and Vice General Manager are not limited to the terms of office of the members of Board of Directors. Functions and powers of General Manager and Vice General Manager are determined according to the related provisions of the Turkish Commercial Code and Banking Law.

**ARTICLE 26
REQUIREMENTS FROM GENERAL MANAGER AND VICE GENERAL MANAGERS**

The general manager of a bank must have at least undergraduate degrees in the disciplines of law, economics, finance, banking, business administration, public administration and related fields and those that have undergraduate degrees in engineering fields must

**ARTICLE 23
ACCOUNTING PERIOD**

The Bank's accounting period is a calendar year.

**ARTICLE 24
BALANCE SHEET AND PROFIT-LOSS STATEMENTS, FINANCIAL STATEMENTS, BOARD'S ANNUAL REPORT AND AUDIT REPORTS**

At the end of each accounting period, balance sheet, profit and loss statement, financial statements, annual report of the board of directors and audit reports pertaining to such accounting period shall be prepared. Balance sheet, profit and loss statement, annual report of the board of directors and audit reports shall be kept available for the examination of the shareholders, at the head office and branches of the Bank, at least fifteen days prior to the date of the General Assembly meeting.

**ARTICLE 25
DETERMINATION OF ANNUAL PROFIT**

Amount remaining after deducting all kinds of paid and accrued costs, amortizations, various provisions, remunerations and attendance fees of the Chairman, Vice-Chairman and members of the Board of Directors, wages of General Manager and Assistant General managers, officers and employees, independent auditors and other workers, interests, premiums, returns, jouissance shares and other costs as well as taxes and other financial liabilities, from the revenues generated within a Bank's accounting period, is the Bank's annual profit.

**ARTICLE 26
ALLOTMENT AND DISTRIBUTION OF ANNUAL PROFIT**

The Bank's annual profit is allotted and distributed as described below within the scope of relevant legislative obligations;

- a) 5% of the annual profit is set aside as general legal reserve funds,

have a graduate degree in the aforementioned fields, and they must have at least ten years of professional experience in the field of banking or business administration.

Deputy general managers must have at least seven years of professional experience and minimum two thirds of them must have at least undergraduate degree in the disciplines listed in the first paragraph.

- b) A sum equal to 5% of the Bank's paid-in capital is set aside for the shareholders as First Dividend, regardless of the payment dates of the capital,
- c) 10% of the amount remaining after setting aside the amounts in paragraphs "a" and "b" is set aside to be paid to the holders of founders' (jouissance) certificates,
- d) Maximum of 5% of the amount remaining after the amounts set aside as per the foregoing provisions, may be allocated by the General Assembly to the Board Members and Managing Directors, including the ordinary member General Manager,
- e) Out of the annual profit remaining after the amounts set aside and allocated as described in the foregoing paragraphs, an amount designated by the General Assembly, may be set aside for the shareholders as Second Dividend, regardless of the payment dates of the capital,
- f) One tenth of the Dividends decided to be distributed as per paragraphs "c", "d" and "e" of this article shall be added to general legal reserve funds pursuant to the Turkish Commercial Code.
- g) General Assembly is entitled to transfer to the subsequent year or set aside as extraordinary reserve funds, all or a part of the net profit remaining after setting aside and distributing the reserve funds in paragraph "a" and dividends in paragraphs "b" and "c" of this article. If it deems necessary, Board of Directors may make suggestions to the General Assembly to such extent.
- h) The manner of distributing the dividend allocated to the Board Members and Executive Directors, including the ordinary member General Manager, as per paragraph "d" of this article, to the relevant parties shall be determined by the Board of Directors.
- i) Dividends shall only be paid out of annual profit. No dividend can be distributed unless the reserve funds mentioned in paragraph "a" of this article are set aside.
- j) Unless and until reserve funds which should be set aside as per law and dividends specified for the shareholders under the Articles of Association are not set aside, no resolution in regard to setting aside other

**ARTICLE 27
STATEMENT OF ASSETS OF GENERAL MANAGER AND VICE
GENERAL MANAGERS**

General Managers and Vice General Manager having first degree signatory right are obliged to make statement of their assets as per provision of article 27 of the Banking Law.

**ARTICLE 28
QUANTITY, QUALITY, TERMS OF OFFICE, PRINCIPAL DUTIES
AND POWERS, AND REMUNERATION OF AUDITORS**

The Bank will be audited by a board of auditors formed of

reserve funds, transferring profit to subsequent year and distributing dividends to usufruct share holders, members of Board of Directors and employees of the Bank shall be adopted. No dividends shall be distributed to such persons unless and until specified dividend is fully paid.

- k) General Assembly shall determine the payment date of the dividends, to be distributed as per the provisions of this article.
- l) Provisions of paragraphs "e" and "f" hereof shall also apply to dividends that have been resolved by a General Assembly Resolution to be distributed to the shareholders out of extraordinary reserve funds.
- m) The profit distributed in accordance with the provisions of these Articles of Association cannot be taken back. Relevant provisions of the Turkish Commercial Code are preserved.

**ARTICLE 27
RESERVE FUNDS AND THEIR UTILIZATION**

- a) The Bank shall set aside general legal reserve funds until their amount reach twenty percent of the paid-in capital. If general legal reserve funds fall below twenty percent of the paid-in capital, the Bank shall continue to set aside legal reserve funds until the missing portion is completed.
- b) Unless and until the general legal reserve funds exceed half of the paid-in or issued capital, they can only be spent on covering the losses, sustaining the business in times of hardship or preventing unemployment and taking measures to mitigate its consequences.
- c) Board of Directors is entitled to use the reserve funds in such manner and for such purpose, as it deems fit and propose the distribution of a portion thereof, as it deems necessary, to the shareholders as dividend to the General Assembly. Reserve funds may also be used for gradual redemption of the capital and purchase and elimination of founders' (jouissance) certificates.

**ARTICLE 28
ANNOUNCEMENTS REGARDING THE BANK'S TRANSACTIONS**

- a) Save for the matters whose announcement on the Bank's website or the Turkish Trade Registry Gazette is

two to five members. The General Committee determines the number of Auditors to form the Board of Auditors at every election period, and elects that number of auditors. Auditors may be elected from among shareholders or non-shareholders. General Committee may change the auditors at any time.

Auditors are required to be elected from among persons who have undergraduate degree, and experience and knowledge in banking.

Auditors are elected for a maximum term of three years. They may be reelected. Auditors are obliged to issue the annual reports as per the provisions of the Turkish Commercial Code and the reports as required by the Banking Law and other regulations and to submit their reports within one month following the period in question to the Board of Directors and to the Banking Regulation and Supervision Board. Provisions of the Turkish Commercial Code on auditors are reserved.

Remuneration of the auditor will be determined by the General Committee. An international or a national independent audit firm will be appointed as external auditor by the Board of Directors for auditing the Bank.

ARTICLE 29 BANK INSPECTORS

Sufficient number of inspectors will be appointed to audit the compliance of Bank's banking transactions and deposits acceptance with the banking principles and the regulation in effect.

ARTICLE 30 ACCOUNT PERIOD

Bank's account period is the calendar year. However, first

mandatory under the legislations and unless otherwise required by the laws, the Bank's announcements shall be made on one of the daily newspapers published in the place of the Bank's head office, with due regard to legal periods.

- b) Principles on registration, delivery and publication of the year-end consolidated and unconsolidated financial reports, interim period financial reports, financial statements, balance sheets and income-loss statements of the Bank, as prepared in accordance with the relevant legislations as well as the audit reports prepared by the auditor, are subject to the regulations of the BRSA.
- c) In the announcements to be made, provisions of the Capital Markets Law and pertinent legislations shall apply.

ARTICLE 29 COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

The Bank shall comply the obligatory Corporate Governance Principles as per the relevant legislation and; also comply with obligatory corporate governance regulations in respect of transactions that are deemed significant for the purpose of complying with corporate governance principles and all of the Bank's related-party transactions and transactions related to the setting up of a collateral, pledge, mortgage in favor or third parties,

Number and qualifications of independent members to take office in the Board of Directors shall be determined in accordance with the relevant regulations provided that it is deemed obligatory.

Regulations of the Banking Regulation and other relevant legislations regarding the matter are preserved.

ARTICLE 30 DELIVERY OF THE ARTICLES OF ASSOCIATION

The Articles of Association shall be printed and a copy

account period starts from the exact date of foundation of the Bank and ends on December 31 in that year.

**ARTICLE 31
BALANCE SHEET, PROFIT AND LOSS STATEMENTS, REPORTS
OF BOARD OF DIRECTORS AND AUDITORS**

At the end of each account period, balance sheet, profit and loss statement and Board of Directors and Auditors' reports are produced for that specific account period. Balance sheet, profit and loss statement, reports of Board of Directors and Auditors shall be kept available to inspection of the shareholders fifteen days in advance of the General Assembly Meeting date.

**ARTICLE 32
DETERMINATION OF NET PROFIT**

The amount remaining after the deduction of the Bank's all sorts of paid or accrued expenses, amortizations, various provisions, remunerations and attendance fees of Chairman, Deputy Chairman and members of the Board of Directors, salaries of General Manager, Vice General Managers, officers and employees, auditors and other salaried personnel, interests, premiums, returns, dividends and other expenses for the year-end incomes shall be the Bank's net profit.

**ARTICLE 33
ALLOCATION AND DISTRIBUTION OF NET PROFIT**

Net profit of the Bank shall be allocated and distributed as follows after deduction of legal and financial obligations:

- a) Five percent as (general) reserve from net profit before tax,
- b) An amount corresponding to five percent of the Bank's capital will be set apart for the shareholders as 'First Net Profit) without regard to the date of payment; and of the net remaining profit,
- c) Ten percent to be set apart for payment to founding (usufruct right) share holders based on the balance sheet of the year that the net profit accrued. And of the net profit after its deduction,
- d) Maximum five percent thereof may be allocated to the members of the Board and corporate executives, including the General Manager.

thereof shall be sent to the Ministry of Customs and Trade of the Republic of Turkey, Banking Regulation and Supervision Board and the Capital Markets Board.

**ARTICLE 31
REFERENCE TO LEGAL PROVISIONS**

For matters that are not regulated under these Articles of Association, relevant provisions of the Banking Law, the Turkish Commercial Code and the other pertinent legislations shall apply. In case of imperative amendments to the Law and Decrees and other legislations, provisions of the legislations shall continue to apply, as amended.

- e) Of the net profit from the distributions and allocations mentioned above, an amount to be determined by the general assembly to be set apart for the shareholders as (second dividend) without regard to the dates of payment of the capital,
- f) One tenth of dividends decided for distribution as per paragraphs (c, d and e) hereof shall be added to the legal (general) reserve as a requisite of article 466/3 of the Turkish Commercial Code.
- g) The General Assembly is entitled to transfer all or part of the net profit to remain after the distribution and allocation of reserves in paragraph (a) herein and dividends in paragraphs (b and c) to the next year or set apart as extraordinary reserve. If it deems necessary, the Board of Directors may make proposals to the General Assembly for this purpose.
- h) As per paragraph (d) hereof, how the dividend allocated to relevant persons including the natural member General Manager, members of the Board and corporate executives shall be decided by the Board of Directors.
- i) Dividend is payable only from net profit. Dividend may not be distributed unless the reserves mentioned in paragraph (A) herein shall be set apart.
- j) Date of payment of dividends to be distributed as per the provision hereof shall be determined by the Board of Directors.
- k) Provisions of paragraphs (b and e) shall apply also on the dividends decided for distribution to the shareholders as per the General Assembly resolution of the extraordinary reserves.
- l) Dividends distributed as per provisions of this Articles of Association may not be redeemed. Provision of article 473 of the Turkish Commercial Code is reserved.

**ARTICLE 34
RESERVES AND USAGE**

- a) The Bank sets apart legal reserves until they reach twenty percent of the Bank capital. In the event that the amount of legal reserves reaching twenty percent of the Bank capital decreases for any reasons

whatsoever, legal reserves shall be set apart until the missing part will be completed.

- b) Unless legal reserves (general reserve) exceed half of the main capital, it may be spent particularly for covering losses, to sustain business when business is not good, prevent unemployment and take measures to mitigate its results.
- c) Within fifteen days as from the date of approval by the General Assembly of the balance sheet, the amount corresponding to the legal reserves as per provision of article 466 of the Turkish Commercial Code must be deposited into the "Government Bond Account against Legal Reserves Account" to be opened with the T.R. Central Bank as legal reserve. When losses are required to be covered by legal reserves, provisions corresponding to the reserves used to cover losses are returned to the Bank by the T.R. Central Bank.
- d) The Board of Directors is entitled to use the voluntary (extraordinary) reserves as it wishes and may propose to the General Assembly that an amount it deems necessary to be distributed as dividend. Voluntary (extraordinary) reserves may also be used gradual issuance of capital and purchase and disposal of founder (usufruct) shares.

ARTICLE 35

ANNOUNCEMENTS RELATED TO BANKING OPERATIONS

- a) Provided that the issues that the regulations require for announcement in the Turkish Registration Gazette shall be reserved and provided that otherwise is regulated, announcements of the Bank are made through a daily newspaper being published at the city where the Bank Headquarters is located in consideration of legal times.
- b) It is imperative to announce an extract of the balance sheet and the profit and loss statement certified by the auditors in the Official Gazette within one month following the General Assembly meeting and in a nationwide daily newspaper.
- c) The announcements to be made shall observe the Capital Market Law and provisions of relevant regulations.

**ARTICLE 36
ANNUAL REPORTS AND ACCOUNTS**

The Bank may also submit three copies of the annual Board of Directors and Auditors reports, balance sheet, profit and loss statement and list of attendants to the Government Officer from the T.R. Ministry of Industry and Trade within one month following the meetings.

Annual financial reports that are deemed necessary for issuance by the Capital Market Board shall be approved by the independent audit firms and will be submitted and announced to related bodies within the procedures and principles determined by the Banking Regulation and Supervision Board.

**ARTICLE 37
DELIVERY OF ARTICLES OF ASSOCIATION**

One copy of this Articles of Association will be sent to the Ministry of Industry and Trade, Banking Regulation and Supervision Board and the Capital Market Board.

**ARTICLE 38
REFERENCES TO PROVISIONS OF LAW**

For the issues that are not regulated herein, relevant provisions of the Banking Law, Turkish Commercial Code and other regulations shall apply. In the event of amendment in laws, decrees in the force of laws and other regulations, practice will continue according to the amended provisions of relevant regulations

Risk Management

Risk Management is responsible for monitoring and managing all potential risks for the Bank in a centralized and efficiently coordinated manner. The primary goal of Risk Management is to provide business lines appropriate capital allocation (economic capital) for risks they are exposed to and increase value-added by maximizing risk adjusted return on capital.

Organizational Structure

Risk management governance at the Bank starts with the Board of Directors. The Board's Risk Committee, Asset/Liability Committee (ALCO), Corporate and Retail Credit Policy Committees (CPC), Operational Risk Management Committee (ORMC) and the Risk Management Department are the essential parts of the risk management structure at Finansbank.

The Board of Directors determines the general risk policy and the risk appetite of the Bank. The Risk Committee defines risk policies and strategies, reviews all types of risks the Bank is exposed to in its monthly meetings, monitors the implementation of risk management strategies and brings the important risk issues to the attention of the Board. The ALCO, meeting monthly, monitors and manages the structural asset liability mismatch of the Bank. It also monitors and controls liquidity risk and foreign currency exchange risk. The CPC meets monthly and is responsible for monitoring and evaluating the Bank's lending portfolio and determining principles and policies related to credit risk management processes, such as loan approval, limit setting, rating,

monitoring and problem management. The ORMC, also meeting quarterly, reviews the operational risk issues of the Bank and defines the necessary actions to be taken to minimize these risks.

Finansbank Risk Management Department, working independently from executive management and reporting directly to the Board of Directors, is responsible for monitoring and managing all potential risks for the Bank in a centralized and efficiently coordinated manner. The primary goal of the Risk Management Department is to provide the business lines with appropriate capital allocation (economic capital) for risks they are exposed to and to increase value-added by maximizing risk adjusted return on capital.

Market Risk Management

Market Risk arises due to the positions in the trading book, which includes trading securities, short currency position and all derivatives excluding transactions done for hedging purposes, taken by the Bank with the intention of benefiting in the short term from actual and/or expected differences between their buying and selling prices or interest rate variations, or arises from mark to market practice.

As market risk stems from the uncertainty concerning changes in market prices and rates (including interest rates, equity and bond prices and foreign exchange rates) and their levels of volatility, Finansbank seeks to identify, estimate, monitor and manage

these risks effectively through a framework of principles, measurement processes and a valid set of limits that apply to all of Finansbank's transactions.

Managing the market risk efficiently and to keep the market risk within the desired limits, a set of market risk limits are defined, which are based on VaR, nominal position, present value basis point and option "greeks". In addition to these limits, the Bank defines warning levels for certain limit types, to allow a process of review, analysis, and consultation in order to take preventive actions, prevent limit breaches and limit possible losses. The limits are monitored on a daily basis by Risk Management Department. VaR results are supported by regular stress testing and scenario analyses.

Finansbank calculates the regulatory capital requirement for market risk and specific risk using the standardized method within the framework of BRSA guidelines on a monthly basis. In addition, parallel to best global practices, Value at Risk (VaR) is measured daily. VaR, which is a measure of the maximum potential loss on the trading portfolio, is calculated using the historical simulation method with a 99% confidence level and one-day holding period.

While the value-at-risk approach provides a forecast for possible losses under "normal" market conditions, it cannot predict contingent losses under extreme conditions. Hence, the VaR approach is complemented by stress

testing in order to incorporate possible extreme market movements. Stress tests are intended to simulate the impacts of crises, extreme market conditions and major changes in correlations and volatilities.

The Bank uses back testing to verify the predictive power of the value-at-risk calculations. In back testing, theoretical gains/losses calculated by VAR on positions at the close of each business day is compared with the actual gains/losses arising on these positions on the next business day. The assumption of the VaR model is reviewed and revised if such a need occurs as a result of the back testing procedure.

Interest Rate Risk in the Banking Book

The Bank is exposed to structural interest rate risk arises from differences in the timing of rate changes and the timing of cash flows that occur in the pricing and maturity of a bank's assets and liabilities. Bank defines Policy for the Management of Interest Rate Risk of Banking Book (IRRBB). According to the policy, interest rate risk is calculated for the banking book, which includes all portfolios excluding trading book and positions has to be in line with the pre-defined limits

Even though the Bank is exposed to structural interest rate risk on its balance sheet due to the nature of its existing activities, the policy is ensured that all position is monitored effectively and the risk stays within the pre-defined limits.

The Asset Liability Committee (ALCO) aims to protect the economic value of equity, while sustaining a stable earnings profile. Duration/GAP analyses, which rely on calculations of net discounted future cash flows of interest rate sensitive balance sheet items, are conducted to manage this risk. Moreover, the Bank runs net economic value sensitivity scenarios with changes in interest rates and interest rate margins, so as to calculate their impact on net economic value.

The Bank utilized scenario analysis in order to evaluate brunt of interest rate change on net economic value. In addition to the Basel standard interest rate shock scenario, the 2001 crisis, May 2004 and June 2006 and 2008 scenarios are also simulated.

Liquidity Risk

Liquidity risk is defined as the current or prospective risk to earnings and capital arising from the Bank's inability to meet its liabilities -because of its balance sheet structure or market movements- when they are due. Finansbank aims to control its 'cash and available funding sources/deposits' ratio within limits. In addition to early warning indicators, stress levels and actions planned under different stress levels are defined in the Bank's "Contingency Plan".

Within the scope of the Basel III accord, the "short-term liquidity coverage ratio" and the "net stable funding ratio," to measure long-term liquidity, are calculated and monitored on a monthly basis.

Credit Risk and Capital Management

Credit risk is defined as the current or prospective risk to earnings and capital arising from an obligor's failure to meet the terms of any contract with the institution or otherwise fail to perform as agreed. The aim of credit risk management is to maximize the Bank's risk-adjusted rate of return by maintaining the credit risk exposure within acceptable limits defined by the Risk Strategy document.

Credit Risk Management is embedded into the cradle to grave credit processes of the Bank. While the underwriting units are responsible for day to day management of the credit risk, The Board of Directors control the whole lending process by approving the lending criteria, credit risk policies and delegating authorities depending on the type of the product through Credit Policy Committees. The responsibility of the Credit Risk and Capital Management Division is the establishment of effective and efficient internal policy, procedure and methodologies for definition, quantification, measurement, control and reporting of the credit risks.

The Credit Risk and Capital Management performs the internal and external reporting of credit risk in an appropriate way for different audiences. A comprehensive list of credit risk metrics and the risk-based performance measures of the credit portfolios are monitored on a monthly basis by the Bank's Board Risk Committee. In case of any mismatch between the risk profile and the risk appetite of the Bank, the necessary

measures are taken immediately to make sure that the portfolio credit quality of the Bank complies with the defined risk appetite.

Credit Risk and Capital Management Division is also responsible for the capital management process, which includes compliance with the regulatory capital requirements and the establishment of the Bank's policies, processes, methods and systems relating to the Internal Capital Adequacy Assessment Process (ICAAP).

The Bank has traditionally put great emphasis on the strength of its capital base to maintain investor, creditor and market confidence and to sustain future business development. By this point of view, ICAAP framework is designed to ensure that the Bank has sufficient capital resources to meet the regulatory capital requirements, and that it has available capital in line with its own risk appetite and internal guidelines.

Operational Risk and Business Continuity Management

Operational risk is defined as the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events.

The Operational Risk and Business Continuity Management Group is responsible for identifying, measuring, monitoring and managing all risks under the scope of operational risk as well as Business Continuity Management.

Activity-process based operational risks are identified through Risk Control Self Assessment and classified by cause, event and effect categories as proposed by Basel II and actions are taken for severe risks. Operational loss data collection, which began at the Bank in January 2005, continues to enable Finansbank to be compliant with Basel II Advanced Approaches.

While loss data is accumulated to provide meaningful statistical data, business processes, where improvements are required, are defined based on the results and all necessary improvement actions are taken. Also, structured scenario analyses are conducted every year for all business activities. Key Risk Indicators are defined and monitored regularly for severe risks. A robust software platform is used for all operational risk management processes.

The Bank has also prepared and implemented a Business Continuity Management Plan, in order to minimize losses due to business disruption. In addition, the Bank performs a comprehensive annual test of the Disaster Recovery Center with the participation of business units and the IT Department.

Model Validation Group

Finansbank's Model Validation Group is responsible for the assessment of predictive ability of risk parameter estimates as well as ensuring that the design of Bank's internal rating system is compatible with the best practices

and the minimum requirements of the Basel II framework.

Another main responsibility of the Model Validation Group is validating the business unit scorecards and ongoing monitoring of their performance.

Evaluations of the Audit Committee on the Activities of Internal Control, Internal Audit and Risk Management Systems and Information About Their Activities in the Accounting Period

The Audit Committee is established pursuant to the provisions of Banking Law No. 5411 (Law) and Regulation on Internal Systems of Banks (Regulation). Internal Audit and Internal Control and Compliance Departments of the internal functions report to the Audit Committee. The Audit Committee Office is established to assist the Committee with its duties and responsibilities. Risk Management Department is also included in the internal systems but reports to the Risk Management Committee established within the Board of Directors.

On behalf of the Board of Directors, the Audit Committee has the authority and responsibility to:

- supervise the effectiveness, efficiency and adequacy of the Bank's internal systems and their compliance to the Law, applicable Regulation and the Bank's internal policies,
- determine if the methods, instruments and procedures required for identifying, measuring, monitoring and controlling the risks of the Bank are adequate and operative,
- supervise the operation of accounting and reporting systems and the integrity of the information generated by these systems,
- carry out the necessary preliminary assessment for the selection of independent audit institutions and rating, valuation and support service institutions by the Board of Directors,
- monitor regularly the activities of the institutions selected and contracted,

- ensure that the internal audit activities of subsidiaries subject to consolidation in accordance with regulations introduced under the Law are carried out on a consolidated basis and in coordination with the internal audit activities of the Bank.

The Audit Committee convened eight times in 2013. Based on its observations and evaluations, the Audit Committee concluded that the internal systems of the Bank were efficient and functioning as planned and the internal controls on financial reporting system were effective.

Moreover, the Audit Committee reviewed all support services procured by the Bank, ensured that necessary actions were taken to effectively manage the risks exposed by these services and the Bank complied with the Regulation on Banks' Procurement of Support Services.

A summary of the activities performed by the units reporting to the Audit Committee is given below.

Internal Audit Department

Internal Audit Department reports to the Board of Directors. According to the results of the Quality Assessment Review carried out by PricewaterhouseCoopers (PWC) in 2013, Internal Audit Department conducts its activities in accordance with the International Internal Audit Standards.

The Internal Audit Department fulfills its responsibilities objectively and independently with 109 personnel and reports its engagements to the Audit Committee and the Board of Directors. The Department strongly encourages its auditors to acquire professional certifications available in their field which are prerequisites for promotion.

The internal audit reports prepared as a result of the audit engagements carried out by the Internal Audit Department are submitted to the Senior Management and the Board through the Audit Committee. The actions taken in this regard are followed up by the Internal Audit Department throughout the year. Finansbank Board of Directors also follows up the activities of the Department on a continuous basis over the quarterly activity reports submitted through the Audit Committee.

Bank's all risk exposures in line with the risk assessment results were taken into consideration in 2013 activities of Internal Audit Department. The regulatory compliance risks were taken into consideration and covered in all audit engagements. In addition to the planned audit regarding Head Office units, branches, subsidiaries, information technologies process and central audits, 2013 activities also covered incident-based investigations and inspections and participation in various projects and consultancy services. Following the activities completed in 2013, Internal Audit

Department accomplished its responsibilities by providing independent and objective assurance and consultancy services, as in the previous years, in order to improve and add value to the Bank's activities.

Internal Control and Compliance Department

The Internal Control Center and the Compliance Department merged into the Internal Control and Compliance Department in the last quarter of 2012. Reporting to the Audit Committee, the Internal Control and Compliance Department performed control activities for minimizing the Bank's exposure to operational, regulatory and financial risks. The total number of Department personnel is 76.

Internal Control

The number of personnel in Internal Control Department totaled 60 by the end of 2013. The four units stated below perform control activities:

- Branches and Subsidiaries Controls Unit
- Basic Banking Controls Unit
- Central Monitoring, Compliance and Operation Controls Unit
- IT and SOX Controls Unit

The Internal Control Department structured its activities to cover the Head Office departments, branches and subsidiaries subject to consolidation. The Department performed controls either on-site or centralized according to the related control subject and

reported findings to the business units and executive management. The results of the corrective actions were followed up, and the Department's findings were communicated to the executive management. The Internal Control Department also kept the Audit Committee informed with periodic activity reports.

Compliance

The Compliance Department determines and manages the risks related to financial losses as a result of the Bank's loss of reputation caused by non-compliance with the laws, regulations, Bank's procedures and instructions. The Compliance Department employed a total of 15 personnel by the year's end.

The Compliance Department closely follows regulatory changes and ensures that the Bank's practices are updated accordingly. The Department responds to the questions directed by the branches and the Head Office units that are related to regulatory issues, and plays an active role by providing opinions and recommendations in the process of developing banking products to be offered to the customers. The Compliance Department also coordinates the regulatory compliance engagements of the financial subsidiaries of the Bank. Additionally, the Department monitors and notifies the Financial Crimes Investigation Board on suspicious transactions by establishing necessary systems

pursuant to regulations related to anti-money laundering and counter-terrorism financing. Furthermore, the Department consults with the regulatory and supervisory bodies, and works to establish social and environmental standards in the loan granting processes. Within the resolution process of the Board of Directors to launch new products/ services, the opinions and evaluations of the Compliance Department are required concerning the issue in terms of compliance to applicable regulations. The activities of the Compliance Department in 2013 were performed within this broad area of responsibility.

Audit Committee Office

Established in 2011, the Audit Committee Office is comprised of 3 persons as of 31.12.2013 and provides the services required for the effective working of the Committee. The Office is responsible for reviewing and presenting to the Committee members the reports concerning the Committee, monitoring Committee meetings, archiving all documents regarding the works carried out, preparing evaluation reports for the support services, following up the implementation of the Committee decisions, reporting the Committee activities to the Board of Directors and performing other duties assigned by the Committee.

Assessment of the Bank's Financial Position, Profitability and Solvency

Finansbank's strong growth in recent years continued to accelerate in 2013. In line with the Bank's strategic plans, the total credit portfolio increased to TL 42.9 billion with a steady growth of its customer base. The number of branches rose to 674.

Assets:

With the help of its customer-oriented approach, Finansbank maintained its growth in in SME and consumer loans. Total loans amounted to TL 42,910 million, a 17% increase. The Bank's total assets were TL 66,010 million by the end of 2013, up 21% from the previous year. At year's end, the Bank's market shares in housing, credit cards and consumer loans were 6.6%, 11.9% and 4.8%, respectively.

Liabilities:

In parallel with the growth in assets, Finansbank's total deposits continued to increase in a balanced manner. On back of a 16% rise, the total customer deposits amounted to TL 36,980 million. The Bank issued local and foreign currency bonds in Turkey and abroad, therefore increasing its funding diversification.

Profitability:

The Bank's net interest income rose to TL 3,163 million in 2013, while net fee and commission income totaled TL 1,032 million. Profit before tax and provisions was TL 2,019 million and net profit was TL 734 million in 2013.

Finansbank's total shareholders' equity amounted to TL 7,648 million, up 5% during the year; meanwhile, the Bank's

capital adequacy ratio at the end of 2013 stood at 16.95%.

Solvency:

Finansbank has a solid financial structure backed by a strong capital structure and a high return on equity.

Finansbank uses its equity capital in banking activities effectively while also sustaining profitability. Thanks to its robust funding structure and wide deposits base, Finansbank funds its loans with long-term borrowings. By using a variety of funding sources, the Bank decreases the cost of funding and at the same time minimizes the risks that arise due to differences in maturity.

With a solid position in Turkey's financial markets, Finansbank's strong financial structure has also been recognized by independent rating agencies.

Additional Information on the Activities of the Bank

The Bank does not have any treasury shares bought from the market.

The Bank receives a partial audit quarterly and a full audit at year's end from an independent audit firm. In addition, the Bank is subject to constant surveillance under the scope of banking regulation and is subject to supervision of the Banking Regulation and Supervision Agency.

There is no lawsuit against the Bank and its activities that is likely to affect the financial position of the Bank. The investigation initiated by the Competition Board on some banks including Finansbank on November 2, 2011, was completed on March 11, 2013 and various sanctions for these banks were decided. According to the decision of the Competition Board; Finansbank paid TL 40,516,057.50.- . The aforementioned decision was appealed by Finansbank on September 16, 2013 at Ankara 16th administrative court .

As per all transactions with the National Bank of Greece SA, the major controlling shareholder of the Bank, and with its affiliated companies, there is no precaution taken in favor of the Bank or in avoidance of favor of the Bank. In all legal transactions, agreements are subject to the same principles, procedures and conditions as if with a person/organization outside of the Group companies. No measure was taken to the detriment of the Bank for the interest of or as a favor to the controlling company or its subsidiaries.

As per the legal transactions with the controlling company and other related companies, the details are given in the Loyalty Reports, to the best of our knowledge at the time of the transactions. Each legal transaction is provided with appropriate performance. There is not a measure that is to be taken or avoided to be taken; and within this framework, there is no loss that the Bank incurred. As a result of examination of financial transactions carried out by the Bank with the controlling company and/or affiliates of the controlling company according to TCC Article 199, it is understood that all transactions carried by the Bank were entirely in line with current market conditions prevailing at the time of the transactions and on an the arm's length basis as conducted with 3rd parties.

International Credit Ratings

FITCHRATINGS

Long Term Foreign Currency IDR	BBB-
Long Term Domestic Currency IDR	BBB-
Short Term Foreign Currency IDR	F3
Short Term Domestic Currency IDR	F3
Viability Rating	bbb-
Support Rating	3

MOODY'S

Long Term Foreign Currency DR	Ba2
Long Term Domestic Currency DR	Ba2
Short Term Foreign Currency	NP
Short Term Domestic Currency DR	NP
Bank Financial Strength Rating	E+

CAPITAL INTELLIGENCE

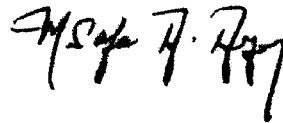
Long Term Foreign Currency Rating	BB+
Short Term Foreign Currency Rating	B
Bank Financial Strength Rating	BBB+
Support Rating	3

Statement of Responsibility

Finansbank's annual report is prepared in accordance with the principles and regulations stated in the "Regulation on the Preparation and Publication of Annual Report for Banks", which appeared in the Official Gazette on November 1, 2006, with number 226333.



Ömer A. Aras
Chairman of the Board



Mustafa A. Aysan
Board Member and Head
of Audit Committee



Paul Mylonas
Board Member and
Audit Committee Member



Ioannis Vagionitis
Board Member and Audit
Committee Member



Temel Güzeloğlu
Board Member and
General Manager



Adnan Menderes Yayla
Executive Vice President,
Financial Control

FİNANSBANK ANONİM ŞİRKETİ

INDEPENDENT AUDITOR'S REPORT, UNCONSOLIDATED FINANCIAL STATEMENTS AND NOTES FOR THE YEAR ENDED DECEMBER 31, 2013

Translated into English from the Original Turkish Report

Deloitte.

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Serbest Muhasebeci
Mali Müşavirlik A.Ş.
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İstanbul, Türkiye

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

Tel : (212) 366 6000
Fax : (212) 366 6010
www.deloitte.com.tr

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR JANUARY 1 – DECEMBER 31, 2013

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

Board of Director's Responsibility for the Financial Statements

The Board of Directors of the Bank is responsible for the preparation and fair presentation of the financial statements in accordance with the regulation on "Procedures And Principles Regarding Banks Accounting Practices And Maintaining Documents" published in the Official Gazette dated November 1, 2006 and numbered 26333 and Turkish Accounting Standards, Turkish Financial Reporting Standards and other regulations, circulars, communiqués and pronouncements in respect of accounting and financial reporting made by Banking Regulation and Supervision Agency. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the regulation on "Licensing and Operations of Audit Firms in Banking" published in the Official Gazette No: 26333 on November 1, 2006 and the International Standards on Auditing. We planned and performed our audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the consideration of the effectiveness of internal control and appropriateness of accounting policies applied relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Finansbank A.Ş. as at December 31, 2013 and the results of its operations and its cash flows for the year then ended in accordance with the prevailing accounting principles and standards set out as per the Article 37 of the Banking Act No: 5411, and other regulations, communiqués, and circulars in respect of accounting and financial reporting made by the Banking Regulation and Supervision Board and pronouncements made by Banking Regulation and Supervision Agency.

Additional paragraph for English translation:

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

İstanbul, February 27, 2014

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



Müjde Şehsuvaroğlu
Partner

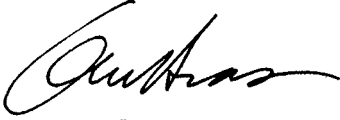
**THE UNCONSOLIDATED FINANCIAL REPORT OF FINANSBANK A.Ş.
FOR THE YEAR ENDED DECEMBER 31, 2013**

The Bank's;
Address of the head office : Büyükdere Cad. No: 129, 34394 Mecidiyeköy / İSTANBUL
Phone number : (0 212) 318 50 00
Facsimile number : (0 212) 318 58 50
Web page : www.finansbank.com.tr
E-mail address : name.surname@finansbank.com.tr

The year end unconsolidated financial report designed by the Banking Regulation and Supervision Agency in line with Communiqué on Financial Statements to be Publicly Announced and the Related Policies and Disclosures consists of the sections below:

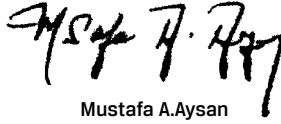
- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE OF THE BANK
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS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

The unconsolidated financial statements and related disclosures and footnotes that were subject to independent audit, are prepared in accordance with the Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements and guidance and in compliance with the financial records of our Bank. Unless stated otherwise, the accompanying unconsolidated financial statements are presented in thousands of Turkish Lira (TL).



Ömer A. Aras

Chairman of the Board
of Directors



Mustafa A. Aysan

Member of the Board of Directors
and Chairman of the Audit
Committee



Ioannis Vagionitis

Member of the Board of Directors
and Member of the Audit
Committee



Temel Güzeloğlu

General Manager and
Member of the Board of
Directors



Adnan Menderes Yayla

Executive Vice President Responsible of
Financial Control and Planning



Ercan Sakarya

Division Manager of Financial
Reporting, Statutory Reporting
Reporting and Treasury Control

Information related to the responsible personnel to whom the questions about the financial report can be communicated:

Name-Surname/Title : Ercan Sakarya
Division Manager of Financial Reporting, Statutory Reporting and Treasury Control

Phone Number : (0 212) 318 52 92
Facsimile Number : (0 212) 318 55 78

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FİNANSBANK ANONİM ŞİRKETİ

Notes to the financial statements for the year ended December 31, 2013

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

SECTION ONE GENERAL INFORMATION

I. History of the Bank, including its establishment date, initial legal status and amendments to legal status, if any

Finansbank Anonim Şirketi ("The Bank") was incorporated in Istanbul on September 23, 1987. The Bank's shares have been listed on the Istanbul Stock Exchange (currently as "BIST") since the first public offering on February 3, 1990.

II. Explanation about the Bank's shareholding structure, shareholders who individually or jointly have power to control the management and audit directly or indirectly, changes regarding these subjects during the year, if any, and information about the controlling group of the Bank

As of December 31, 2013, 77.23% of the Bank's shares are owned by National Bank of Greece S.A. (NBG), 9.68% by NBG Finance (Dollar) PLC., 7.90% by NBGI Holdings B.V. and 5.00% by International Finance Corporation ("IFC").

The Bank is a National Bank of Greece S.A. (NBG) Group entity. NBG was founded in 1841 and its shares have been traded on Athens Stock Exchange since 1880 and traded on the New York Stock Exchange since 1999. NBG offers financial services to its customers such as retail banking, assets management, intermediary services and investment banking.

III. Explanations about the chairman and members of board of directors, members of audit committee, managing directors and executive vice presidents; any changes, and the information about the Bank shares they hold and their responsibilities

Name	Title	Date of Appointment	Education
Dr. Ömer A. Aras	Chairman and Executive Member	April 16, 2010	PhD
Sinan Şahinbaş	Deputy Chairman and Executive Member	April 16, 2010	Masters
Prof. Dr. Mustafa Aydın Aysan	Board Member and Head of Audit Committee	November 9, 2006	PhD
Antonios Grammatikopoulos (*)	Board Member	June 7, 2012	Masters
Stefanos Pantzopoulos	Board Member	October 16, 2012	Graduate
Dr. Paul Mylonas (**)	Board Member and Audit Committee Member	February 23, 2010	PhD
Ioannis Vagionitis (***)	Board Member and Audit Committee Member	January 6, 2014	Masters
Christos Alexis Komninos	Board Member	February 16, 2011	Graduate
Temel Güzeloğlu	Board Member and Managing Director	April 16, 2010	Masters
Mustafa Hamdi Gürtin	Board Member	April 16, 2010	Masters
Ali Teoman Kerman	Board Member	April 16, 2010	Masters
Paula Hadjisotiriou (****)	Board Member	December 16, 2013	Masters
Adnan Menderes Yayla	Assistant Managing Director	May 20, 2008	Masters
Metin Karabiber	Assistant Managing Director	October 8, 2010	Graduate
Murat Şakar	Assistant Managing Director	August 18, 2008	Graduate
Köksal Çoban	Assistant Managing Director	August 18, 2008	Masters
Saruhan Doğan	Assistant Managing Director	October 9, 2009	Masters
Dr. Mehmet Kürşad Demirkol	Assistant Managing Director	October 8, 2010	PhD
Özlem Cinemre	Assistant Managing Director	July 9, 1997	Graduate
Hakan Alp	Assistant Managing Director	July 7, 2010	Graduate
Tunç Erdal	Assistant Managing Director	October 8, 2010	Graduate
Filiz Sonat	Assistant Managing Director	September 19, 2007	Graduate
Levent Yörük	Assistant Managing Director	February 1, 2010	Masters
Erkin Aydın	Assistant Managing Director	May 16, 2011	Masters
Ömür Tan	Assistant Managing Director	October 28, 2011	Graduate
Şebnem Seniye Karaduman	Assistant Managing Director	January 9, 2012	Graduate
Halim Ersun Bilgici	Assistant Managing Director	March 15, 2013	Masters
Aytaç Aydın (*****)	Assistant Managing Director	June 13, 2013	Masters

(*)Antonios Grammatikopoulos resigned from the Board of Directors as of February 12, 2014.

(**)Michail Oratis resigned from the Board of Directors and the Audit Committee as of November 21, 2013. Dr. Paul Mylonas has been appointed to the Audit Committee as of January 17, 2014.

(***)Ioannis Vagionitis has been appointed to the Board of Directors as of January 6, 2014 and to the Audit Committee as of January 17, 2014.

(****) In the Board of Director's Meeting on October 24, 2013, resignation of the Board Member Dimitrios Frangetis has been accepted and Paula Hadjisotiriou has been appointed as a Board Member on December 16, 2013.

(*****) Aytaç Aydın resigned from the Assistant Managing Director responsible for payment systems and central operations, as of January 31, 2014.

The top level management listed above possesses immaterial number of shares of the Bank.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

FİNANSBANK ANONİM ŞİRKETİ

Notes to the financial statements for the year ended December 31, 2013

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

IV. Information about the persons and institutions that have qualified shares

Name Surname/Trade Name	Shares	Amount of	Percentage	Paid-up	Unpaid
		of Shares	Shares	Shares	
National Bank of Greece S.A.		2,085,162	77.23%	2,085,162	-
NBG Finance (Dollar) PLC		261,343	9.68%	261,343	-
NBGI Holdings B.V.		213,300	7.90%	213,300	-

The Bank has 100 founder shares as stated in the Articles of Association. The profit distribution is performed according to the prevailing regulations and the Articles of Association. Accordingly, 5% of the distributable profit is appropriated as legal reserves, 5% of the paid up capital is paid out as first dividend and 10% of the remaining distributable profit might be distributed to the founder shares. In addition, 10% of dividends distributed to founder shares are provided as additional legal reserve.

V. Summary on the Bank's services and activities

The Bank's activities include trade finance and corporate banking, treasury, retail banking and credit card operations. In addition, the Bank carries out insurance agency activities on behalf of insurance companies through its branches. As of December 31, 2013, the Bank operates through 672 domestic (December 31, 2012 - 580), 1 off-shore banking (December 31, 2012 - 1) and 1 Atatürk Airport Free Trade Zone (December 31, 2012 - 1) branches.

VI. Current or likely actual or legal barriers to immediate transfer of equity or repayment of debts between parent bank and its subsidiaries

None.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

FİNANSBANK ANONİM ŞİRKETİ

Notes to the financial statements for the year ended December 31, 2013

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

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

- I. Balance Sheet (Statement of Financial Position)
- II. Statement of Off-Balance Sheet Commitments and Contingencies
- III. Income Statement (Statement of Income / Loss)
- IV. Statement of Profit and Loss Accounted for Under Equity (Statement of Other Comprehensive Income and Loss)
- V. Statement of Changes in Shareholders' Equity
- VI. Cash Flows Statement
- VII. Statement of Profit Distribution

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

FINANSBANK ANONİM ŞİRKETİ

Notes to the financial statements for the year ended December 31, 2013

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

I. BALANCE SHEET - ASSETS

	Section 5 Part I	Audited 31.12.2013			Audited 31.12.2012		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(1)	887,711	7,320,682	8,208,393	1,024,990	4,302,891	5,327,881
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	1,376,071	253,498	1,629,569	781,042	135,876	916,918
2.1 Financial assets held for trading		1,190,997	253,498	1,444,495	428,746	135,876	564,622
2.1.1 Public sector debt securities		161,041	1,973	163,014	69,614	2,869	72,483
2.1.2 Equity securities		-	-	-	-	-	-
2.1.3 Assets on trading derivatives		1,029,956	251,525	1,281,481	359,132	133,007	492,139
2.1.4 Other securities		-	-	-	-	-	-
2.2 Financial assets at fair value through profit and loss		185,074	-	185,074	352,296	-	352,296
2.2.1 Public sector debt securities		-	-	-	-	-	-
2.2.2 Equity securities		-	-	-	-	-	-
2.2.3 Loans		185,074	-	185,074	352,296	-	352,296
2.2.4 Other securities		-	-	-	-	-	-
III. BANKS	(3)	5,037	301,088	306,125	3,024	107,792	110,816
IV. MONEY MARKET PLACEMENTS	(4)	-	-	-	1,785,748	-	1,785,748
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3 Receivables from reverse repurchase agreements		-	-	-	1,785,748	-	1,785,748
V. INVESTMENT SECURITIES AVAILABLE-FOR-SALE (Net)	(5)	4,668,879	1,073,809	5,742,688	5,931,038	1,306,184	7,237,222
5.1 Equity securities		-	-	-	-	-	-
5.2 Public sector debt securities		4,633,866	1,059,507	5,693,373	5,730,803	1,208,574	6,939,377
5.3 Other securities		35,013	14,302	49,315	200,235	97,610	297,845
VI. LOANS AND RECEIVABLES	(6)	38,105,480	4,618,996	42,724,476	33,013,733	3,426,511	36,440,244
6.1 Loans and receivables		37,596,755	4,618,996	42,215,751	32,636,211	3,426,511	36,062,722
6.1.1 Loans to risk group of the Bank		110,670	-	110,670	65,220	-	65,220
6.1.2 Public sector debt securities		-	-	-	-	-	-
6.1.3 Other		37,486,085	4,618,996	42,105,081	32,570,991	3,426,511	35,997,502
6.2 Non-performing loans		2,965,853	-	2,965,853	2,512,716	-	2,512,716
6.3 Specific provisions (-)		2,457,128	-	2,457,128	2,135,194	-	2,135,194
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. INVESTMENT SECURITIES HELD TO MATURITY (Net)	(7)	2,446,859	378,920	2,825,779	-	-	-
8.1 Public sector debt securities		2,446,859	20,820	2,467,679	-	-	-
8.2 Other securities		-	358,100	358,100	-	-	-
IX. INVESTMENT IN ASSOCIATES (Net)	(8)	3,766	-	3,766	7,977	-	7,977
9.1 Equity method associates		-	-	-	-	-	-
9.2 Unconsolidated		3,766	-	3,766	7,977	-	7,977
9.2.1 Financial Investments		-	-	-	-	-	-
9.2.2 Non-financial Investments		3,766	-	3,766	7,977	-	7,977
X. INVESTMENT IN SUBSIDIARIES (Net)	(9)	423,216	-	423,216	491,603	-	491,603
10.1 Unconsolidated financial investments		405,170	-	405,170	476,617	-	476,617
10.2 Unconsolidated non-financial investments		18,046	-	18,046	14,986	-	14,986
XI. ENTITIES UNDER COMMON CONTROL (JOINT VENTURES) (Net)	(10)	197,716	-	197,716	197,716	-	197,716
11.1 Equity method entities under common control		-	-	-	-	-	-
11.2 Unconsolidated		197,716	-	197,716	197,716	-	197,716
11.2.1 Financial investments		194,916	-	194,916	194,916	-	194,916
11.2.2 Non-financial Investments		2,800	-	2,800	2,800	-	2,800
XII. LEASE RECEIVABLES (Net)	(11)	-	-	-	-	-	-
12.1 Financial lease receivables		-	-	-	-	-	-
12.2 Operational lease receivables		-	-	-	-	-	-
12.3 Others		-	-	-	-	-	-
12.4 Unearned income (-)		-	-	-	-	-	-
XIII. DERIVATIVE FINANCIAL ASSETS HEDGING PURPOSES	(12)	1,866,369	61,426	1,927,795	202,567	37,919	240,486
13.1 Fair value hedge		1,487,743	61,426	1,549,169	202,567	37,919	240,486
13.2 Cash flow hedge		378,626	-	378,626	-	-	-
13.3 Hedging of a net investment in foreign subsidiaries		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)	(13)	520,776	63	520,839	421,743	69	421,812
XV. INTANGIBLE ASSETS (Net)	(14)	198,204	-	198,204	169,320	-	169,320
15.1 Goodwill		-	-	-	-	-	-
15.2 Others		198,204	-	198,204	169,320	-	169,320
XVI. INVESTMENT PROPERTIES (Net)	(15)	-	-	-	-	-	-
XVII. TAX ASSETS	(16)	78,670	-	78,670	-	-	-
17.1 Current tax assets		-	-	-	-	-	-
17.2 Deferred tax assets		78,670	-	78,670	-	-	-
XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(17)	-	-	-	-	-	-
18.1 Held for sale		-	-	-	-	-	-
18.2 Discontinued operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(18)	770,972	451,559	1,222,531	769,542	284,323	1,053,865
TOTAL ASSETS		51,549,726	14,460,041	66,009,767	44,800,043	9,601,565	54,401,608

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

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

FINANSBANK ANONİM ŞİRKETİ

Notes to the financial statements for the year ended December 31, 2013

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

I. BALANCE SHEET - LIABILITIES AND EQUITY

	Section 5 Part II	Audited 31.12.2013			Audited 31.12.2012		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(1)	26,382,066	11,939,592	38,321,658	22,718,197	10,203,309	32,921,506
1.1 Deposits from risk group of the Bank		230,450	164,811	395,261	260,465	169,440	429,905
1.2 Other		26,151,616	11,774,781	37,926,397	22,457,732	10,033,869	32,491,601
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	1,112,851	189,708	1,302,559	367,620	106,299	473,919
III. FUNDS BORROWED	(3)	111,366	3,239,684	3,351,050	74,487	2,464,280	2,538,767
IV. MONEY MARKET BORROWINGS		2,561,162	1,141,561	3,702,723	849,126	878,081	1,727,207
4.1 Interbank money markets takings		50,000	-	50,000	-	-	-
4.2 Istanbul Stock Exchange money markets takings		-	-	-	-	-	-
4.3 Funds provided under repurchase agreements	(4)	2,511,162	1,141,561	3,652,723	849,126	878,081	1,727,207
V. SECURITIES ISSUED (Net)	(5)	2,161,609	1,793,767	3,955,376	2,789,390	1,288,923	4,078,313
5.1 Bills		2,057,875	-	2,057,875	2,789,390	-	2,789,390
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		103,734	1,793,767	1,897,501	-	1,288,923	1,288,923
VI. FUNDS		-	-	-	-	-	-
6.1 Borrower funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
VII. SUNDRY CREDITORS		1,401,157	1,984,147	3,385,304	1,140,403	113,572	1,253,975
VIII. OTHER LIABILITIES	(6)	857,438	68,974	926,412	898,116	51,708	949,824
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. LEASE PAYABLES (Net)	(7)	1,542	1,373	2,915	1,920	1	1,921
10.1 Financial lease payables		2,002	1,534	3,536	2,244	3	2,247
10.2 Operational lease payables		-	-	-	-	-	-
10.3 Others		-	-	-	-	-	-
10.4 Deferred financial lease expenses (-)		460	161	621	324	2	326
XI. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	(8)	7,648	75,101	82,749	291,541	121,330	412,871
11.1 Fair value hedge		-	75,101	75,101	257,139	121,330	378,469
11.2 Cash flow hedge		7,648	-	7,648	34,402	-	34,402
11.3 Hedge of net investments in foreign subsidiaries		-	-	-	-	-	-
XII. PROVISIONS	(9)	1,193,795	84,572	1,278,367	957,435	51,993	1,009,428
12.1 General provisions		731,719	84,572	816,291	565,691	51,993	617,684
12.2 Restructuring provisions		-	-	-	-	-	-
12.3 Reserve for employee benefits		208,904	-	208,904	192,814	-	192,814
12.4 Insurance technical provisions (Net)		-	-	-	-	-	-
12.5 Other provisions		253,172	-	253,172	198,930	-	198,930
XIII. TAX LIABILITY	(10)	101,457	-	101,457	114,187	-	114,187
13.1 Current tax liability		101,457	-	101,457	85,818	-	85,818
13.2 Deferred tax liability		-	-	-	28,369	-	28,369
XIV. PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (NET)	(11)	-	-	-	-	-	-
14.1 Held for sale		-	-	-	-	-	-
14.2 Discontinued operations		-	-	-	-	-	-
XV. SERMAYE BENZERİ KREDİLER	(12)	-	1,950,719	1,950,719	-	1,629,590	1,629,590
XVI. SHAREHOLDERS' EQUITY		7,785,046	(136,568)	7,648,478	7,261,404	28,696	7,290,100
16.1 Paid-in capital	(13)	2,700,000	-	2,700,000	2,565,000	-	2,565,000
16.2 Capital reserves		348,179	(136,568)	211,611	558,776	28,696	587,472
16.2.1 Share Premium	(14)	714	-	714	714	-	714
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Securities value increase fund	(15)	281,454	(136,568)	144,886	602,314	28,696	631,010
16.2.4 Revaluation fund on tangible assets		-	-	-	-	-	-
16.2.5 Revaluation fund on intangible assets		-	-	-	-	-	-
16.2.6 Investment property revaluation differences		-	-	-	-	-	-
16.2.7 Bonus shares obtained from associates, subsidiaries and entities under common control (joint ventures)		2,689	-	2,689	2,689	-	2,689
16.2.8 Hedging funds (effective portion)		95,987	-	95,987	(10,026)	-	(10,026)
16.2.9 Accumulated valuation differences from assets held for sale and discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		(32,665)	-	(32,665)	(36,915)	-	(36,915)
16.3 Profit reserves		4,002,628	-	4,002,628	3,233,706	-	3,233,706
16.3.1 Legal reserves		328,655	-	328,655	283,538	-	283,538
16.3.2 Status reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		3,673,973	-	3,673,973	2,950,168	-	2,950,168
16.3.4 Other profit reserves		-	-	-	-	-	-
16.4 Profit or loss		734,239	-	734,239	903,922	-	903,922
16.4.1 Prior years' income/ (losses)		-	-	-	-	-	-
16.4.2 Current year income/ (loss)		734,239	-	734,239	903,922	-	903,922
16.5 Minority shares		-	-	-	-	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		43,677,137	22,332,630	66,009,767	37,463,826	16,937,782	54,401,608

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

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

FİNANSBANK ANONİM ŞİRKETİ

Notes to the financial statements for the year ended December 31, 2013

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

II. STATEMENT OF OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES

	Section 5 Part III	Audited 31.12.2013			Audited 31.12.2012			
		TL	FC	Total	TL	FC	Total	
A	OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II-III)	70,402,203	62,614,020	133,016,223	59,918,827	41,323,539	101,242,366	
I.	GUARANTEES	(1), (2), (3), (4)	4,169,967	2,947,967	7,117,934	3,680,031	2,679,646	6,359,677
1.1.	Letters of guarantee		4,162,296	1,777,802	5,940,098	3,677,256	1,533,101	5,210,357
1.1.1.	Guarantees subject to State Tender Law		173,860	24,805	198,665	172,175	14,329	186,504
1.1.2.	Guarantees given for foreign trade operations		2,619,423	1,752,997	4,372,420	2,535,231	1,518,772	4,054,003
1.1.3.	Other letters of guarantee		1,369,013	-	1,369,013	969,850	-	969,850
1.2.	Bank loans		7,668	602,163	609,831	2,771	543,143	545,914
1.2.1.	Import letter of acceptance		7,668	602,163	609,831	2,771	543,143	545,914
1.2.2.	Other bank acceptances		-	-	-	-	-	-
1.3.	Letters of credit		3	548,603	548,606	4	579,347	579,351
1.3.1.	Documentary letters of credit		3	531,441	531,444	4	539,429	539,433
1.3.2.	Other letters of credit		-	17,162	17,162	-	39,918	39,918
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		-	19,399	19,399	-	24,055	24,055
1.9.	Other collaterals		-	-	-	-	-	-
II.	COMMITMENTS	(6)	25,084,936	1,696,831	26,781,767	25,492,027	1,309,173	26,801,200
2.1.	Irrevocable commitments		24,976,518	751,500	25,728,018	25,025,838	1,309,173	26,335,011
2.1.1.	Forward asset purchase commitments		327,259	749,594	1,076,853	233,925	1,302,960	1,536,885
2.1.2.	Forward deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3.	Share capital commitment to associates and subsidiaries		-	-	-	-	-	-
2.1.4.	Loan granting commitments		5,424,542	213	5,424,755	4,512,056	-	4,512,056
2.1.5.	Securities underwriting commitments		-	-	-	-	-	-
2.1.6.	Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7.	Payment commitment for checks		2,060,004	-	2,060,004	1,685,568	-	1,685,568
2.1.8.	Tax and fund liabilities from export commitments		6,988	-	6,988	6,031	-	6,031
2.1.9.	Commitments for credit card expenditure limits		17,067,174	-	17,067,174	18,492,777	-	18,492,777
2.1.10.	Commitments for promotions related with credit cards and banking activities		38,002	-	38,002	43,189	-	43,189
2.1.11.	Receivables from short sale commitments		-	-	-	-	-	-
2.1.12.	Payables for short sale commitments		-	-	-	-	-	-
2.1.13.	Other irrevocable commitments		52,549	1,693	54,242	52,292	6,213	58,505
2.2.	Revocable commitments		108,418	945,331	1,053,749	466,189	-	466,189
2.2.1.	Revocable loan granting commitments		108,418	351,395	459,813	466,189	-	466,189
2.2.2.	Other revocable commitments		-	593,936	593,936	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	(5)	41,147,300	57,969,222	99,116,522	30,746,769	37,334,720	68,081,489
3.1.	Derivative financial instruments for hedging purposes		10,309,736	13,695,907	24,005,643	8,484,346	9,596,825	18,081,171
3.1.1.	Fair value hedge		6,676,930	10,559,020	17,234,950	7,943,461	9,596,825	17,540,286
3.1.2.	Cash flow hedge		3,633,806	3,136,887	6,770,693	540,885	-	540,885
3.1.3.	Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2.	Held for trading transactions		30,837,564	44,273,315	75,110,879	22,262,423	27,737,895	50,000,318
3.2.1.	Forward foreign currency buy/sell transactions		3,023,815	3,576,802	6,600,617	1,901,475	2,211,750	4,113,225
3.2.1.1.	Forward foreign currency transactions-buy		1,406,707	1,895,433	3,302,140	1,110,652	953,734	2,064,386
3.2.1.2.	Forward foreign currency transactions-sell		1,617,108	1,681,369	3,298,477	790,823	1,258,016	2,048,839
3.2.2.	Swap transactions related to foreign currency and interest rates		21,556,188	31,036,622	52,592,810	15,500,561	19,049,216	34,549,777
3.2.2.1.	Foreign currency swap-buy		12,502,291	9,313,810	21,816,101	7,541,602	6,851,667	14,393,269
3.2.2.2.	Foreign currency swap-sell		7,761,097	14,308,290	22,069,377	6,344,659	8,018,111	14,362,770
3.2.2.3.	Interest rate swaps-buy		646,405	3,536,517	4,182,922	807,150	2,018,415	2,825,565
3.2.2.4.	Interest rate swaps-sell		646,405	3,878,005	4,524,410	807,150	2,161,023	2,968,173
3.2.3.	Foreign currency, interest rate and securities options		6,257,051	9,617,419	15,874,470	4,852,119	6,243,347	11,095,466
3.2.3.1.	Foreign currency options-buy		3,031,745	4,927,476	7,959,221	2,465,716	3,108,568	5,574,284
3.2.3.2.	Foreign currency options-sell		3,225,306	4,689,943	7,915,249	2,386,403	3,134,779	5,519,166
3.2.3.3.	Interest rate options-buy		-	-	-	-	-	-
3.2.3.4.	Interest rate options-sell		-	-	-	-	-	-
3.2.3.5.	Securities options-buy		-	-	-	1,008	-	1,008
3.2.3.6.	Securities options-sell		-	-	-	1,008	-	1,008
3.2.4.	Foreign currency futures		510	42,472	42,982	8,268	216,992	225,260
3.2.4.1.	Foreign currency futures-buy		255	21,236	21,491	4,134	108,496	112,630
3.2.4.2.	Foreign currency futures-sell		255	21,236	21,491	4,134	108,496	112,630
3.2.5.	Interest rate futures		-	-	-	-	16,590	16,590
3.2.5.1.	Interest rate futures-buy		-	-	-	-	8,295	8,295
3.2.5.2.	Interest rate futures-sell		-	-	-	-	8,295	8,295
3.2.6.	Other		-	-	-	-	-	-
B.	CUSTODY AND PLEDGED ITEMS (IV+V-VI)		312,753,176	66,309,725	379,062,901	235,784,515	55,512,685	291,297,200
IV.	ITEMS HELD IN CUSTODY		7,254,675	1,085,363	8,340,038	6,241,900	1,476,304	7,718,204
4.1.	Assets under management		3,209,849	-	3,209,849	2,342,908	103,363	2,446,291
4.2.	Investment securities held in custody		2,005,410	337,766	2,343,176	2,374,441	546,702	2,921,143
4.3.	Checks received for collection		1,527,663	203,698	1,731,361	1,081,538	163,715	1,245,253
4.4.	Commercial notes received for collection		911,706	91,359	1,003,065	442,977	86,981	529,958
4.5.	Other assets received for collection		-	-	-	-	-	-
4.6.	Assets received for public offering		-	-	-	-	-	-
4.7.	Other items under custody		44	452,540	452,584	33	575,523	575,556
4.8.	Custodians		3	-	3	3	-	3
V.	PLEDGED ITEMS		176,310,170	24,357,446	200,667,616	131,930,170	20,206,574	152,137,445
5.1.	Marketable securities		502,407	643,935	1,146,342	524,393	458,219	982,612
5.2.	Guarantee notes		142,011	38,261	180,272	119,772	50,678	170,450
5.3.	Commodity		27,266	-	27,266	21,788	-	21,788
5.4.	Warranty		-	-	-	-	-	-
5.5.	Properties		46,396,463	7,993,070	54,389,533	38,013,600	6,867,934	44,881,534
5.6.	Other pledged items		129,242,023	15,682,180	144,924,203	93,251,318	12,829,743	106,081,061
5.7.	Pledged items-depository		-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		129,188,331	40,866,916	170,055,247	97,611,744	33,829,807	131,441,551
	TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		383,155,379	128,923,745	512,079,124	295,703,342	96,836,224	392,539,566

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

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

FINANSBANK ANONİM ŞİRKETİ

Notes to the financial statements for the year ended December 31, 2013

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

III. INCOME STATEMENT

			Audited 01.01-31.12.2013	Audited 01.01-31.12.2012
		Section 5 Part IV		
I.	INTEREST INCOME	(1)	5,669,783	5,576,401
1.1	Interest on loans		5,156,784	4,978,096
1.2	Interest received from reserve deposits		-	-
1.3	Interest received from banks		949	1,952
1.4	Interest received from money market placements		8,183	25,146
1.5	Interest received from marketable securities portfolio		502,087	569,781
1.5.1	Held-for-trading financial assets		11,392	12,750
1.5.2	Financial assets at fair value through profit and loss		-	-
1.5.3	Available-for-sale financial assets		407,110	557,031
1.5.4	Investments held-to-maturity		83,585	-
1.6	Finance lease income		-	-
1.7	Other interest income		1,780	1,426
II.	INTEREST EXPENSE	(2)	2,506,637	2,699,247
2.1	Interest on deposits		1,985,976	2,311,556
2.2	Interest on funds borrowed		152,878	137,479
2.3	Interest on money market borrowings		99,973	104,430
2.4	Interest on securities issued		252,784	140,315
2.5	Other interest expense		15,026	5,467
III.	NET INTEREST INCOME (I - II)		3,163,146	2,877,154
IV.	NET FEES AND COMMISSIONS INCOME		1,031,522	1,028,813
4.1	Fees and commissions received		1,171,653	1,160,263
4.1.1	Non-cash loans		42,684	42,248
4.1.2	Other		1,128,969	1,118,015
4.2	Fees and commissions paid		140,131	131,450
4.2.1	Non-cash loans		671	796
4.2.2	Other		139,460	130,654
V.	DIVIDEND INCOME	(3)	12,152	8,787
VI.	NET TRADING INCOME	(4)	(215,005)	(348,319)
6.1	Securities trading gains/ (losses)		162,526	81,512
6.2	Gains / (losses) from financial derivative transactions		(274,909)	(428,362)
6.2	Foreign exchange gains/ (losses)		(102,622)	(1,469)
VII.	OTHER OPERATING INCOME	(5)	320,749	364,667
VIII.	NET OPERATING INCOME (III+IV+V+VI+VII)		4,312,564	3,931,102
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)	1,080,751	965,431
X.	OTHER OPERATING EXPENSES (-)	(7)	2,294,219	1,796,093
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		937,594	1,169,578
XII.	AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER			-
XIII.	GAIN / (LOSS) ON EQUITY METHOD			-
XIV.	GAIN / (LOSS) ON NET MONETARY POSITION			-
XV.	PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)	(8)	937,594	1,169,578
XVI.	TAX CHARGE FOR CONTINUED OPERATIONS (±)	(9)	(203,355)	(265,656)
16.1	Current income tax charge		(229,625)	(383,179)
16.2	Deferred tax charge / benefit		26,270	117,523
XVII.	NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	(10)	734,239	903,922
XVIII.	INCOME ON DISCONTINUED OPERATIONS			-
18.1	Income on assets held for sale		-	-
18.2	Income on sale of associates, subsidiaries and entities under common control		-	-
18.3	Income on other discontinued operations		-	-
XIX.	LOSS FROM DISCONTINUED OPERATIONS (-)			-
19.1	Loss from assets held for sale		-	-
19.2	Loss on sale of associates, subsidiaries and entities under common control		-	-
19.3	Loss from other discontinued operations		-	-
XX.	PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)	(8)		-
XXI.	TAX CHARGE FOR DISCONTINUED OPERATIONS (±)	(9)		-
21.1	Current income tax charge		-	-
21.2	Deferred tax charge / benefit		-	-
XXII.	NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)	(10)		-
XXIII.	NET PROFIT/LOSS (XVII+XXII)	(11)	734,239	903,922
23.1	Group's profit/loss		734,239	903,922
23.2	Minority shares		-	-
	Earnings per share		0.02719	0.03348

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

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

FİNANSBANK ANONİM ŞİRKETİ

Notes to the financial statements for the year ended December 31, 2013

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

IV. STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY

		0Audited 01.01-31.12.2013	0Audited 01.01-31.12.2012
I.	ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	(514,066)	786,521
II.	TANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
III.	INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV.	FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	-	-
V.	PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR CASH FLOW HEDGE PURPOSES (EFFECTIVE PORTION OF FAIR VALUE DIFFERENCES)	127,832	(8,273)
VI.	PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGE OF NET INVESTMENT IN FOREIGN OPERATIONS (EFFECTIVE PORTION OF FAIR VALUE DIFFERENCES)	-	-
VII.	THE EFFECT OF CORRECTIONS OF ERRORS AND CHANGES IN ACCOUNTING POLICIES	-	-
VIII.	OTHER PROFIT LOSS ITEMS ACCOUNTED FOR UNDER EQUITY AS PER TURKISH ACCOUNTING STANDARDS	5,313	(25,784)
IX.	DEFERRED TAX OF VALUATION DIFFERENCES	80,769	(121,095)
X.	TOTAL NET PROFIT/LOSS ACCOUNTED FOR UNDER EQUITY (I+II+...+IX)	(300,152)	631,366
XI.	PROFIT/LOSS	(75,709)	75,141
11.1	Change in fair value of marketable securities (Transfer to Profit/Loss)	(80,393)	71,449
11.2	Reclassification and transfer of derivatives accounted for cash flow hedge purposes recycled to Income Statement	4,684	3,692
11.3	Transfer of hedge of net investments in foreign operations recycled to Income Statement	-	-
11.4	Other	-	-
XII.	TOTAL PROFIT/LOSS ACCOUNTED FOR IN THE PERIOD (X±XI)	(375,861)	706,510

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

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

FİNANSBANK ANONİM ŞİRKETİNotes to the financial statements for the year ended December 31, 2013
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)**V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

Audited	Section 5 Part V	Paid-in Capital	Effect of Inflation Accounting on Capital and Other Reserves	Share Premium	Share Certificate Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Year Net Income/(Loss)	Prior Year Net Income/(Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Val. Diff. from Assets Held for Sale and from Disc. Op.	Total Equity Attributable to the Parent Shareholders	Minority Shares	Total Equity	
I	Prior Period - 01.01. - 31.12.2012					241,133		2,269,461			848,112	(99,792)			(6,361)		5,695,956		5,695,956	
II	Beginning Balance	2,440,000		714					(16,288)	1,576							(14,712)		(14,712)	
	Corrections according to TAS 8																			
2.1	The effect of corrections of errors.																			
2.2	The effects of changes in accounting policies.								(16,288)	1,576							(14,712)		(14,712)	
III	New Balance (I+II)	2,440,000		714		241,133		2,269,461	(16,288)	1,576	848,112	(99,792)		2,689	(6,361)		5,681,244		5,681,244	
IV	Changes in period																			
	Increase/decrease related to merger																			
V	Marketable securities valuation differences											730,802					730,802		730,802	
VI	Hedging funds (effective portion)														(3,665)		(3,665)		(3,665)	
6.1	Cash-flow hedge														(3,665)		(3,665)		(3,665)	
6.2	Hedge of net investment in foreign operations																			
VII	Tangible assets revaluation differences																			
VIII	Intangible assets revaluation differences																			
IX	Bonus shares obtained from associates, subsidiaries and entities under common control																			
X	Foreign exchange differences																			
XI	Disposal of assets																			
XII	Reclassification of assets																			
XIII	Effect of change in associate's equity																			
XIV	Capital increase	125,000						(125,000)												
14.1	Cash																			
14.2	Internal sources	125,000						(125,000)												
XV	Share issue																			
XVI	Share cancellation profits																			
XVII	Inflation adjustment to paid-in capital																			
XVIII	Other								(20,627)								(20,627)		(20,627)	
XIX	Period net income/(loss)									902,346	(848,112)						902,346		902,346	
XX	Profit distribution					42,405		805,707												
20.1	Dividends distributed																			
20.2	Transfers to reserves					42,405		805,707			(848,112)									
20.3	Other																			
	Closing Balance (III+IV+V+.....+XVIII+XIX+XX)	2,565,000		714		283,538		2,950,168	(36,915)	903,922		631,010		2,689	(10,026)		7,290,100		7,290,100	

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

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

FINANSBANK ANONİM ŞİRKETİNotes to the financial statements for the year ended December 31, 2013
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)**V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

Audited	Section 5 Part V	Paid-in Capital	Effect of Inflation Accounting on Capital and Other Capital Reserves	Share Premium	Share Certificate Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Year Net Income/(Loss)	Prior Year Net Income/(Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Valuation Diff. from Assets held for Sale and Assets from Disc. Op.	Total Equity Attributable to the Parent Shareholders	Minority Shares	Total Equity	
	Current Period - 01.01-31.12.2013																			
I.	Beginning Balance	2,565,000	-	714	-	283,538	-	2,950,168	(36,919)	-	903,922	631,010	-	2,689	(10,026)	-	7,290,000	-	7,290,000	
	Changes in period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II.	Increase/Decrease related to merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Marketable securities valuation differences (1)	-	-	-	-	-	-	-	-	-	-	(486,124)	-	-	-	-	(486,124)	-	(486,124)	
IV.	Hedging funds (Effective Portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	106,013	-	106,013	-	106,013	
4.1	Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	106,013	-	106,013	-	106,013	
4.2	Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
V.	Tangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VI.	Intangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VII.	Bonus shares obtained from associates, subsidiaries and entities under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VIII.	Foreign exchange differences (2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
IX.	The disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
X.	The reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XI.	The effect of change in associate's equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XII.	Capital increase (5)	135,000	-	-	-	-	-	(135,000)	-	-	-	-	-	-	-	-	-	-	-	
12.1	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12.2	Internal sources	135,000	-	-	-	-	-	(135,000)	-	-	-	-	-	-	-	-	-	-	-	
XIII.	Share premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XIV.	Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XV.	Inflation adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XVI.	Other	-	-	-	-	-	-	-	4,250	-	-	-	-	-	-	-	4,250	-	4,250	
XVII.	Period net income/(loss)	-	-	-	-	-	-	858,805	-	734,239	(903,922)	-	-	-	-	-	734,239	-	734,239	
XVIII.	Profit distribution (3)	-	-	-	-	45,117	-	-	-	-	(903,922)	-	-	-	-	-	-	-	-	
18.1	Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
18.2	Transfers to reserves	-	-	-	-	45,117	-	858,805	-	-	(903,922)	-	-	-	-	-	-	-	-	
18.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Closing Balance (I+II+III+...+XVI+XVII+XVIII)	2,700,000	-	714	-	328,655	-	3,673,973	(32,665)	734,239	-	144,886	-	2,689	95,987	-	7,648,978	-	7,648,978	

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

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

FİNANSBANK ANONİM ŞİRKETİ

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

VI. CASH FLOWS STATEMENT

	Section 5	01.01-31.12.2013	01.01-31.12.2012
A. CASH FLOWS FROM / (TO) BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities(+)		1,953,981	2,730,474
1.1.1 Interest received (+)		5,620,645	5,692,384
1.1.2 Interest paid (-)		(2,280,854)	(2,695,105)
1.1.3 Dividend received (+)		12,152	8,787
1.1.4 Fees and commissions received (+)		1,172,668	1,160,842
1.1.5 Other income (+)		306,429	166,294
1.1.6 Collections from previously written off loans (+)		398,991	347,097
1.1.7 Payments to personnel and service suppliers (-)		(1,700,991)	(1,342,609)
1.1.8 Taxes paid (-)		(360,943)	(471,266)
1.1.9 Others (+/-)	(1)	(1,214,116)	(135,950)
1.2 Changes in operating assets and liabilities		(691,698)	(5,149,455)
1.2.1 Net (increase) decrease in financial assets held for trading (+/-)		(91,110)	(47,204)
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss (+/-)		(75,218)	221,070
1.2.3 Net (increase) decrease in due from banks (+/-)		(2,705,483)	(1,733,531)
1.2.4 Net (increase) decrease in loans (+/-)		(6,945,910)	(7,172,049)
1.2.5 Net (increase) decrease in other assets (+/-)	(1)	(49,928)	(548,686)
1.2.6 Net increase (decrease) in bank deposits (+/-)		248,657	752,998
1.2.7 Net increase (decrease) in other deposits (+/-)		4,502,493	2,844,132
1.2.8 Net increase (decrease) in funds borrowed (+/-)		247,372	69,837
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)	(1)	4,177,429	463,978
I. Net cash provided from / (used in) banking operations (+/-)		1,262,283	(2,418,981)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from / (used in) investing activities (+/-)		(2,257,806)	4,005
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries (-)		(3,060)	(7,113)
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries (+)		1,476	196,637
2.3 Fixed assets purchases (-)		(198,914)	(131,003)
2.4 Fixed assets sales (+)		394	905
2.5 Cash paid for purchase of financial assets available for sale (-)		(12,392,552)	(10,295,758)
2.6 Cash obtained from disposal of financial assets available for sale (+)		11,945,092	10,330,036
2.7 Cash paid for purchase of investment securities (-)		(1,222,906)	-
2.8 Cash obtained from disposal of investment securities (+)		1,476	-
2.9 Others (+/-)	(1)	(387,336)	(89,699)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from / (used in) financing activities (+/-)		(763,239)	2,990,430
3.1 Cash obtained from funds borrowed and securities issued (+)		4,614,780	4,448,586
3.2 Cash used for repayment of funds borrowed and securities issued (-)		(5,375,227)	(1,450,000)
3.3 Capital increase (+)		-	-
3.4 Dividends paid (-)		-	-
3.5 Payments for finance leases (-)		(2,792)	(8,156)
3.6 Other (+/-)	(1)	-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents (+/-)		342,651	30,460
V. Net increase / (decrease) in cash and cash equivalents (I+II+III+IV)		(1,416,111)	605,914
VI. Cash and cash equivalents at beginning of the period (+)	(2)	3,514,657	2,908,743
VII. Cash and cash equivalents at end of the period (V+VI)	(3)	2,098,546	3,514,657

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

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VII. STATEMENT OF PROFIT DISTRIBUTION

		Audited	Audited
		31.12.2013 ^(*)	31.12.2012
I.	DISTRIBUTION OF CURRENT YEAR INCOME		
1.1	CURRENT YEAR INCOME	937,594	1,167,608
1.2	TAXES AND DUTIES PAYABLE (-)	203,355	265,262
1.2.1	Corporate tax (Income tax)	229,625	383,179
1.2.2	Income withholding tax	-	-
1.2.3	Other taxes and duties	(26,270)	(117,917)
A.	NET INCOME FOR THE YEAR (1.1-1.2)	734,239	902,346
1.3	PRIOR YEARS' LOSSES (-)	-	-
1.4	FIRST LEGAL RESERVES (-)	-	45,117
1.5	OTHER STATUTORY RESERVES (-)	-	-
B.	NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]	734,239	857,229
1.6	FIRST DIVIDEND TO SHAREHOLDERS (-)	-	128,250
1.6.1	To owners of ordinary shares	-	128,250(**)
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	EXTRAORDINARY RESERVES	-	728,979
1.13	OTHER RESERVES	-	-
1.14	SPECIAL FUNDS	-	-
II.	DISTRIBUTION OF RESERVES		
2.1	DISTRIBUTED RESERVES	-	-
2.2	SECOND LEGAL RESERVES (-)	-	-
2.3	DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1	To owners of ordinary shares	-	-
2.3.2	To owners of preferred shares	-	-
2.3.3	To 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	0.02719	0.03518
3.2	TO OWNERS OF ORDINARY SHARES (%)	2.72%	3.52%
3.3	TO OWNERS OF PREFERRED SHARES	-	-
3.4	TO OWNERS OF PREFERRED SHARES (%)	-	-
IV.	DIVIDEND PER SHARE		
4.1	TO OWNERS OF ORDINARY SHARES	-	-
4.2	TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3	TO OWNERS OF PREFERRED SHARES	-	-
4.4	TO OWNERS OF PREFERRED SHARES (%)	-	-

(*) Decision regarding the profit distribution for the 2013 will be taken at the General Meeting.

(**) Distributed to the shareholders as bonus shares.

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

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SECTION THREE ACCOUNTING POLICIES

I. Basis of Presentation

1. Preparation of the financial statements and the accompanying footnotes in accordance with Turkish Accounting Standards and Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents

The Turkish Banking Law No: 5411 is published in the Official Gazette No: 25983 dated November 1, 2005. The Bank prepared the accompanying financial statements as of December 31, 2013 and the related disclosures and footnotes in accordance with accounting and valuation standards as described in the "Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents", dated November 1, 2006 which is published in the Official Gazette No: 26333, "Communiqué on Financial Statements and the Accompanying Explanations and Footnotes to be Announced to the Public", dated June 28, 2012 which is published in the Official Gazette No: 28337, Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRS) and other circulars, communiqués and pronouncements in respect of accounting and financial reporting made by the Banking Regulation and Supervision Agency (BRSA).

Statutory Decree No: 660, which has been become effective and published in the Official Gazette on 2 November 2011, were nullified and accordingly, Public Oversight, Accounting and Audit Standards Institution (the "Institution") was established. The financial statements are prepared based on the Turkish Accounting Standards ("TAS") and the related statements and guidances announced by the Public Oversight, Accounting and Auditing Standards Authority.

Financial statements and the related disclosures and footnotes have been presented in thousands of Turkish Lira unless otherwise specified.

2. Classifications

None.

3. Accounting policies and valuation principles used in the preparation of the financial statements

Accounting policies and valuation principles used in the preparation of the financial statements are determined and applied in accordance with the requirements of TAS, TFRS, "Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents", dated November 1, 2006 which is published in the Official Gazette No: 26333, "Communiqué on Financial Statements and the Accompanying Explanations and Footnotes to be Announced to the Public", dated June 28, 2012 which is published in the Official Gazette No: 28337 and other regulations, circulars, communiqués and pronouncements in respect of accounting and financial reporting made by BRSA.

Explanation for Convenience Translation to English

The accounting principles used in the preparation of the accompanying financial statements differ from International Financial Reporting Standards (IFRS). The effects of the differences between these accounting principles and the accounting principles generally accepted in the countries in which the accompanying financial statements to be used and IFRS have not been quantified in the financial statements.

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

II. Strategy for the Use of Financial Instruments and the Foreign Currency Transactions

1. Strategy for the use of financial instruments

The major funding sources of the Bank are customer deposits, bond issues and funds borrowed from international markets. The customer deposits bear fixed interest rate and have an average maturity of 1-3 months in accordance with sector. Domestic bond issues are realized within the maturity of 6 months and foreign bond issues are based on long maturities with fixed interests. Funds borrowed from abroad generally bear floating rates and are reprised at an average period of 3-6 months. The Bank diverts its placements to assets with high return and sufficient collaterals. The Bank manages the liquidity structure to meet its liabilities when due by diversifying the funding sources and keeping sufficient cash and cash equivalents. The maturity of fund sources and maturity and yield of placements are considered to the extent possible within the current market conditions and higher return on long-term placements is aimed. Among the operations of the Bank, the main activities generating yields higher than the calculated average yields are credit card transactions.

Besides customer deposits, the Bank funds its long term fixed interest rate TL loan portfolio with long term (up to 10 years) floating interest rate foreign currency funds obtained from international markets. The Bank converts the foreign currency liquidity obtained from the international markets to TL liquidity using long term swap transactions (fixed TL interest rate and floating FC interest rate). Thus, the Bank generates TL denominated resources for funding long term loans with fixed interest rates.

The Bank has determined securities portfolio limits based on the market risk limitations for money, capital and commodity markets. Products included in the securities portfolio are subject to position and risk limits. Position limits restrict the maximum nominal position based on the product. Risk limits are expressed in terms of "Value at Risk (VAR)" by taking the risk tolerance as a cap. The maximum VAR amounts are determined for the three main risk factors, which affect the securities portfolio that is subject to market risk, as well as determining the risk tolerance based on the total value at risk. The above mentioned limits are revised annually.

The strategies for hedging exchange rate risk resulting from the Bank's foreign currency available-for-sale investment securities are explained in foreign currency risk section and the applications regarding the hedging of interest rate risk resulting from deposits with fixed or floating interest rates are explained in the interest rate risk section in detail.

Hedging strategies for foreign exchange risk resulting from other foreign currency transactions are explained in the foreign currency risk section.

2. Foreign currency transactions

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

The Bank accounts for the transactions denominated in foreign currencies in accordance with TAS 21 "The Effects of Changes in Foreign Exchange Rates". Foreign exchange gains and losses arising from transactions that are completed as of December 31, 2013 are translated to TL by using historical foreign currency exchange rates. Balances of the foreign currency denominated assets and liabilities except for non-monetary items are converted into TL by using foreign currency exchange rates of the Bank for the year end and the resulting exchange differences are recorded as foreign exchange gains and losses. The Bank's foreign currency exchange rates are as follows:

	<u>December 31, 2013</u>	<u>December 31, 2012</u>
US Dollar	TL 2.1343	TL 1.7826
Euro	TL 2.9365	TL 2.3517

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

The net foreign exchange loss included in the income statement as of December 31, 2013 is TL 102,622 (December 31, 2012 - TL 1,469 net foreign exchange loss).

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III. Information on Associates, Subsidiaries and Entities under Common Control

Associates, subsidiaries and entities under common control are accounted for in accordance with the principles in TAS 39 "Financial Instruments: Recognition and Measurement" in the unconsolidated accompanying financial statements. Associates and subsidiaries that do not have a quoted market price in an active market or whose fair value cannot be reliably measured are recorded at cost after deducting related impairment provision. After the share transfer of Cigna Finans Emeklilik ve Hayat A.Ş (CFEHAŞ), the remaining 49% shares are for in accordance with the principles in TAS 39 "Financial Recognition and Measurement" in the unconsolidated accompanying financial statements.

IV. Explanations on Forwards, Option Contracts and Derivative Instruments

The Bank enters into forward currency purchase/sale agreements and swap transactions to reduce the foreign currency risk and interest rate risk and manage foreign currency liquidity risk. The Bank also carries out currency and interest options, swaption, and credit default swap and futures agreements.

Besides customer deposits, The Bank funds its long term fixed interest rate TL loan portfolio with long term (up to 10 years) floating interest rate foreign currency funds obtained from international markets. The Bank converts the foreign currency liquidity obtained from the international markets to TL liquidity with long term swap transactions (fixed TL interest rate and floating FC interest rate). Therefore, the Bank not only funds its long term fixed interest rate loans with TL but also hedges itself against interest rate risk.

In accordance with TAS 39 "Financial Instruments: Recognition and Measurement", derivative instruments are categorized as "hedging purpose" or "trading purpose" transactions. Derivatives are initially recognized at cost including the transaction costs. Also, the liabilities and receivables arising from the derivative transactions are recorded as off-balance sheet items at their contractual values. The derivative transactions are accounted for at fair value subsequent to initial recognition and are presented in the "Assets on Trading Derivatives" and "Liabilities on Trading Derivatives" or "Assets on Hedging Purpose Derivatives" and "Liabilities on Hedging Purpose Derivatives" items of the balance sheet depending on the resulting positive or negative amounts of the computed value. These amounts presented on the balance sheet, represent the fair value differences based on the valuation.

The fair value differences regarding the derivative financial instruments held for the fair value hedge purposes are accounted for under "gains / (losses) from financial derivatives transactions", except for the foreign currency valuation differences. These foreign currency valuation differences are accounted for under "Foreign Exchange Gains/Losses" account. Information on Eurobond portfolio, recognized as fair value hedged items, is presented in section 3, footnote VII, 2 and 4.

The Bank implements cash flow hedge accounting by means of interest rate swaps in order to hedge itself for the changes in interest rates of deposits that have an average maturity of 1 month. The Bank implements effectiveness tests at the balance sheet dates for hedging purposes; the effective parts are accounted as defined in TAS 39, in financial statements under equity "Hedging Funds", whereas the amount concerning ineffective parts is associated with income statement.

The Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to the foreign currency bonds issued by the Bank using interest rate swaps as hedging instruments. The Bank performs hedge effectiveness tests at each balance sheet date.

Fair values of forward foreign currency purchase and sales contracts, currency and interest rate swap transactions are calculated by using internal pricing models based on market data. Unrealized gains and losses are reflected in the income statement in the current period.

Fair values of option contracts are calculated with option pricing models and the resulting unrealized gains and losses are reflected in the current period income statement.

Futures transactions are accounted for at settlement prices obtained from counterparties as of the balance sheet date and related unrealized gains and losses are reflected in the current period income statement.

Credit default and swaption transactions are accounted for at market prices as of the balance sheet date and related unrealized gains and losses are reflected in the current period income statement.

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V. Interest Income and Expenses

Interest income and expenses are recognized in the income statement for all interest bearing instruments on an accrual basis using the effective interest rate method. In accordance with the related regulation, the interest receivables and accruals of non-performing loans are cancelled and not recorded as interest income until collected.

VI. Fees and Commission Income and Expenses

Fees and commission income and expenses are accounted for on an accrual basis or on effective interest rate method, except for the certain banking transactions that income is recognized immediately. Income generated through agreements or through the sale and purchases of assets on behalf of third parties, is recorded as income when collected.

Dividend income is accrued when the subsidiaries', associates' and entities under common control's profit distribution decisions are approved.

VII. Explanations on Financial Assets

Financial assets comprise cash and cash equivalents and the contractual right to obtain cash or another financial asset from counterparty or to exchange financial assets with counterparty or the equity instrument transactions of the counterparty. Financial assets are classified in four categories; as "Financial Assets at Fair Value through Profit or Loss", "Investment Securities Available-For-Sale", "Investment Securities Held-To-Maturity", and "Loans And Other Receivables". The classification of the financial assets is determined at the initial inception of the related financial assets.

1. Financial assets at fair value through profit or loss

1.1. Trading securities

The Bank accounts for its trading securities at fair value. The interest income that has been gained from trading securities is presented at interest income in the income statement, while the difference between the cost and the fair value of trading securities and the gain or loss resulting from the sale of these financial assets before their maturity are realized under securities trading gains/losses.

1.2. Financial assets at fair value through profit or loss

The Bank has classified its mortgage loans that were initiated between January 1, 2006 – December 31, 2007, as financial assets at fair value through profit or loss in compliance with TAS 39. These loans are presented under "Financial Assets at Fair Value Through Profit or Loss" as loan, in order to be in compliance with the balance sheet presentation. The Bank has not classified its mortgage loans that were initiated after January 1, 2008 as fair value through profit or loss. Interest on related loans is presented under "Income Statement" as "Interest on Loans" and fair value differences are presented as "Securities Trading Gains (Losses)".

Financial assets at fair value through profit or loss are initially recorded at cost and are measured at fair value in the following periods.

Fair value of loans that are classified as financial assets at fair value through profit or loss has been determined by using effective interest rates used for similar financial assets within the market. The fair values of public sector debt securities that are classified in the mentioned group have been determined by using the market prices as at the balance sheet date.

2. Investment securities available for sale

Available for sale assets represent financial assets other than financial assets at fair value through profit or loss, loans and other receivables and investment securities held to maturity.

Premiums and discounts on investments securities available-for-sale are taken into account in computing of the internal rate of return and are included in interest income in the income statement. Accrued interest income on investment securities available for sale is recognized in the income statement whereas gains and losses arising from the change in the fair values of such securities are reflected in equity under

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"Securities Value Increase Fund". When investment securities available for sale are sold, collected or otherwise disposed of, the cumulative fair value adjustments under equity are transferred to the income statement.

Real coupons of consumer price indexed government bonds that are constant throughout their lives and their real principal amounts are preserved from inflation. In addition, payments are made considering the reference index as of the issue date, as stated in the explanations of Republic of Turkey Prime Ministry Undersecretariat of Treasury. In this context, cash flows calculated in line with T.R. Central Bank's inflation expectation are taken into account in the valuation of consumer price indexed government bonds in the Bank's portfolio.

Some portion of the Eurobond portfolio which has been recognized as available for sale securities are designated as fair value hedged items starting from March and April 2009. Those securities are disclosed under Investment Securities Available for Sale in order to be in line with balance sheet presentation. The fair value differences of hedged items are accounted for under "Securities Trading Gains/ Losses" in the income statement.

The Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to the long term government bonds with fixed coupon held by the Bank using swaps as hedging instruments. The Bank performs hedge effectiveness tests at each balance sheet date.

In cases where fair value hedge operations cannot be effectively performed as described in TAS 39, fair value hedge accounting is ceased. The fair value differences are amortized through equity until the maturity of related hedged securities. The fair value differences of related portfolio securities sold prior to maturity are once realized in the income statement.

3. Investment securities held to maturity

Investments held to maturity include securities with fixed or determinable payments and fixed maturity where there is an intention of holding until maturity and the relevant conditions for fulfillment of such intention, including the funding ability and excluding loans and receivables.

The Bank classified debt securities nominal amounted to TL 1,307,569 as investment securities held-to-maturity which is previously accounted under investment securities available-for-sale in the financial statements as due to the change in the intention of holding as of June 21, 2013. Detailed information regarding the classification given in section five I/7.e.

4. Loans and specific provisions

The Bank initially records loans and receivables at cost; except for the loans that are recorded with fair value through profit or loss and loans subject to fair value hedge. In the following periods, these loans are carried at amortized cost by using the effective interest rate method.

The Bank as explained in part IV, "explanations on forwards, option contracts and derivative instruments", enters into swap transactions against TL in order to hedge the possible losses which might arise due to the changes in the fair value of a certain portion of its long-term loans and applies fair value hedge accounting as per TAS 39. The Bank accounted for the hedged part of the loan portfolio at fair value, together with the swap transactions used as the hedging instrument and the related net gain or loss was included in the income statement.

When the fair value hedge accounting cannot be effectively continued as stated in TAS 39, the fair value hedge accounting is ceased. The fair value differences of the hedged loans are amortized through income statement until the maturity of the hedged loans.

Provision is set for the loans that maybe doubtful and amount is charged in the current period income statement.

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In the case where there is an evidence for the possibility of uncollectibility of loans, the Bank classifies related loans and receivables in non-performing loans and provides specific provision in accordance with the Communiqué dated November 1, 2006, published on the Official Gazette No: 26333 "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves". The Bank provides specific provision for the loans under follow-up regarding credit risk and other factors, in accordance with the aforementioned regulation. Additionally, the Bank provides general provisions in accordance with the Communiqué dated November 1, 2006, published on the Official Gazette No: 26333 and presents it in the liabilities as "General Provisions".

The Bank also provides specific provisions for the closely monitored loans as a result of risk assessment. These provisions accounted for in liabilities under other provisions as "Free Reserves for Possible Loan Losses".

The provisions provided for loans are accounted for under "Provision for Loan Losses and Other Receivables" in the statement of income.

The collections made in relation to amounts that provision provided in the current period and the principle collections from the loans previously provisioned in the prior periods are offset against the "Provision for Loan and Other Receivables" in the income statement. The principal collections made related to the loans that were written-off are recorded under "Other Operating Income" and interest collections are recorded under the "Interest on Loans" account.

VIII. Explanations on Impairment of Financial Assets

If the amount computed by discounting expected future cash flows of a financial asset or of asset groups using the effective interest rate method or (if any) the fair value is lower than the carrying value of financial assets, impairment can be recognized. Provision is provided for impairment of the financial assets and recorded to related expense accounts.

IX. Explanations on Netting of Financial Instruments

In cases where the fair values of trading securities, securities available-for-sale, and securities quoted at the stock exchanges, associates and subsidiaries are less than their carrying values, a provision for impairment is allocated, and the net value is presented on the balance sheet.

The Bank provides specific allowances for loans and other receivables in accordance with "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" and offset against overdue loans in the assets.

Financial assets and liabilities other than those explained above are offset when the Bank has a legally enforceable right to set off, and the intention of collecting or paying the net amount of related assets and liabilities or the right to offset the assets and liabilities, simultaneously. Otherwise, no offsetting is made.

The Bank derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Bank neither transfers nor retains substantially all the risks and rewards of the ownership and continues to control the transferred asset, the Bank recognizes its retained interest in the asset and an associated liability for the amounts that it may have to pay. If the Bank retains substantially all the risks and rewards of ownership of a transferred financial asset, the Bank continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated loss in equity is recognized in profit or loss.

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X. Explanations on Sales and Repurchase Agreements and Lending of Securities

Securities sold under repurchase agreements are recorded on the balance in accordance with Uniform Chart of Accounts. Accordingly, government bonds and treasury bills sold to customers under repurchase agreements are classified as "Investments Subject to Repurchase Agreements" and valued based on the Bank management's future intentions, either at market prices or using discounting method with internal rate of return. Funds received through repurchase agreements are classified separately under liability accounts and the related interest expenses are accounted for on an accrual basis.

Securities that are subject to repurchase agreements as at the balance sheet date amounted to TL 3,815,605 (December 31, 2012 - TL 1,984,750).

The Bank does not have any securities that are subject to lending transactions as of December 31, 2013 (December 31, 2012 - None).

Securities purchased with a commitment to resell (reverse repurchase agreements) are recorded in a separate account under "Money Market Placements" in the balance sheet. The difference resulting from purchase and resale prices is treated as interest income and accrued over the life of the agreement.

XI. Explanations on Assets Held for Sale and Discontinued Operations

Assets held for sale are those with highly saleable condition requiring a plan by the management regarding the sale of the asset to be disposed, together with an active program for determination of buyers as well as for the completion of the plan. Also, the asset shall be actively marketed in conformity with its fair value. On the other hand, the sale is expected to be journalized as a completed sale within one year after the classification date; and the necessary transactions and procedures to complete the plan should demonstrate the fact that the possibility of making significant changes or canceling the plan is low.

As at the balance sheet date, the Bank does not have any assets held for sale.

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

XII. Explanations on Goodwill and Other Intangible Assets

The Bank's intangible assets consist of software and intangible rights.

The intangible assets are recorded at their historical cost less accumulated amortization and provision for impairment, if any. Amortization is calculated on a straight-line basis.

Software has been classified as other intangible fixed assets. The useful life of software is determined as 3 years.

If there is objective evidence of impairment, the asset's recoverable amount is estimated in accordance with the Turkish Accounting Standard on Impairment of Assets (TAS 36) and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is made. There is no goodwill regarding the associates and subsidiaries in the accompanying unconsolidated financial statements.

XIII. Explanations on Tangible Assets

The tangible assets are recorded at their historical cost less accumulated depreciation and provision for impairment, if any.

Depreciation is calculated on a straight-line basis over the estimated useful life of tangible assets. The annual rates used are as follows:

Property	2%
Movables purchased and acquired under finance lease contracts	7% - 25%

The depreciation of leasehold improvements acquired before December 2009, under operating lease agreements, is calculated according to their useful lives. Depreciation of leasehold improvements acquired after this date is calculated over the lease period not exceeding 5 years where the lease period is certain;

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or 5 years where the lease period is not certain in accordance with "Communiqué on the Amendment of Communiqué on Uniform Chart of Accounts and Explanatory Notes" dated January 10, 2011.

Depreciation is calculated on a pro-rata basis for the assets that have been placed in use for less than a year as of the balance sheet date.

Net book value of the property and leased assets under financial lease contracts are compared with the fair values determined by independent appraisers as of the year end and provision for impairment is recognized in "Other Operating Expenses" in the related period income statement when the fair value is below the net book value in accordance with "Turkish Accounting Standard on Impairment of Assets" (TAS 36).

Gains or losses resulting from disposals of the tangible assets are recorded in the income statement as the difference between the net proceeds and net book value of the asset.

Expenses for repairs are capitalized if the expenditure increases economic life of the asset; otherwise they are expensed.

There are no changes in the accounting estimates, which could have a significant impact on the current and future financial statements. There are no pledges, mortgages or other restrictions on the tangible assets.

There is no purchase commitments related to the fixed assets.

XIV. Explanations on Leasing Transactions

Fixed assets acquired under finance lease contracts are presented under "Tangible Fixed Assets" on the asset side and under "Financial Lease Payables" on the liability side at the initial date of the lease. The basis for the determination of related balance sheet amounts is the lower of fair value of the leased asset and the present value of the lease payments. The direct costs incurred for a finance lease transaction are capitalized as additions to the cost of the leased asset. Lease payments include the financing costs incurred due to the leasing transaction and the principal amount of the leased asset for the current period. Depreciation is calculated on a straight-line basis over the estimated useful life of the leased assets at the rate of 20% except for the buildings which are depreciated at the rate of 2%.

Total payments made under operating leases are charged to income statement on a straight-line basis over the period of the lease.

The Bank has no leasing transactions as lessor.

XV. Explanations on Provisions and Contingent Liabilities

Provisions, other than specific and general provisions for loans and other receivables, and contingent liabilities are provided for in accordance with TAS 37 "Provisions, Contingent Liabilities and Contingent Assets". Provisions are accounted for immediately when obligations arise as a result of past events and a reliable estimate of the obligation is made by the Bank. Whenever the amount of such obligations cannot be measured, they are regarded as "contingent". If the possibility of an outflow of resources embodying economic benefits becomes probable and the amount of the obligation can reliably be measured, a provision is provided.

Provisions provided during the period are accounted for under "Other Operating Expenses"; provisions provided in the prior periods and reversed in the current year are accounted for under "Other Operating Income".

XVI. Explanations on Obligations of the Bank Concerning Employee Benefits

Provision for employee severance benefits has been accounted for in accordance with TAS 19 "Employee Benefits".

In accordance with the existing social legislation in Turkey, the Bank is required to make lump-sum termination indemnities including retirement and notice payments to each employee whose employment is terminated due to resignation or for reasons other than misconduct. The retirement pay is calculated for every working year within the Bank over salary for 30 days or the official ceiling amount per year of employment and the notice pay is calculated for the relevant notice period time as determined based on the number of years worked for the Bank.

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The Bank has reflected the retirement pay liability amount, which was calculated by an independent actuary, in the accompanying financial statements. As explained in details in Section 3 Part XXIII, amendments to IAS 19 change the accounting for defined benefit plans and termination benefits retrospectively. The most significant change relates to the accounting in defined benefit obligations. Hence, the Bank recognizes the changes in defined benefit obligations, "corridor approach" which was permitted in previous version of IAS 19 is eliminated and accelerate the recognition of past service costs. The Bank recognizes all actuarial gains and losses immediately through other comprehensive income.

The Bank does not have any employees who work under limited period contracts with remaining terms longer than 12 months after the balance sheet date.

Provision for the employees' unused vacations has been booked and reflected to the financial statements.

There are no foundations, pension funds or similar associations of which the employees are members.

XVII. Explanations on Taxation

1. Corporate tax

In accordance with the Corporate Tax Law No. 5520 published in the Official Gazette No: 26205 dated June 21, 2006, statutory income is subject to corporate tax at 20%. Advance corporate taxes paid are followed under "Current Tax Liability" or "Current Tax Asset" account and are deducted from the corporate taxes of the current year.

75% of gains on disposal of subsidiary shares and real estates held in Bank assets for more than two years are exempt from tax, according to Corporate Tax Law under the condition of adding these gains into equity or allocating into a specific fund account as liability for five years.

Companies file their tax returns between the 1st and the 25th day of the fourth month following the closing of the fiscal year to which they relate and the payments are made until the end of that month.

Losses occurred due to prior year's financial statements can be deducted from corporate income under condition that each year amounts are shown separately on Corporate Tax declaration and are not carried more than five years.

Taxes that are not been levied or notified to tax payer in five years, starting from the beginning of the year following the calendar year that the tax asset emerged are prescribed. Therefore, the tax authority can perform tax audit up to five years backwards. Besides, in case of benefiting from the decision of the document that is subject to stamp duty, yet the tax and the penalty is prescribed, after period of limitation is expired, tax asset of aforementioned document is emerged again.

The provision for corporate and income taxes for the period is reflected as the "Current Tax Charge" in the income statement.

Undistributed profit for the period is not subject to withholding tax if it is added to capital or it is distributed to full-fledged taxpayer corporations. However, with the Council of Ministers' decisions numbered 2009/14593 and 2009/14594; published in the Official Gazette No: 27130 dated February 3, 2009 and based on Corporate Tax Law No: 5520, 15th and 30th Articles, profit distribution for the period is subject to withholding tax by 15%, for full-fledged real person taxpayers, for those who are not responsible for corporate tax and income tax, for those exempt from corporate and income tax (except for those taxed through their businesses or permanent representatives in Turkey) and for foreign based real person taxpayers.

2. Deferred taxes

In accordance with Turkish Accounting Standard on Income Taxes (TAS 12), the Bank accounts for deferred taxes based on the tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

XVIII. Additional Explanations on Borrowings

The Bank generates funds from domestic and foreign sources when this is necessary. The funds borrowed from foreign sources are mainly in the form of syndications and securitizations. The funds borrowed are measured at amortized cost by using the internal rate of return method.

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The Bank has not issued convertible bonds. Debt instruments directly issued by the Group are classified under "Securities Issued", while the funds obtained through the debt instruments issued by the special purpose vehicles (SPV's) are classified under funds borrowed.

XIX. Explanations on Share Issues

During the current period, the share capital of the Bank has been increased by TL 135,000 from bonus shares, TL 128,250, from first dividends, TL 6,750 from share holding disposal funds. (January 1 – December 31, 2012: TL 125,000, from first dividends, TL 122,000 and from extraordinary reserves, TL 3,000 in cash).

XX. Explanations on Confirmed Bills of Exchange and Acceptances

Confirmed bills of exchange and acceptances are realized simultaneously with the customer payments and recorded in off-balance sheet accounts as possible debt and commitment, if any.

There are no acceptances and confirmed bills of exchange presented as liabilities against any assets.

XXI. Explanation on Government Incentives

As of December 31, 2013, the Bank does not have any government incentives or grants.

XXII. Explanations on Reporting According to Segmentation

In addition to corporate banking, retail banking and commercial banking services, the Bank also provides private banking, treasury operations and credit card services through branches and alternative channels. The Bank serves its retail banking clients with time and demand deposits, also overdraft services, automatic account services, consumer loans, vehicle loans, housing loans and investment fund services. The Bank provides services including deposit and loans, foreign trade financing, forward and option agreements to its corporate clients. The Bank also serves in trading financial instruments and treasury operations.

The calculations based on the income statement on corporate and commercial banking, consumer banking, plastic cards, that have operational units designated as the main profit centers, have been made according to the product and customer types. During the profitability calculations, the pricing of transfers among these units and treasury unit are made by using cost/return ratios that are determined by the Bank's senior management and which are updated periodically. In this pricing method, general market conditions and the Bank's internal policies are considered.

The Corporate Marketing Unit provides services to firms that are institutional, big size, that have annual revenues of TL 100,000 and higher and multi-national firms operating in Turkey. The firms that have annual revenues between TL 2,000 and TL 100,000 are considered as "Commercial Enterprise". The Bank gives importance to the commercial segmentation in order to hedge risk and decrease the concentration of income. Moreover; The Bank also offers sectoral solution packages to these small and medium-size firms.

The Consumer Banking meets the needs and expectations of the retail banking customers. The Private Banking Unit has formed and started to operate to serve customers with high level income, in a more effective way. The installments, discounts and bonus advantages are provided to the users of Card Finans in the plastic cards line. The main function of Treasury Segment is managing the liquidity of the Bank and interest and foreign currency risks resulting from market conditions. This segment is in close relation with corporate, commercial, retail, and private banking units in order to increase the number of customers and the volume of transactions in treasury products of the Bank.

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Current Period (Jan. 1-Dec. 31, 2013)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Bank
Net Interest Income	1,473,234	420,100	1,269,812	3,163,146
Net Fees and Commissions Income	1,574,176	112,602	(655,256)	1,031,522
Other Operating Income and Net Trading Income	175,762	124,794	(194,812)	105,744
Dividend Income	-	-	12,152	12,152
Operating Income	3,223,172	657,496	431,896	4,312,564
Other Operating Expenses	1,542,251	335,286	416,682	2,294,219
Provision for Loan Losses and Other Receivables(-)	651,737	162,017	266,997	1,080,751
Profit Before Taxes	1,029,184	160,193	(251,783)	937,594
Tax Charge	-	-	-	(203,355)
Net Profit/Loss	-	-	-	734,239
Total Assets	34,123,577	8,142,183	19,407,527	66,009,767
Segment Assets	34,123,577	8,142,183	19,407,527	61,673,287
Associates, Subsidiaries and Entities Under Common Control	-	-	-	624,698
Undistributed Assets	-	-	-	3,711,782
Total Liabilities	25,886,321	10,839,785	15,761,644	66,009,767
Segment Liabilities	25,886,321	10,839,785	15,761,644	52,487,750
Undistributed Liabilities	-	-	-	5,873,539
Equity	-	-	-	7,648,478
Other Segment Accounts	-	-	-	471,368
Capital Expenditures	-	-	-	299,622
Depreciation and Amortization	-	-	-	169,993
Value Decrease/(Increase)	-	-	-	1,753

Prior Period (Jan. 1 - Dec 31, 2012)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Bank
Net Interest Income	1,555,277	481,612	840,265	2,877,154
Net Fees and Commissions Income	1,560,232	481,612	840,265	2,877,154
Net Interest Income	1,560,232	105,619	(637,038)	1,028,813
Other Operating Income and Net Trading Income	113,076	108,779	(205,507)	16,348
Dividend Income	-	-	8,787	8,787
Operating Income	3,228,585	696,010	6,507	3,931,102
Other Operating Expenses	1,208,070	280,407	307,616	1,796,093
Provision for Loan Losses and Other Receivables(-)	471,705	145,909	347,817	965,431
Profit Before Taxes	1,548,810	269,694	(648,926)	1,169,578
Tax Charge	-	-	-	(265,656)
Net Profit/Loss	-	-	-	903,922
Total Assets	29,154,171	6,531,574	14,653,095	54,401,608
Segment Assets	29,154,171	6,531,574	14,653,095	50,338,840
Associates, Subsidiaries and Entities Under Common Control	-	-	-	697,296
Undistributed Assets	-	-	-	3,365,472
Total Liabilities	19,964,569	11,682,875	12,007,423	54,401,608
Segment Liabilities	19,964,569	11,682,875	12,007,423	43,654,867
Undistributed Liabilities	-	-	-	3,421,302
Equity	-	-	-	7,290,100
Other Segment Accounts	-	-	-	433,565
Capital Expenditures	-	-	-	281,983
Depreciation and Amortization	-	-	-	147,931
Value Decrease/(Increase)	-	-	-	3,651

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XXIII. Explanations on Other Matters

Changes in the financial statements of the prior period:

Within the scope of the revisions in TAS 19 'Employee Benefits' which would be applied retrospectively; the Bank restated its prior period financial statements while preparing its current period financial statements. Accordingly, the effect of the restatement for the year 2012 is as follows:

	Previously Reported December 31, 2012	Effect of Adjustment	Restated December 31, 2012
Reserve for employee termination benefits	148,640	44,174	192,814
Deferred tax liabilities	37,204	(8,835)	28,369
Other capital reserves	-	(36,915)	(36,915)
Period net income	902,346	1,576	903,922

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SECTION FOUR INFORMATION ON FINANCIAL STRUCTURE

1. Explanations Related to Capital Adequacy Standard Ratio

As of December 31, 2013, the Bank's unconsolidated capital adequacy ratio is 16.95%. (December 31, 2012 - 18.85%).

Capital adequacy ratio is calculated within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks", "Communiqué on Credit Risk Mitigation Techniques" and "Communiqué on Calculation of Risk Weighted Amounts for Securitizations" published in the Official Gazette No: 28337 dated June 28, 2012 and the "Communiqué on Equities of Banks" published in the Official Gazette No: 26333 dated November 1, 2006.

The Bank designates balance sheet items and non-balance sheet items as "trading" and "banking book" according to capital adequacy account.

The risk weighted assets are calculated as the figures deducted from the capital base net off depreciations and provisions.

The items classified as trading book are not included in the calculation of the credit risk. However, counterparty credit risk for all transactions stated in the Article 21 of the Regulation, are calculated using the rates stated in the Appendix-2 of the Regulation.

The balance sheet items and off balance sheet items for which credit equivalent risk is calculated within the scope of the rates stated in the Article 5 of the Regulation, are included in the relevant exposure category defined in the Article 6 of the Regulation and weighted as per Appendix-1 of the Regulation.

The disclosures on credit risk mitigation techniques used under "Regulation on Credit Risk Mitigation Techniques" are presented in Section 4, Footnote X under "Explanations related to Credit Risk Mitigation Techniques".

Capital requirement for the market risk is calculated using the standard method. Market risk for the options is calculated in line with the regulation "Capital Requirement for Market Risk of Options - Standard Method" published in the Official Gazette No: 28337 dated June 28, 2012.

Capital requirement for the operational risk is calculated in line with the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" published in the Official Gazette No: 28337 dated June 28, 2012 by using Basic Indicator Approach.

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Unconsolidated capital adequacy ratio

Current Period	Risk Weightings								
	0%	10%	20%	50%	75%	100%	150%	200%	250%
Value at Credit Risk	-	-	179,588	7,476,755	11,903,243	18,675,739	1,992,405	8,987,942	1,356,358
Exposure Categories:	15,315,268	-	897,940	14,953,510	15,870,990	18,675,739	1,328,270	4,493,971	542,543
Conditional and unconditional receivables from central governances and central Banks	14,268,181	-	-	1,333,821	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	2,452	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	1,023	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	895,415	1,608,741	-	27,180	-	-	-
Conditional and unconditional receivables from corporates	-	-	-	16,039	-	12,719,917	-	-	-
Conditional and unconditional retail receivables	-	-	-	-	15,870,990	3,261,960	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	11,952,456	-	-	-	-	-
Past due receivables	-	-	-	42,453	-	454,259	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	1,328,270	4,493,971	542,543
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	23,640	-	-	-
Other receivables	1,047,087	-	73	-	-	2,187,760	-	-	-

Prior Period	Risk Weightings								
	0%	10%	20%	50%	75%	100%	150%	200%	250%
Value at Credit Risk	-	-	161,174	6,019,267	13,911,243	11,448,093	4,156,287	5,802,598	-
Exposure Categories:	10,744,997	-	805,871	12,038,534	18,548,325	11,448,093	2,770,858	2,901,299	-
Conditional and unconditional receivables from central governances and central Banks	10,091,979	-	-	1,177,704	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	4,200	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	90	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	801,669	286,125	-	20,312	-	-	-
Conditional and unconditional receivables from corporates	-	-	-	13,196	-	9,151,879	-	-	-
Conditional and unconditional retail receivables	-	-	-	-	18,548,325	-	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	10,537,266	-	-	-	-	-
Past due receivables	-	-	-	24,243	-	309,988	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	2,770,858	2,901,299	-
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	182,692	-	-	-
Other receivables	653,018	-	2	-	-	1,783,132	-	-	-

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Summary information related to unconsolidated capital adequacy ratio

	Current Period	Previous Period
Capital Requirement for Credit Risk (Value at Credit Risk*0.08) (CRCR)	4,045,762	3,319,893
Capital Requirement for Market Risk (MRCR)	80,017	64,494
Capital Requirement for Operational Risk (ORCR)	425,090	359,393
Shareholders' Equity	9,642,750	8,820,860
Shareholders' Equity/(CRCR+MRCR+ORCR) * 12.5 * 100	16.95%	18.85%

CRCR : Capital Requirement for Credit Risk

MRCR : Capital Requirement for Market Risk

ORCR : Capital Requirement for Operational Risk

Components of shareholders' equity items:

	Current Period	Prior Period ^(*)
CORE CAPITAL		
Paid-in Capital	2,700,000	2,565,000
Nominal Capital	2,700,000	2,565,000
Capital Commitments (-)	-	-
Inflation Adjustments to Paid-in Capital	-	-
Share Premium	714	714
Share Cancellation Profits	-	-
Reserves	3,327,412	2,677,677
Inflation Adjustments to Reserves	-	-
Profit	734,239	903,922
Current Period's Profit	734,239	903,922
Prior Periods' Profit	-	-
Provision for Possible Losses (up to 25% of Core Capital)	102,025	99,747
Income on Sale of Equity Shares and Real Estates	642,551	519,114
Primary Subordinated Debts	-	-
Loss (in excess of Reserves) (-)	-	-
Current Period's Losses	-	-
Prior Periods' Losses	-	-
Leasehold Improvements on Operational Leases (-)	138,965	115,296
Intangible Assets (-)	198,204	169,320
Deferred Tax Asset in Excess of 10% of Core Capital (-)	-	-
Limit excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-	-
Total Core Capital	7,169,772	6,481,558
SUPPLEMENTARY CAPITAL		
General Provisions	711,073	584,966
45% of Revaluation Surplus on Movables	-	-
45% of Revaluation Surplus on Immovable	-	-
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	2,689	2,689
Primary Subordinated Debts excluding the Portion included in Core Capital	-	-
Secondary Subordinated Debts	1,831,098	1,479,952
45% of Securities Value Increase Fund	(57,011)	283,954
Inflation Adjustments to Other Capital and Profit Reserves and Prior Periods' Profit/Loss	-	-
Total Supplementary Capital	2,487,849	2,351,561
CAPITAL	9,657,621	8,833,119
DEDUCTIONS FROM CAPITAL	14,871	12,259
Unconsolidated Investments in Entities (Domestic/Foreign) Operating in Banking and Financial Sectors at 10% or more	-	-
Investments in Entities (Domestic/Foreign) Operating in Banking and Financial Sectors at Less than 10% Exceeding 10% or more of the Total Core and Supplementary Capitals	-	-
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Secondary Subordinated Debts and Debt Instruments Purchased from Such Parties Qualified as Primary or Secondary Subordinated Debts	-	-
Loan Granted to Customer against the Articles 50 and 51 of the Banking Law	2,015	-
Net Book Values of Properties exceeding 50% of the Capital and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law but Retained more than Five Years	12,855	12,216
Securitization Positions to be Deducted from Equity	-	-
Other	1	43
TOTAL SHAREHOLDERS' EQUITY	9,642,750	8,820,860

(*) The prior period figures are adjusted as detailed in Section 3, Part XXIII.

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FİNANSBANK ANONİM ŞİRKETİ

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Approaches for assessment of adequacy of internal capital requirements for current and future activities

The Bank documented its strategy on the process of assessing the internal capital requirements in "Finansbank Risk Management Strategy" approved by its Board of Directors. The target capital adequacy ratio set within the scope of this process is a significant determining factor of the Bank's risk appetite.

The Bank's strategy on the process of assessing the internal capital requirements results in planning the future needs of additional capital under the effects of the stress tests of long term business plans, reflecting adverse economic conditions in addition to determination of the additional need for capital for the types of risk that are not covered or partially covered by "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

II. Explanations Related to Credit Risk

Credit risk represents the risk arising due to the counter party's not fulfilling its responsibilities stated in the agreement either partially or totally.

Loan strategies and policies are determined by the Policy Committees. These policies and strategies are constituted in line with the applications of the Parent, and credit risk is managed according to these policies and strategies. The quality of loan portfolio is monitored regularly with the help of metrics which are in line with the Bank's risk appetite, as specified in Risk Management Strategies.

Credit Risk Management takes place in every step of the Bank's credit process from the beginning. Loan applications are evaluated by non-profit oriented independent loan granting departments. Loan limits are determined on a product basis and in the aggregate for every individual, corporate customer and risk group. Furthermore, concentration on product, industry, region, are monitored within the frame of loan limits in line with the regulation.

The credibility of the debtors is monitored periodically in accordance with the related regulation. The statements presenting the financial position of the borrowers are obtained in accordance with the related regulation.

Loan limits of the loan customers are revised periodically in line with the Bank's loan limit revision procedures.

The Bank analyses the credibility of the loans within the framework of its loan policies and obtains collaterals for loans.

The Bank has control limits over the positions of forward transactions, options and other similar agreements. The credit risk arising from these instruments are managed together with the risks resulting from market fluctuations.

The Bank monitors risks of forward transactions, options and other similar agreements and reduces the risk if necessary.

Indemnified non-cash loans are weighted in the same risk group with the past due but not impaired loans.

The restructured and rescheduled loans are monitored by the Bank in line with Bank's credit risk management procedures. The debtor's financial position and commercial activities are continuously analyzed and the principal and interest payments of rescheduled loans are monitored by the related departments.

The restructured and rescheduled loans are evaluated in the Bank's current internal rating system besides the follow up method determined in the related regulation.

The risk of banking operations abroad and credit transactions is acceptable and there is no significant credit risk density in the international banking market.

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Based on "Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside", the Bank considers second group loans whose principal or interest payments are not collected at the determined dates as overdue loans. Loans whose principal or interest payments are delayed for more than 90 days and loans of borrowers which the Bank believes that the borrower lost their creditworthiness are considered as impaired loans.

The Bank calculates general loan provision for overdue loans and specific loan provision for impaired loans based on "Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside".

The receivables of the Bank from its top 100 cash loan customers are 10% in the total cash loans (December 31, 2012 - 14%).

The receivables of the Bank from its top 200 cash loan customers are 12% in the total cash loans. (December 31, 2012 - 17%)

The receivables of the Bank from its top 100 non-cash loan customers are 45% in the total non-cash loans (December 31, 2012 - 44%).

The receivables of the Bank from its top 200 non-cash loan customers are 54% in the total non-cash loans. (December 31, 2012 - 54%)

The share of cash and non-cash receivables of the Bank from its top 100 loan customers in total cash and non -cash loans is 13% (December 31, 2012 - 11%).

The share of cash and non-cash receivables of the Bank from its top 200 loan customers in total cash and non -cash loans is 16%. (December 31, 2012 - 13%)

The general loan loss provision related with the credit risk taken by the Bank is TL 816,291 (December 31, 2012 - TL 617,684).

Provision for probable risks in the Bank's loan portfolio amounted to TL 102,025 (December 31, 2012 - TL 99,747).

Exposure Categories	Current Period Risk Amount(**)	Average Risk Amount	Prior Period Risk Amount(**)	Average Risk Amount(*)
Conditional and unconditional receivables from central governments or central banks	15,602,002	13,919,385	11,269,683	10,912,264
Conditional and unconditional receivables from regional or local governments	2,475	3,309	4,200	4,881
Conditional and unconditional receivables from administrative units and non-commercial enterprises	1,040	57,757	90	1,068
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	4,042,213	2,258,271	1,159,290	1,369,920
Conditional and unconditional receivables from corporates	13,177,326	11,512,492	9,541,293	11,295,616
Conditional and unconditional retail receivables	19,333,625	18,854,642	18,743,812	19,211,179
Conditional and unconditional receivables secured by mortgages	11,952,456	11,395,086	10,537,266	8,437,958
Past due receivables	496,776	460,705	334,234	397,844
Receivables defined in high risk category by BRSA	6,421,821	6,115,978	5,715,070	5,267,311
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-
Investments similar to collective investment funds	23,640	73,594	182,692	182,692
Other receivables	3,234,920	2,641,786	2,436,152	2,132,257

(*)Average risk amount is determined by calculating the arithmetical average of the amounts after credit conversion for the period July- December 2012.

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

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Credit rating system

The Bank uses internal credit rating system effectively in order to track the quality of credit portfolio and determine the actions required, based on customer groups and types of loans. The Bank uses the behavioral rating systems in order to measure the probability of default of the current customers in a determined period of time and to perform limit management. These rating systems are monitored regularly in line with generally accepted applications and methods.

The table below indicates the ratings of the corporate / commercial and enterprise banking cash loans:

	Current Period	Prior Period
	(%)	(%)
Debtor has a very strong financial structure	10	6
Debtor has a good financial structure	60	59
Debtor has a medium financial structure	19	22
Debtor has a financial structure which needs attention in medium term	8	10
Not graded	3	3
Total	100	100

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Profile of significant exposures in major regions:

Risk Classes^(*)

	Exposure Categories ^(*)																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	Total
Current Period																	
1. Domestic	15,602,002	2,475	1,040	-	-	893,567	12,909,896	19,333,154	11,949,007	496,776	6,421,480	-	-	-	23,640	2,610,222	70,243,259
2. European Union Countries	-	-	-	-	-	2,775,100	211,294	152	3,155	-	145	-	-	-	-	-	2,989,846
3. OECD Countries ^(**)	-	-	-	-	-	47,892	-	207	-	-	-	-	-	-	-	-	48,099
4. Off-Shore Banking Regions	-	-	-	-	-	812	38,075	-	-	-	-	-	-	-	-	-	38,887
5. USA, Canada	-	-	-	-	-	293,097	16,773	9	-	-	-	-	-	-	-	-	309,879
6. Other Countries	-	-	-	-	-	31,745	1,288	103	294	-	196	-	-	-	-	-	33,626
7. Associates, Subsidiaries and Joint - Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	624,698	624,698
8. Unallocated Assets/Liabilities ^(***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	15,602,002	2,475	1,040	-	-	4,042,213	13,177,326	19,333,625	11,952,456	496,776	6,421,821	-	-	-	23,640	3,234,920	74,286,294

Risk Classes^(*)

	Exposure Categories ^(*)																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	Total
Prior Period																	
1. Domestic	11,269,683	4,200	90	-	-	439,666	9,233,304	18,737,141	10,536,383	334,234	5,693,389	-	-	-	182,692	1,736,856	58,169,838
2. European Union Countries	-	-	-	-	-	535,213	235,103	2,539	645	-	98	-	-	-	-	-	773,598
3. OECD Countries ^(**)	-	-	-	-	-	17,453	-	2	-	-	21,366	-	-	-	-	-	38,821
4. Off-Shore Banking Regions	-	-	-	-	-	11,867	31,709	-	-	-	-	-	-	-	-	-	43,576
5. USA, Canada	-	-	-	-	-	96,495	28,716	10	9	-	17	-	-	-	-	-	125,247
6. Other Countries	-	-	-	-	-	58,596	12,461	4,120	229	-	-	-	-	-	-	-	75,406
7. Associates, Subsidiaries and Joint - Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	697,296	697,296
8. Unallocated Assets/Liabilities ^(***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	11,269,683	4,200	90	-	-	1,159,290	9,541,293	18,743,812	10,537,266	334,234	5,715,070	-	-	-	182,692	2,436,152	59,923,782

^(*) Exposure categories based on "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks"

^(**) Includes OECD countries other than EU countries, USA and Canada

^(***) Includes assets and liability items that can not be allocated on a consistent basis.

- 1- Conditional and unconditional exposures to central governments or central banks
- 2- Conditional and unconditional exposures to regional governments or local authorities
- 3- Conditional and unconditional exposures to administrative bodies and non-commercial undertakings
- 4- Conditional and unconditional exposures to multilateral development banks
- 5- Conditional and unconditional exposures to international organizations
- 6- Conditional and unconditional exposures to banks and brokerage houses
- 7- Conditional and unconditional exposures to corporates
- 8- Conditional and unconditional retail exposures
- 9- Conditional and unconditional exposures secured by real estate property
- 10- Past due items
- 11- Items in regulatory high-risk categories
- 12- Exposures in the form of bonds secured by mortgages
- 13- Securitization positions
- 14- Short-term exposures to banks, brokerage houses and corporates
- 15- Exposures in the form of collective investment undertakings
- 16- Other items

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Risk profile by sectors or counterparties:**Risk Classes(*)**

Current Period	Exposure Categories ^(*)																Total		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16		TL	FC
Agricultural	-	-	-	-	-	-	324,150	92,757	214,096	3,070	12	-	-	-	-	-	595,295	38,790	634,085
Farming and Raising Livestock	-	-	-	-	-	-	313,815	83,909	204,219	2,984	11	-	-	-	-	-	574,076	30,882	604,938
Forestry	-	-	-	-	-	-	254	3,627	3,270	31	1	-	-	-	-	-	7,183	0	7,183
Fishing	-	-	-	-	-	-	10,081	5,221	6,607	55	-	-	-	-	-	-	14,036	7,928	21,964
Manufacturing	-	-	-	-	-	-	4,050,589	1,319,408	1,051,402	46,930	257	-	-	-	-	-	3,037,303	3,431,283	6,468,586
Mining and Quarrying	-	-	-	-	-	-	68,889	24,400	23,576	924	2	-	-	-	-	-	71,378	46,423	117,801
Production	-	-	-	-	-	-	3,168,952	1,288,083	1,019,375	45,943	255	-	-	-	-	-	2,787,448	2,725,170	5,512,618
Electricity, gas and water	-	-	-	-	-	-	822,738	6,915	8,451	63	-	-	-	-	-	-	178,477	659,690	838,167
Construction	-	-	-	-	-	-	1,405,989	523,786	1,074,050	26,128	50	-	-	-	-	-	1,935,038	1,094,965	3,030,003
Services	7,160,645	-	-	-	-	-	5,176,057	3,378,223	2,693,971	107,565	854	-	-	-	-	-	17,600,574	4,801,576	22,402,150
Wholesale and Retail Trade	-	-	-	-	-	-	2,837,800	2,632,911	1,725,391	80,604	701	-	-	-	-	-	5,810,470	1,466,937	7,277,407
Hotel, Food and Beverage Services	-	-	-	-	-	-	161,373	32,757	360,288	586	7	-	-	-	-	-	118,143	436,858	555,001
Transportation & Communication	-	-	-	-	-	-	807,259	367,745	197,483	21,342	81	-	-	-	-	-	789,524	604,396	1,393,920
Financial Institutions	7,160,645	-	-	-	-	-	325,984	24,171	15,630	217	7	-	-	-	-	-	9,873,985	1,536,464	11,410,459
Real Estate and Renting Services	-	-	-	-	-	-	404,825	41,505	50,062	1,542	15	-	-	-	-	-	109,516	388,433	497,949
Self-Employment Services	-	-	-	-	-	-	338,612	168,447	175,527	1,930	19	-	-	-	-	-	391,046	283,489	674,535
Educational Services	-	-	-	-	-	-	29,255	28,774	32,112	552	9	-	-	-	-	-	83,056	8,686	91,742
Health and Social Services	-	-	-	-	-	-	270,939	91,913	137,458	812	15	-	-	-	-	-	424,824	76,313	501,137
Other	8,441,357	2,475	1,040	158,418	0	4,042,213	13,177,326	14,019,451	6,918,937	313,083	6,420,648	40,135,021	40,135,021	23,640	3,234,920	63,303,231	10,985,063	74,288,294	
Total	15,602,002	2,475	1,040	4,042,213	0	4,042,213	13,177,326	14,019,451	6,918,937	313,083	6,420,648	40,135,021	40,135,021	23,640	3,234,920	63,303,231	10,985,063	74,288,294	

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

- 1- Conditional and unconditional exposures to central governments or central banks
- 2- Conditional and unconditional exposures to regional governments or local authorities
- 3- Conditional and unconditional exposures to administrative bodies and non-commercial undertakings
- 4- Conditional and unconditional exposures to multilateral development banks
- 5- Conditional and unconditional exposures to international organizations
- 6- Conditional and unconditional exposures to banks and brokerage houses
- 7- Conditional and unconditional exposures to corporates
- 8- Conditional and unconditional retail exposures
- 9- Conditional and unconditional exposures secured by real estate property
- 10- Past due items
- 11- Items in regulatory high-risk categories
- 12- Exposures in the form of bonds secured by mortgages
- 13- Securitization positions
- 14- Short-term exposures to banks, brokerage houses and corporates
- 15- Exposures in the form of collective investment undertakings
- 16- Other items

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Analysis of maturity-bearing exposures according to remaining maturities^(*):

Current Period Exposure Categories	Term To Maturity				
	Up to 1 month	1-3 Months	3-6 Months	6-12 Months	Over 1 year
Conditional and unconditional exposures to central governments or central banks	-	173,747	482,125	121,119	7,664,366
Conditional and unconditional exposures to regional governments or local authorities	-	-	-	1,177	1,296
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	84	-	850	-	61
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures to international organizations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	311,079	104,980	215,972	30,891	2,962,415
Conditional and unconditional exposures to corporates	1,853,913	1,074,351	1,649,851	1,505,469	5,615,111
Conditional and unconditional retail exposures	300,820	661,277	1,135,426	1,467,888	2,612,683
Conditional and unconditional receivables secured by real estate property	118,742	251,074	559,418	690,428	10,199,626
Past due items	-	-	-	-	-
Items in regulatory high-risk categories	-	-	-	-	4,582,316
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-
Other items	587	-	-	-	214
Total	2,585,225	2,265,429	4,043,642	3,816,972	33,638,088

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

Prior Period Exposure Categories	Term To Maturity				
	Up to 1 month	1-3 Months	3-6 Months	6-12 Months	Over 1 year
Conditional and unconditional exposures to central governments or central banks	40,488	-	29,954	778,187	5,746,195
Conditional and unconditional exposures to regional governments or local authorities	-	-	-	-	4,200
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	-	-	-	-	46
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures to international organizations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	344,726	80,065	102,983	18,265	258,803
Conditional and unconditional exposures to corporates	1,796,730	1,302,181	1,440,775	1,021,182	3,344,223
Conditional and unconditional retail exposures	1,138,928	2,065,374	2,647,735	1,060,680	2,419,119
Conditional and unconditional receivables secured by real estate property	147,199	284,421	544,926	546,111	8,900,376
Past due items	-	-	-	-	-
Items in regulatory high-risk categories	-	-	-	1,538,325	4,097,580
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-
Other items	-	-	-	-	-
Total	3,468,071	3,732,041	4,766,373	4,962,750	24,770,542

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

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Explanations on exposure categories

Within the scope of "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks", public ratings appointed to exposures to central governments of banks and exposures to foreign banks and corporations by Fitch Ratings International Rating Institution are used. Exposures and asset groups to counterparties without public ratings appointed by the mentioned institution or other rating institutions are also weighted as per Appendix-1 of the Regulation.

The below mapping between the ratings appointed by Fitch Ratings International Rating Institution and credit quality levels as per Appendix-1 of the Regulation is used.

Credit Quality Grade	Risk Rating	Exposure Categories				
		Exposures to Central Governments or Central Banks	Exposures to Administrative Bodies and Non-Commercial Undertakings	Exposures to Banks and Brokerage Houses		Exposures to Corporates
				Exposures with Remaining Maturities Less Than 3 Months	Exposures with Remaining Maturities More Than 3 Months	
1	AAA	0%	20%	20%	20%	20%
	AA+					
	AA					
	AA-					
2	A+	20%	50%	20%	50%	50%
	A					
	A-					
3	BBB+	50%	100%	20%	50%	100%
	BBB					
	BBB-					
4	BB+	100%	100%	50%	100%	100%
	BB					
	BB-					
5	B+	100%	100%	50%	100%	150%
	B					
	B-					
6	CCC+	150%	150%	150%	150%	150%
	CCC					
	CCC-					
	CC					
	C					
D						

Exposures by risk weights:

Current Period Risk Weights	0%	10%	20%	50%	75%	100%	150%	200%	250%	Deductions from Equity
1. Exposures Before Credit Risk Mitigation	15,315,268	-	901,460	4,465,981	25,207,895	21,975,869	1,350,578	4,528,700	542,543	352,039
2. Exposures After Credit Risk Mitigation	15,315,268	-	897,940	14,953,510	15,870,990	18,675,739	1,328,270	4,493,971	542,543	352,039

Prior Period Risk Weights	0%	10%	20%	50%	75%	100%	150%	200%	250%	Deductions from Equity
1. Exposures Before Credit Risk Mitigation	10,744,997	-	811,951	12,059,394	18,743,812	11,848,558	2,789,552	2,925,518	-	296,875
2. Exposures After Credit Risk Mitigation	10,744,997	-	805,871	12,038,534	18,548,325	11,448,093	2,770,858	2,901,299	-	296,875

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Information by major sectors and type of counterparties:

Information about impaired credits and past due credits and value adjustments and provisioning methods are described in Part IV Footnote 2.

Current Period

Major Sectors / Counterparties	Credit Risks ^(*)		Value Adjustments	Provisions
	Impaired Loans	Past Due Loans		
1. Agriculture	23,371	8,128	218	20,162
1.1. Farming and Raising Livestock	22,371	7,854	209	19,279
1.2. Forestry	375	59	1	320
1.3. Fishing	625	215	8	563
2. Manufacturing	232,446	68,863	2,012	173,964
2.1. Mining and Quarrying	5,440	840	26	4,502
2.2. Production	226,829	67,774	1,981	169,364
2.3. Electricity, gas and water	177	249	5	98
3. Construction	141,532	38,739	1,079	114,446
4. Services	564,974	224,326	6,315	438,101
4.1. Wholesale and Retail Trade	357,294	141,546	4,028	266,826
4.2. Hotel, Food and Beverage Services	100,426	24,740	713	92,109
4.3. Transportation & Communication	79,581	26,388	757	57,285
4.4. Financial Institutions	9,103	2,868	84	7,548
4.5. Real Estate and Renting Services	1,577	9,427	199	1,156
4.6. Self-Employment Services	8,230	7,308	215	6,071
4.7. Educational Services	1,516	2,164	65	877
4.8. Health and Social Services	7,247	9,885	254	6,229
5. Other	2,003,530	1,122,964	73,762	1,710,455
6. Total	2,965,853	1,463,020	83,386	2,457,128

^(*) Represents the distribution of cash loans.

Prior Period

Major Sectors / Counterparties	Credit Risks ^(*)		Value Adjustments	Provisions
	Impaired Loans	Past Due Loans		
1. Agriculture	20,156	4,768	133	14,723
1.1. Farming and Raising Livestock	19,214	4,582	128	14,186
1.2. Forestry	312	4	-	84
1.3. Fishing	630	182	5	453
2. Manufacturing	165,054	42,465	1,054	120,284
2.1. Mining and Quarrying	4,199	652	25	3,598
2.2. Production	160,543	41,713	1,027	116,511
2.3. Electricity, gas and water	312	100	2	175
3. Construction	113,974	36,442	932	94,182
4. Services	337,399	171,357	4,303	258,345
4.1. Wholesale and Retail Trade	229,235	102,611	2,683	170,641
4.2. Hotel, Food and Beverage Services	39,427	16,447	446	35,571
4.3. Transportation & Communication	48,108	24,628	539	35,768
4.4. Financial Institutions	6,596	2,191	61	5,982
4.5. Real Estate and Renting Services	400	11,345	230	267
4.6. Self-Employment Services	5,391	7,288	184	3,839
4.7. Educational Services	700	2,147	51	358
4.8. Health and Social Services	7,542	4,700	109	5,919
5. Other	1,876,133	1,003,999	34,163	1,647,660
6. Total	2,512,716	1,259,031	40,585	2,135,194

^(*) Represents the distribution of cash loans.

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Movements in value adjustments and provisions

Current Period

	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments ^(*)	Closing Balance
1. Specific Provisions	2,135,194	1,259,820	(386,043)	(551,843)	2,457,128
2. General Provisions	617,684	198,607	-	-	816,291

(*)Represents the provision of loans written-off.

Prior Period

	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments ^(*)	Closing Balance
1. Specific Provisions	1,446,137	951,457	(257,325)	(5,075)	2,135,194
2. General Provisions	400,441	217,243	-	-	617,684

(*)Represents the provision of loans written-off.

III. Explanations related to market risk

The Bank has established market risk operations and has taken the necessary measures in order to hedge market risk within its financial risk management purposes, in accordance with the Regulation on "Banks' Internal Control and Risk Management Systems" and the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

Based on the proposal of Risk Committee, the Board of Directors of the Bank determines risk management strategies and policies for managing market risk and ensures periodic monitoring of the application of strategies. The Board of Directors of the Bank determines the risk limits by considering the primary risk factors and those limits are revised as seen necessary. Additionally, the Board of Directors of the Bank requires risk management group and the top management of the Bank to take necessary actions in order to identify, measure, control and manage the risks that the Bank is exposed to.

The market risk is measured by using an internal model developed with Value-at-Risk (VaR) methodology. VaR is calculated daily with historical simulation and parametric methods, whereas historical simulation is used for internal risk tracking and limit identification. Parametric VaR calculations are performed for comparison and tracking. 'Bank Risk Tolerance' is determined in order to manage the market risk efficiently and keep the market risk within the tolerable limits. Risk Management Group monitors the VaR balances daily for compliance with the Bank Risk Tolerance.

Periodic stress tests and scenario analysis are used to support results of VAR. Furthermore, conventional risk measurement methods such as cash flow projection, duration and variation analysis are also used.

The capital required for General Market Risk and Specific Risk is calculated and reported monthly in accordance with the Standard Method defined in the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

1. Information on market risk

	Current Period Amount	Prior Period Amount
(I) Capital Requirement against General Market Risk - Standard Method	24,255	19,502
(II) Capital Requirement against Specific Risks - Standard Method	5,510	15,619
Capital Requirement against Specific Risks of Securitization Positions - Standard Method		
(III) Capital Requirement against Currency Risk - Standard Method	24,440	12,675
(IV) Capital Requirement against Commodity Risks - Standard Method	908	3,415
(V) Capital Requirement against Settlement Risks - Standard Method	-	-
(VI) Capital Requirement against Market Risks of Options - Standard Method	1,762	696
(VII) Capital Requirement against Counterparty Credit Risk - Standard Method	23,142	12,587
(VIII) Capital Requirement against Market Risks of Banks applying Risk Measurement Models	-	-
(IX) Total Capital Requirement against Market Risk (I+II+III+IV+V+VI+VII)	80,017	64,494
(X) Value-At-Market Risk (12.5 x VIII) or (12.5 x IX)	1,000,213	806,175

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

	Current Period			Prior Period		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	34,450	48,925	27,362	49,128	62,943	34,318
Common Share Risk	305	838	40	283	803	1
Currency Risk	18,632	24,982	9,472	14,952	23,614	6,729
Commodity Risk	1,811	4,012	94	9,761	21,891	3,299
Settlement Risk	-	-	-	-	-	-
Option Risk	771	1,762	249	4,754	11,111	230
Counterparty Credit Risk	18,176	24,402	12,177	7,809	12,587	6,407
Total Value at Risk^(*)	74,145	104,921	49,394	86,687	132,949	50,984

^(*)Total VaR is the sum of risk values, therefore total VaR values are not the maximum or minimum values of the relevant period. The maximum and minimum values of VaR for 2013 are 100,539 and 62,408 respectively. For the second half of 2012, maximum and minimum values of VaR are 121,457 and 59,025, respectively.

3. Quantitative information on counterparty risk^(*)

	Current Period	Prior Period
	Amount	Amount
Interest-Rate Contracts	3,536,949	2,002,705
Foreign-Exchange-Rate Contracts	99,979,562	64,363,580
Commodity Contracts	948,684	901,889
Equity-Shares Related Contracts	510	12,197
Other	385,188	206,009
Gross Positive Fair Values	1,187,949	409,748
Netting Benefits	762,885	244,412
Net Current Exposure Amount	425,064	165,336
Collaterals Received	153,107	35,374
Net Derivative Position	271,957	129,962

^(*)Includes only the counterparty risks arising from trading book and derivative instruments.

For derivative transactions, repurchase agreements' security and commodity lending, counterparty credit risk is calculated using the fair value methodology described in the Appendix-2, Section 3 of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks". According to this methodology, counterparty credit risk is calculated by adding potential credit risk amounts calculated by multiplying the contract amounts with the credit conversion factors set in the appendix of the regulation, to replacement costs calculated using the fair value amounts of contracts.

IV. Explanations related to operational risk

Value at operational risk is calculated by the basic indicator approach using the gross profits for the last three years (2012, 2011 and 2010) in line with the "Calculation of Value at Operational Risk" of the article 3 of "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" which was published in the Official Gazette No: 28337 dated June 28, 2012. As of December 31, 2013, the value at operational risk amounts to TL 5,313,625 (December 31, 2012: TL 4,492,416).

Current Period Basic Indicator Approach	2 PP Amount	1 PP Amount	CP Amount	Total/ No. of Years of Positive Gross	Rate (%)	Total
Gross Income	2,249,651	2,764,673	3,487,483	2,833,936	15	425,090
Value at Operational Risk (Total*12,5)						5,313,625

Prior Period Basic Indicator Approach	2 PP Amount	1 PP Amount	CP Amount	Total/ No. of Years of Positive Gross	Rate (%)	Total
Gross Income	2,173,542	2,249,651	2,764,673	2,395,955	15	359,393
Value at Operational Risk (Total*12,5)						4,492,416

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The annual gross income is composed of net interest income and net non-interest income after deducting realized gains/losses from the sale of securities available-for-sale and held-to-maturity, extraordinary income and income derived from insurance claims at year-end.

V. Explanations related to foreign currency exchange rate risk

1. Whether the Bank 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

As of December 31, 2013, the net foreign currency exposure of the Bank is TL 125,851 foreign currency short position (December 31, 2012 – TL 437,231 net foreign currency short) resulting from on balance sheet short position amounting to TL 5,830,998 TL (December 31, 2012 – TL 5,920,432 short) and off balance sheet long position amounting to TL 5,705,147 TL (December 31, 2012 – TL 5,483,201 long). The long off balance sheet position amounting to TL 5,242,313 (December 31, 2012 – TL 5,852,561) is related with the FC/TL swap transactions entered into with banks and customers. The Bank makes these transactions to manage foreign currency liquidity risk and to hedge itself from interest rate risk.

The Bank enters into foreign currency forward transactions to decrease foreign currency position risk. The Bank also engages in foreign currency and Eurobond buy-sell option transactions.

Position limit related with currency risk is determined according to Foreign Currency Net Position Standard Ratio. Measurable and manageable risks are taken within legal limits.

Foreign Currency Exchange Rate Risk is monitored along with potential evaluation differences in foreign currency translations in accordance with "Regulations on Bank's Internal Control and Risk Management Systems". Standard method is used in measuring foreign currency exchange rate risk on a weekly basis.

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

The Bank does not hedge foreign currency borrowings and net foreign currency investments by derivative instruments.

3. The Bank's spot foreign exchange bid rates as of the balance sheet date and for each of the five days prior to that date

US Dollar purchase rate at the date of the balance sheet TL 2.1343

Euro purchase rate at the date of the balance sheet TL 2.9365

Date	US Dollar	Euro
December 31, 2013	2.1343	2.9365
December 30, 2013	2.1604	2.9844
December 27, 2013	2.0957	2.8693
December 26, 2013	2.0710	2.8353
December 25, 2013	2.0812	2.8466
December 24, 2013	2.0877	2.8573

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

The arithmetical average of the Bank's US Dollar and Euro purchase rates for December 2013 are TL 2.0578 and TL 2.8180, respectively.

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5. Information on the foreign currency exchange rate risk

Current Period	EUR	USD	Other	Total
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	2,509,412	3,101,205	1,710,065	7,320,682
Due From Banks	28,856	232,202	40,030	301,088
Financial Assets at Fair Value through Profit/Loss ⁽⁴⁾	105,016	134,254	10,095	249,365
Money Market Placements	-	-	-	-
Investment Securities Available-for-Sale	120,908	952,901	-	1,073,809
Loans and Receivables ⁽²⁾	2,945,635	3,686,084	86,090	6,717,809
Investments in Assoc., Subsidiaries and Entities under Common Control (Joint Vent.)	-	-	-	-
Investment Securities Held-to-Maturity	-	378,920	-	378,920
Derivative Financial Assets Hedging Purposes	-	61,426	-	61,426
Tangible Assets	-	-	63	63
Intangible Assets	-	-	-	-
Other Assets ⁽³⁾	358,641	90,558	22	449,221
Total Assets	6,068,468	8,637,550	1,846,365	16,552,383
Liabilities				
Bank Deposits	229,095	717,663	38,844	985,602
Foreign Currency Deposits	3,226,951	6,848,823	878,216	10,953,990
Money Market Borrowings	90,976	1,050,585	-	1,141,561
Funds Borrowed	1,511,356	3,675,668	3,379	5,190,403
Securities Issued	-	1,793,767	-	1,793,767
Sundry Creditors	1,328,842	653,154	2,151	1,984,147
Derivative Fin. Liabilities for Hedging Purposes	30,662	44,439	-	75,101
Other Liabilities ⁽⁵⁾	82,957	172,858	2,995	258,810
Total Liabilities	6,500,839	14,956,957	925,585	22,383,381
Net Balance Sheet Position	(432,371)	(6,319,407)	920,780	(5,830,998)
Net Off-Balance Sheet Position	691,367	5,894,711	(880,931)	5,705,147
Financial Derivative Assets	4,514,153	27,344,817	182,269	32,041,239
Financial Derivative Liabilities	3,822,786	21,450,106	1,063,200	26,336,092
Non-Cash Loans ⁽¹⁾	839,099	1,940,762	168,106	2,947,967
Prior Period				
Total Assets	3,761,268	5,850,125	1,324,349	10,935,742
Total Liabilities	4,132,944	12,132,288	590,942	16,856,174
Net Balance Sheet Position	(371,676)	(6,282,163)	733,407	(5,920,432)
Net Off-Balance Sheet Position	208,991	6,006,712	(732,502)	5,483,201
Financial Derivative Assets	1,962,825	19,706,843	166,420	21,836,088
Financial Derivative Liabilities	1,753,834	13,700,131	898,922	16,352,887
Non-Cash Loans ⁽¹⁾	752,944	1,769,661	157,041	2,679,646

⁽¹⁾ Has no effect on the net off balance sheet position.⁽²⁾ Includes foreign currency-indexed loans amounting to TL 2,098,813 (December 31, 2012 - TL 1,345,845) that are classified as TL on the balance sheet.⁽³⁾ Does not include the prepaid expenses amounting to TL 2,338 (December 31, 2012 - TL 1,936) that are classified as FC on the balance sheet in accordance with the legislation issued by BRSA and published in the Official Gazette No: 26085 dated February 19, 2006.⁽⁴⁾ Does not include foreign exchange income accruals amounting to TL 4,133 (December 31, 2012 - TL 9,732).⁽⁵⁾ Foreign exchange expense accruals amounting to TL 1,245 TL (December 31, 2012 - TL 919) on derivative transactions and the general loan loss provisions amounting to TL 84,572 (December 31, 2012 - TL 51,993) computed for foreign currency loans and accounted as foreign currency amount in order to be in compliance with the Uniform Charts of Accounts are excluded.

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6. Foreign currency sensitivity

The Bank is mainly exposed to EUR and USD currencies.

The following table details the Bank's sensitivity to a 10% increase and decrease in USD and EUR. Other variables are assumed to be unchanged.

	Change in Currency Rate in %	Net Effect on Profit or Loss (After Tax)	Net Effect on Equity ^(*)	Net Effect on Profit or Loss (After Tax)	Net Effect on Equity ^(*)
		Current Period	Current Period	Prior Period	Prior Period
USD	10% increase	(10,039)	(20,676)	(4,758)	(6,897)
	10% decrease	10,039	20,676	4,758	6,897
EUR	10% increase	(6,911)	(7,198)	(3,534)	(3,690)
	10% decrease	6,911	7,198	3,534	3,690

^(*) Effect on equity also includes the effect of the change in foreign currency rates in the income statement.

VI. Explanations related to interest rate risk

Interest rate risk that would arise from the changes in interest rates depending on the Bank's position is managed by the Asset/Liability Committee of the Bank.

Interest rate sensitivity of assets, liabilities and off balance sheet items is analyzed by top management in the Asset/Liability Committee meetings held every month by taking the market developments into consideration.

The management of the Bank follows the interest rates in the market on a daily basis and revises interest rates of the Bank when necessary.

Besides customer deposits, the Bank funds its long term fixed interest rate TL loan portfolio with long term floating interest rate foreign currency funds obtained from international markets. The Bank changes the foreign currency liquidity obtained from the international markets to TL liquidity with long term swap transactions (fixed TL interest rate and floating FC interest rate). Therefore, the Bank not only funds its long term fixed interest rate loans with TL but also hedges itself from interest rate and maturity risk.

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Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items

(Based on reprising 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 Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	-	-	8,208,393	8,208,393
Due from Banks	-	-	4,144	-	-	301,981	306,125
Financial Assets at Fair Value Through Profit/Loss (**)	430	143,371	35,457	20,092	148,678	3,209,336	3,557,364
Money Market Placements	-	-	-	-	-	-	-
Investment Securities Available for Sale	1,100,345	1,990,745	752,897	616,251	1,343,457	(61,007)	5,742,688
Loans and Receivables	9,527,458	4,610,988	12,621,186	11,295,599	3,353,664	1,315,581	42,724,476
Investment Securities Held to Maturity	-	726,128	1,461,877	426,414	183,148	28,212	2,825,779
Other Assets(*)	-	-	-	-	-	2,644,942	2,644,942
Total Assets	10,628,233	7,471,232	14,875,561	12,358,356	5,028,947	15,647,438	66,009,767
Liabilities							
Bank Deposits	891,681	407,569	16,286	-	-	25,957	1,341,493
Other Deposits	18,716,336	10,291,432	2,083,492	12,200	373	5,876,332	36,980,165
Funds Borrowed	94,004	963,089	4,082,219	127,570	11,466	23,421	5,301,769
Money Market Borrowings	3,314,571	385,695	-	-	-	2,457	3,702,723
Securities Issued	711,087	370,997	1,054,971	1,752,159	-	66,162	3,955,376
Sundry Creditors	1,984,147	-	-	-	-	1,401,157	3,385,304
Other Liabilities(*)	-	-	652	2,263	-	11,340,022	11,342,937
Total Liabilities	25,711,826	12,418,782	7,237,620	1,894,192	11,839	18,735,508	66,009,767
On Balance Sheet Long Position	-	-	7,637,941	10,464,164	5,017,108	-	23,119,213
On Balance Sheet Short Position	(15,083,593)	(4,947,550)	-	-	-	(3,088,070)	(23,119,213)
Off-Balance Sheet Long Position	3,427,681	9,295,931	-	-	-	-	12,723,612
Off-Balance Sheet Short Position	-	-	(2,125,543)	(8,548,548)	(1,831,338)	-	(12,505,429)
Total Position	(11,655,912)	4,348,381	5,512,398	1,915,616	3,185,770	(3,088,070)	218,183

(*) Non-interest bearing column includes accruals.

(**) This line also includes hedging purpose derivatives amounting to TL 1,927,795.

Average interest rates applied to monetary financial instruments

Assets	EUR %	USD %	JPY %
Assets			
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-
Due from Banks	-	-	-
Financial Assets at Fair Value Through Profit/Loss	3.34	4.49	-
Money Market Placements	-	-	-
Investment Securities Available for Sale	4.81	5.20	-
Loans and Other Receivables	5.59	4.64	5.18
Investment Securities Held to Maturity	-	5.61	-
Liabilities			
Bank Deposits	2.14	2.29	-
Other Deposits	2.96	3.05	2.09
Money Market Borrowings	0.85	0.77	-
Sundry Creditors	0.12	0.08	-
Securities Issued	-	5.36	-
Funds Borrowed	1.55	3.1	-

(**) This line also includes hedging purpose derivatives amounting to TL 1,927,795.

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Information related to the interest rate sensitivity of assets liabilities and off-balance sheet items

(Based on repricing dates)

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 Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	-	-	5,327,881	5,327,881
Due from Banks	-	2,024	-	-	-	108,792	110,816
Financial Assets at Fair Value Through Profit/Loss(**)	17,462	15,552	74,501	40,436	274,063	735,390	1,157,404
Money Market Placements	1,785,000	-	-	-	-	748	1,785,748
Inv. Securities Available for Sale	1,154,949	2,376,480	1,515,258	412,786	1,090,141	687,608	7,237,222
Loans and Receivables	8,855,448	4,358,662	10,588,758	9,247,299	2,035,467	1,354,610	36,440,244
Inv. Securities Held to Maturity	-	-	-	-	-	-	-
Other Assets(*)	-	-	-	-	-	2,342,293	2,342,293
Total Assets	11,812,859	6,752,718	12,178,517	9,700,521	3,399,671	10,557,322	54,401,608
Liabilities							
Bank Deposits	836,890	125,829	57,506	-	-	27,349	1,047,574
Other Deposits	21,461,084	6,264,167	608,533	19,929	-	3,520,219	31,873,932
Money Market Borrowings	170,594	896,923	2,954,443	32,456	9,249	104,692	4,168,357
Sundry Creditors	1,725,937	73	-	-	-	1,197	1,727,207
Securities Issued	-	841,463	3,157,887	-	-	78,963	4,078,313
Funds Borrowed	-	-	-	-	-	1,253,975	1,253,975
Other Liabilities(*)	345	712	457	407	-	10,250,329	10,252,250
Total Liabilities	24,194,850	8,129,167	6,778,826	52,792	9,249	15,236,724	54,401,608
On Balance Sheet Long Position	-	-	5,399,691	9,647,729	3,390,422	-	18,437,842
On Balance Sheet Short Position	(12,381,991)	(1,376,449)	-	-	-	(4,679,402)	(18,437,842)
Off-Balance Sheet Long Position	2,050,321	5,679,422	-	-	-	-	7,729,743
Off-Balance Sheet Short Position	-	-	(996,459)	(6,696,837)	(950,507)	-	(8,643,803)
Total Position	(10,331,670)	4,302,973	4,403,232	2,950,892	2,439,915	(4,679,402)	(914,060)

(*) Non-interest bearing column includes accruals.

(**) This line also includes derivative financial assets for hedging purposes amounting to TL 240,486.

Average interest rates applied to monetary financial instrument

Prior Period	EUR	USD	JPY	TL
	%	%	%	%
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	-
Due from Banks	-	-	-	5.77
Financial Assets at Fair Value Through Profit/Loss	3.89	3.06	-	5.97
Money Market Placements	-	-	-	6.45
Investment Securities Available for Sale	4.81	5.37	-	8.24
Loans and Receivables	6.12	5.22	5.31	17.33(*)
Investment Securities Held to Maturity	-	-	-	-
Liabilities				
Bank Deposits	2.44	2.28	-	7.67
Other Deposits	3.10	3.30	0.38	8.30
Money Market Borrowings	-	0.97	-	5.49
Sundry Creditors	-	-	-	-
Securities Issued	-	5.36	-	8.61
Funds Borrowed	1.65	3.65	-	8.40

(*) The yield of loans and receivables is 14.89% excluding credit cards.

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Interest rate risk on banking book

The interest rate risk resulting from banking book comprises of maturity mismatch risk, yield-curve risk, base risk and option risk. Within the scope of the interest rate risk, the Bank analyzes all these risks periodically, and considering market conditions, manages all aspects of interest rate risk on banking book effectively in accordance with the bank strategy. In order to this, within the scope of "Asset Liability Management Policy" risks are measured, monitored and limited on a regular basis.

In the calculation of the interest rate risk on banking book, income approach and the economic value approach are applied. The analysis of economic value, duration and gap analysis are calculated on a weekly basis, analysis of the standard economic value approach is supported by different scenarios. In addition, the sensitivity of the net interest income is monitored, the rates of early repayment of loans in the direction of the interest rate risk are considered.

In customer deposits, core deposits analyses are performed regularly on profit center base and the rate of core deposits in demand deposits are considered in economic value, gap and duration analyses. The interest rate risk of uncertain due credits is determined considering the nature of the credit and added to calculations.

All these analyses are reported to Asset and Liability Committee and Risk Committee and by considering market conditions and the bank strategy; the interest rate risk on banking book is managed within specified limits parallel to the Bank's appetite of risk.

Available for sale securities included in banking book are daily monitored by being added to the scope of market risk. In this context, the risk level of this portfolio is managed considering the sensitivity of nominal, interest rate and VaR limits.

The interest rate risk on banking book is measured legally as per the "Regulation on Measurement and Evaluation of Interest Rate Risk Resulted from Banking Book as per Standard Shock Method" published in the Official Gazette No: 28034 dated August 23, 2011, and the legal limit as per this measurement is monitored and reported monthly to the Asset and Liability Committee, the Risk Committee and the Board of Directors.

Type of Currency	Shocks Applied (+/- x basis points)	Gains/Losses	Gains/Equity- Losses/Equity
1. TL	(+) 500	(849,598)	(8.81%)
	(-) 400	836,386	8.67%
2. EUR	(+) 200	(44,205)	(0.46%)
	(-) 200	51,391	0.53%
3. USD	(+) 200	(23,929)	(0.25%)
	(-) 200	34,735	0.36%
Total (of negative shocks)		922,512	9.57%
Total (of positive shocks)		(917,732)	(9.52%)

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VII. Explanations related to position risk of equity securities in banking book

Equity Securities (shares)	Comparison		
	Carrying Value	Fair Value	Market Value
1. Investment in Shares- grade A	17,873	-	17,873
Quoted Securities	17,873	-	17,873
2. Investment in Shares- grade B	284,789	-	284,789
Quoted Securities	284,789	-	284,789
3. Investment in Shares- grade C	-	-	-
Quoted Securities	-	-	-
4. Investment in Shares- grade Other (*)	322,250	194,916 (**)	-

(*)Associates and subsidiaries not quoted to BIST and not classified as investment in shares by CMB.

(**)After the disposal of 51% of Cigna Finans Emeklilik ve Hayat A.Ş., the remaining 49% of the shares are accounted for at fair value, as explained in detail in Part 5, Footnote II-15.

Portfolio	Gains/Losses in Current Period	Revaluation Surplus		Unrealized Gains and Losses		
		Total	Amount under Supplementary Capital	Total	Amount under Core Capital	Amount under Supplementary Capital
1. Private Equity Investments	-	-	-	-	-	-
2. Quoted Shares	894	-	-	3,519	-	1,584
3. Other Shares	-	-	-	-	-	-
Total	894	-	-	3,519	-	1,584

VIII. Explanations related to liquidity risk

1. The sources of the current liquidity risk of the Bank; whether the necessary precautions have been taken, whether the Board of Directors of the Bank sets limits on the funds available to meet the urgent liquidity requirements and to be able to pay borrowings when they become due

Liquidity risk represents risk of not having sufficient cash or cash inflows to meet the cash outflows completely and on time, as a result of instable cash flows. Liquidity risk may also result from inability to penetrate to market and to close open positions quickly at suitable prices and with sufficient amounts due to market disruptions or barriers. To mitigate liquidity risk, the Bank diversifies funding sources as customer deposits and funds borrowed from abroad and keep certain level of assets as cash and cash equivalents.

In order to overcome the liquidity risk, the Bank diversifies its funding sources. Besides, in order to secure short term liquidity requirements, Bank heads for bond issuances and long term foreign borrowings.

The Bank evaluates its liquidity position on a daily basis. Liquidity reports, cash flow projections and scenarios are analyzed by the top management at Asset/Liability Committee meetings which are held monthly. Besides the legal reports of liquidity adequacy, short-term liquidity position is monitored using the liquidity ratio, calculated daily by the Market Risk Committee. Liquidity reports in the context of Basel III are monitored monthly. Simulations for probable scenarios during crises are performed by calculating the liquidity life span according to various scenarios.

List of available limits, instruments and securities which can be used as collateral to create liquidity in the event of a possible liquidity crisis is updated weekly. Alternative funding strategies to be followed in case of a liquidity problem are evaluated within the current limits and positions to be taken are determined. Moreover, in terms of "Liquidity Emergency Action Plan" early warning signals, stress levels correlated with the level of liquidity risk and actions to be taken at each stress level are defined.

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

The Bank's payments, assets and liabilities match with the interest rates.

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

In order to meet urgent liquidity needs 12% (December 31, 2012 – 10%) of the balance sheet is allocated as cash balances.

4. Evaluation of the Bank's cash flows and their resources

Cash flows of the Bank are mainly denominated in Turkish Lira, US Dollar and Euro.

5. Presentation of assets and liabilities according to their remaining maturities

Total Assets	2,137,549	17,281,265	4,825,032	13,758,627	17,727,073	8,349,037	1,931,184	66,009,767
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	1,800,554	6,407,839	-	-	-	-	-	8,208,393
Due from Banks	301,981	-	-	4,144	-	-	-	306,125
Financial Assets at Fair Value Through Profit/Loss (**)	-	58,715	145,804	783,770	2,080,843	488,232	-	3,557,364
Money Market Placements	-	-	-	-	-	-	-	-
Investment Securities Available for Sale	35,014	-	177,829	619,088	2,454,291	2,456,466	-	5,742,688
Loans and Receivables	-	9,754,059	4,501,399	12,351,625	12,135,837	3,472,831	508,725	42,724,476
Investment Securities Held to Maturity	-	-	-	-	894,271	1,931,508	-	2,825,779
Other Assets	-	1,060,652	-	-	161,831	-	1,422,459	2,644,942
Total Assets	2,137,549	17,281,265	4,825,032	13,758,627	17,727,073	8,349,037	1,931,184	66,009,767
Liabilities								
Bank Deposits	21,521	893,657	409,834	16,481	-	-	-	1,341,493
Other Deposits	5,697,248	18,825,604	10,336,704	2,107,868	12,361	380	-	36,980,165
Funds Borrowed	-	95,141	585,487	2,109,597	1,120,752	1,390,792	-	5,301,769
Money Market Borrowings	-	3,316,522	386,201	-	-	-	-	3,702,723
Securities Issued	-	726,626	375,466	1,059,573	1,793,711	-	-	3,955,376
Sundry Creditors	-	3,385,304	-	-	-	-	-	3,385,304
Other Liabilities (*)	-	1,157,647	167,914	437,005	556,521	179,627	8,844,223	11,342,937
Total Liability	5,718,769	28,400,501	12,261,606	5,730,524	3,483,345	1,570,799	8,844,223	66,009,767
Liquidity Gap	(3,581,220)	(11,119,236)	(7,436,574)	8,028,103	14,243,728	6,778,238	(6,913,039)	-
Prior Period								
Total Assets	1,917,155	16,004,767	4,395,309	11,597,735	13,012,011	5,808,681	1,665,950	54,401,608
Total Liabilities	3,414,443	26,550,816	7,854,399	4,217,854	2,312,547	1,810,124	8,241,425	54,401,608
Net Liquidity Gap	(1,497,288)	(10,546,049)	(3,459,090)	7,379,881	10,699,464	3,998,557	(6,575,475)	-

(*)The assets which are necessary to provide banking services and could not be liquidated in the short-term, such as fixed assets, investments in subsidiaries and associates, common shares unquoted on stock exchange, office stationery, and prepaid expenses are classified under this column.

Unallocated other liabilities column includes shareholders' equity amounting to TL 7,648,478, unallocated provisions amounting to TL 1,195,745

(**) This line also includes derivative financial assets for hedging purposes amounting to TL 1,927,795.

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6. Analysis of financial liabilities by remaining contractual maturities

The table below shows the Bank's maturity distribution of certain financial liabilities other than derivatives. The tables below are prepared by considering the future cash flows expected on the earliest cash flow dates. The total interest that will be paid for these liabilities is included in the table below.

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total	Carrying Amount
Bank deposits	21,521	893,593	413,105	16,891	-	-	1,345,110	1,341,493
Other deposits	5,697,248	18,867,905	10,483,143	2,126,588	2,900	-	37,177,784	36,980,165
Money market borrowings	-	3,317,341	386,550	-	-	-	3,703,891	3,702,723
Funds provided from other financial institutions	-	95,141	595,586	2,231,072	1,439,872	1,532,773	5,894,444	5,301,769
Securities issued	-	728,985	381,751	1,221,119	1,959,070	-	4,290,925	3,955,376

Prior Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total	Carrying Amount
Bank deposits	21,529	842,770	127,381	59,541	-	-	1,051,221	1,047,574
Other deposits	3,392,914	21,602,608	6,349,522	632,293	20,611	-	31,997,948	31,873,932
Money market borrowings	-	1,727,799	73	-	-	-	1,727,872	1,727,207
Funds provided from other financial institutions	-	175,822	527,627	1,463,119	493,504	1,735,544	4,395,616	4,168,357
Securities issued	-	-	882,312	2,045,791	1,466,363	-	4,394,466	4,078,313

The table below shows the remaining maturities of derivative financial assets and liabilities.

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Forward Contracts Buy ^(**)	1,620,526	745,984	1,373,474	100,451	-	3,840,435
Forward Contracts Sell ^(**)	1,622,199	749,966	1,367,453	97,417	-	3,837,035
Swap Contracts Buy ^(*)	7,269,352	2,932,703	9,059,645	16,088,058	2,785,258	38,135,016
Swap Contracts Sell ^(*)	7,430,478	2,938,724	8,742,226	16,474,948	2,877,062	38,463,438
Futures Buy	255	17,832	3,404	-	-	21,491
Futures Sell	255	17,832	3,404	-	-	21,491
Options Buy	2,266,981	1,282,435	4,409,805	-	-	7,959,221
Options Sell	2,266,008	1,292,245	4,356,996	-	-	7,915,249
Total	22,476,054	9,977,721	29,316,407	32,760,874	5,662,320	100,193,376

^(*) This line also includes hedging purpose derivatives.

^(**) This line also includes Forward Asset Purchase Commitments accounted for under Commitments.

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Forward Contracts Buy ^(**)	1,467,029	425,031	577,990	227,514	135,223	2,832,787
Forward Contracts Sell ^(**)	1,461,966	420,506	574,792	224,836	135,223	2,817,323
Swap Contracts Buy ^(*)	3,524,964	2,270,339	6,729,253	11,478,686	1,793,950	25,797,192
Swap Contracts Sell ^(*)	3,501,679	2,198,850	6,642,302	12,441,683	2,049,242	26,833,756
Futures Buy	-	117,353	3,572	-	-	120,925
Futures Sell	-	117,353	3,572	-	-	120,925
Options Buy	2,841,611	1,302,027	1,431,654	-	-	5,575,292
Options Sell	2,831,112	1,292,041	1,397,021	-	-	5,520,174
Total	15,628,361	8,143,500	17,360,156	24,372,719	4,113,638	69,618,374

^(*) This line also includes hedging purpose derivatives.

^(**) This line also includes Forward Asset Purchase Commitments accounted for under Commitments.

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IX. Explanations related to securitization positions

As of December 31, 2013, the Bank has no securitization positions.

X. Explanations related to credit risk mitigation techniques

The Bank applies Comprehensive Financial Collateral Method with standard volatility adjustments in compliance with the Article 34 and 37 of the "Regulation on Credit Risk Mitigation Techniques". In this method, volatility of financial collateral and receivables adjustments are made with using the standard deduction rates in the Communiqué.

For mitigating the credit risk, cash and cash equivalents and high-credit-quality debt instruments are used.

Exposure Categories (**)	Amount(*)	Financial Collaterals	Other/Physical Collaterals	Guaranties and Credit Derivatives
Conditional and unconditional exposures to central governments or central banks	15,602,002	-	-	-
Conditional and unconditional exposures to regional governments or local authorities	2,495	43	-	-
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	1,415	35	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-
Conditional and unconditional exposures to international organizations	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	4,245,372	1,516,508	-	-
Conditional and unconditional exposures to corporates	20,139,998	461,270	-	-
Conditional and unconditional retail exposures	35,513,044	261,105	-	-
Conditional and unconditional exposures secured by real estate property	12,358,405	-	-	-
Past due items	496,775	63	-	-
Items in regulatory high-risk categories	6,421,821	57,037	-	-
Exposures in the form of bonds secured by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-
Exposures in the form of collective investment undertakings	23,640	-	-	-
Other items	3,234,920	-	-	-
Total	98,039,887	2,296,061	-	-

(*) Includes total risk amounts before credit risk mitigation.

(**)The mortgages used for the determination of the risk categories as per the article 6 of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks", are excluded.

XI Explanations related to risk management objectives and policies

The Bank's risk strategy is approved by the Board of Directors and implementation of this strategy is under the responsibility of the Bank's Risk Committee and senior management.

Besides the Bank's risk principles and targets, the aim of the risk strategy is to describe the Bank's current and targeted risk profile and appetite, risk management and organization and the Bank's general approach as defined by principal risk management capacities. The scope of the risk strategy includes the Bank and all of its subsidiaries in the financial sector.

The Risk Management's mission is to optimize the relationship between risk and returns, by taking into account the interests of customers and employees, creating value for shareholders in line with the Bank's business strategy, consistent with both the best practices and the Bank's risk strategy in accordance with legal obligations.

The general objectives of the Bank's Risk Management:

- In accordance with the Bank's risk management policies, in order to maximize the potential benefits and acquire the opportunities that creates value addition for shareholders, comprise the basic standards for bank-wide risk management,

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- In order to maintain the stability of the yields against unpredictable losses, to support Bank's business strategy in the manner that control the risk by carrying out the business objectives,
- To improve the use and distribution of the capital and to increase the risk adjusted returns by adding risk to the measurement of the business performance,
- To support decision making process by providing the essential risk-related perspective,
- To comply with legal, qualitative and quantitative requirements and consistency with the best practices,
- Contribute to the continued position of ethics standards and strong corporate governance of the Bank, which is one of the leading and reputable financial institutions in Turkey,
- To promote risk awareness and risk management culture throughout the Bank.

XII. Explanations related to presentation of financial assets and liabilities at their fair value

The fair value of the loans is determined based on discounted cash flows using the current market interest rates.

The estimated fair value of the demand deposits is the amount payable on demand. The fair values of the floating rate placements and overnight deposits are considered to approximate the carrying values due to short maturities. The estimated fair value of the deposits with fixed rates is determined by calculating discounted cash flows by using the market interest rates used for other liabilities with similar quality and maturities.

The fair value of funds provided from other financial institutions, is determined based on discounted cash flows using the current market interest rates.

In the table below; the fair values and the carrying values of some of the financial assets and liabilities are presented.

	Carrying Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Financial Assets	43,030,601	38,336,808	42,349,381	38,452,104
Money Market Placements	-	1,785,748	-	1,785,748
Due From Banks	306,125	110,816	306,125	110,816
Loans and Receivables	42,724,476	36,440,244	42,043,256	36,555,540
Financial Liabilities	54,666,830	44,149,358	54,206,936	44,077,992
Bank Deposits	1,341,493	1,047,574	1,341,742	1,047,669
Other Deposits	36,980,165	31,873,932	36,999,147	31,880,619
Funds Borrowed from Other Financial Institutions	5,301,769	4,168,357	4,822,893	4,112,154
Money Market Borrowings	3,702,723	1,727,207	3,702,723	1,727,207
Securities Issued	3,955,376	4,078,313	3,919,464	4,056,368
Sundry Creditors	3,385,304	1,253,975	3,385,304	1,253,975

TFRS 7 sets classification of valuation techniques according to the inputs used in valuation techniques based on fair value calculations which are whether observable or not.

The classification of fair value calculation is as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities (market value);
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);

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c) Level 3: Inputs that are not observable for the asset and liability (Fair value calculations which are not observable).

In the table below, the fair value classification of the financial instruments that are recorded at fair value at the financial statements is presented:

Current Period	Level 1	Level 2	Level 3	Total
Financial Assets	6,194,334	3,223,092	379,990	9,797,416
Financial Assets at Fair Value through Profit/Loss	163,014	-	-	163,014
Assets on Trading Derivatives	486	1,280,995	-	1,281,481
Investment Securities Available for Sale	5,728,386	14,302	-	5,742,688
Loans and Receivables ^(*)	-	-	185,074	185,074
Subsidiaries, Associates and Entities Under Common Control ^(**)	302,448	-	194,916	497,364
Derivative Financial Assets Hedging Purposes	-	1,927,795	-	1,927,795
Financial Liabilities	168	1,385,140	-	1,385,308
Liabilities on Trading Derivatives	168	1,302,391	-	1,302,559
Derivative Financial Liabilities for Hedging Purposes	-	82,749	-	82,749

^(*)Loans and Receivables are presented in "Financial Assets at Fair Value through Profit/Loss".^(**)Does not include subsidiaries, associates and entities under common control amounting to TL 127,334, which has been accounted for at cost value in the financial statements.

Confirmation for fair value of financial assets under Level 3 is as below:

	Current Period	Prior Period
Opening Balance (*)	547,212	612,612
Change in total gain/loss	(19,163)	182,655
Accounted in income statement	(19,163)	9,789
Accounted in other comprehensive income	-	172,866
Purchases	-	-
Disposals (*)	-	(22,950)
Matured Loans (**)	(148,059)	(225,105)
Sales from Level 3	-	-
Closing Balance	379,990	547,212

^(*)After the disposal of 51% of Finans Emeklilik ve Hayat A.Ş., the remaining 49% of the shares are accounted for at fair value, as explained in detail in Part 5, Footnote II-15.^(**)Includes loans that are repaid before their maturity.

Prior Period	Level 1	Level 2	Level 3	Total
Financial Assets	7,592,100	824,126	547,212	8,963,438
Financial Assets at Fair Value through Profit/Loss	72,483	-	-	72,483
Assets on Trading Derivatives	6,109	486,030	-	492,139
Investment Securities Available for Sale	7,139,612	97,610	-	7,237,222
Loans and Receivables ^(*)	-	-	352,296	352,296
Subsidiaries ^(**)	373,896	-	194,916	568,812
Derivative Financial Assets Hedging Purposes	-	240,486	-	240,486
Financial Liabilities	100	886,690	-	886,790
Liabilities on Trading Derivatives	100	473,819	-	473,919
Derivative Financial Liabilities for Hedging Purposes	-	412,871	-	412,871

^(*)Loans and Receivables are presented in "Financial Assets at Fair Value through Profit/Loss".^(**)Does not include subsidiaries amounting to TL 128,484, which has been accounted for at cost value in the financial statements.

XIII. Explanations related to transactions carried on behalf of others and fiduciary transactions

The Bank provides buying, selling and custody services and management and financial advisory services in the name of the third parties. The Bank does not involve in fiduciary activities.

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SECTION FIVE EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND DISCLOSURES RELATED TO ASSETS

1.a) Cash and balances with the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	633,496	413,140	439,754	212,803
T.R. Central Bank	253,764	6,906,881	584,776	4,090,086
Others	451	661	460	2
Total	887,711	7,320,682	1,024,990	4,302,891

b) Balances with the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	253,764	499,042	584,776	380,326
Unrestricted Time Deposits	-	-	-	-
Restricted Time Deposits	-	6,407,839	-	3,709,760
Total	253,764	6,906,881	584,776	4,090,086

As of December 31, 2013, the reserve rates for the reserve deposits at the Central Bank of Turkey for Turkish Lira are implemented within an interval from 5% to 11,5% depending on the maturity of deposits (December 31, 2012 - 5% to 11%) and the reserve rates for the foreign currency liabilities are within an interval from 6% to 13% depending on the maturity of deposits (December 31, 2012 - 6% to 11,5%).

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

a) Trading securities given as collateral or blocked

None (December 31, 2012 - None).

b) Trading securities subject to repurchase agreements

Trading securities subject to repurchase agreements at fair value through profit/loss amounts to TL 126,355 as of balance sheet date. (December 31, 2012 - None).

c) Positive differences on trading derivative instruments

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	107,327	-	20,007	-
Swap Transactions	922,629	61,661	338,376	96,083
Futures Transactions	-	486	-	6,109
Options	-	189,378	749	30,815
Other	-	-	-	-
Total	1,029,956	251,525	359,132	133,007

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3. a) Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	5,036	70	3,024	59
Foreign	1	301,018	-	107,733
Foreign Head Offices and Branches	-	-	-	-
Total	5,037	301,088	3,024	107,792

b) Information on foreign bank accounts

	Unrestricted Amount		Restricted Amount (**)	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	44,855	41,532	1,730	-
USA and Canada	233,566	60,881	1,528	778
OECD Countries (*)	17,136	2,864	-	-
Off-shore Banking Regions	-	-	-	-
Other	2,204	1,678	-	-
Total	297,761	106,955	3,258	778

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

(**)Includes blocked placements at foreign banks amounting to TL 3,258 (December 31, 2012 - TL 778) for the syndication and securitization loans received.

4. Information on receivables from reverse repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Domestic Transactions	-	-	1,785,748	-
T.R. Central Bank	-	-	-	-
Banks	-	-	1,785,748	-
Intermediary Institutions	-	-	-	-
Other Financial Institutions and Organizations	-	-	-	-
Other Institutions and Organizations	-	-	-	-
Real Persons	-	-	-	-
Foreign Transactions	-	-	-	-
Central Banks	-	-	-	-
Banks	-	-	-	-
Intermediary Institutions	-	-	-	-
Other Financial Institutions and Organizations	-	-	-	-
Other Institutions and Organizations	-	-	-	-
Real Persons	-	-	-	-
Total	-	-	1,785,748	-

5. Information on investment securities available for sale

a) Investment securities available-for-sale given as collateral or blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	-	-	-	-
Bond, Treasury Bill and Similar Marketable Securities	393,114	-	421,314	-
Other	-	-	-	-
Total	393,114	-	421,314	-

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b) Investment securities available for sale subject to repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	1,290,612	973,547	859,279	1,125,471
Treasury Bills	-	-	-	-
Other Debt Securities	-	-	-	-
Bonds Issued or Guaranteed by Banks	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	1,290,612	973,547	859,279	1,125,471

c) Investment securities available for sale

	Current Period	Prior Period
Debt securities	5,444,796	7,050,106
Quoted on a stock exchange ^(*)	5,429,359	6,952,496
Unquoted on a stock exchange	15,437	97,610
Share certificates	512,433	190,353
Quoted on a stock exchange ^(**)	512,433	190,353
Unquoted on a stock exchange	-	-
Impairment provision(-)	(214,541)	(3,237)
Total	5,742,688	7,237,222

^(*)The Eurobond Portfolio amounting to TL 851,341 (December 31, 2012 - TL 878,943) which is accounted for as investment securities available for sale was hedged under fair value hedge accounting starting from March and April 2009 and the government bonds portfolio amounting to TL 102,502 (December 31, 2012 - 198,512) which is accounted for as investment securities available for sale was hedged under fair value hedge accounting starting from August 2011. The mentioned financial assets are accounted for as Investment Securities Available for Sale in order to be in line with balance sheet presentation.

^(**) Share certificates that are quoted on a stock exchange include "exchange traded mutual funds" amounting to TL 505,309 (December 31, 2012 - TL 181,995).

6. Information related to loans

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

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	-	32,895	-	29,498
Corporate Shareholders	-	32,895	-	29,498
Individual Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees ^(*)	71,031	-	58,761	-
Total	71,031	32,895	58,761	29,498

^(*)Includes the advances given to the bank personnel.

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b) Information on the first and second group loans and other receivables including rescheduled or restructured loans

Cash Loans ^(*)	Standard Loans and Other Receivables			Loans and Other Receivables Under Close Monitoring		
	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms	Other	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms	Other
		Extension of Repayment Plan			Extension of Repayment Plan	
Non-specialized Loans	38,833,743	1,237,400	-	1,676,855	652,827	-
Discount Notes	600,115	-	-	4,558	-	-
Export Loans	681,213	-	-	127,637	-	-
Import Loans	282	-	-	-	-	-
Loans Given to Financial Sector	527,335	-	-	-	-	-
Retail Loans	11,856,266	233,707	-	636,366	305,136	-
Credit Cards	9,957,589	621,078	-	234,999	187,621	-
Other	15,210,943	382,615	-	673,295	160,070	-
Specialized Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	38,833,743	1,237,400	-	1,676,855	652,827	-

(*)The loans and other receivables amounting to TL 185,074 (December 31, 2012 - TL 352,296) are disclosed as "Loans at Fair Value Through Profit / Loss" in the financial statements.

No. of Extensions	Performing Loans and Other Receivables(*)	Loans and Other Receivables under Follow-up(*)
1 or 2 times	1,237,217	648,029
3, 4 or 5 times	183	3,682
Over 5 times	-	1,116

Extension Periods	Performing Loans and Other Receivables(*)	Loans and Other Receivables under Follow-up(*)
0 - 6 months	285,655	46,723
6 -12 months	88,929	48,177
1 - 2 years	411,293	177,340
2 - 5 years	293,836	298,552
5 years and over	157,687	82,035

(*) Credit balances based on fourth article, a and b clauses, fourth paragraph of the "Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside" dated May 28, 2011 published in the Official Gazette No: 27947

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c) Loans according to their maturity structure

Cash Loans (*)	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Short-term Loans	19,282,940	-	234,999	187,621
Non-specialized Loans	19,282,940	-	234,999	187,621
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-term Loans	19,550,803	1,237,400	1,441,856	465,206
Non-specialized Loans	19,550,803	1,237,400	1,441,856	465,206
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	38,833,743	1,237,400	1,676,855	652,827

(*) The loans and other receivables amounting to TL 185,074 (December 31, 2012 - TL 352,296) are disclosed as "Loans at Fair Value Through Profit /Loss" in the financial statements.

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d) Information on consumer loans, individual credit cards, personnel loans and personnel credit cards

	Short Term	Medium and Long Term	Total	Interest and Income Accruals
Consumer Loans-TL	190,802	11,629,159	11,819,961	185,872
Housing Loans	3,323	6,401,505	6,404,828	133,530
Automobile Loans	1,312	70,819	72,131	585
Personal Need Loans	181,560	5,156,835	5,338,395	51,757
Other	4,607	-	4,607	-
Consumer Loans-FC Indexed	-	60,081	60,081	48,287
Housing Loans	-	58,111	58,111	46,510
Automobile Loans	-	-	-	-
Personal Need Loans	-	1,970	1,970	1,777
Other	-	-	-	-
Consumer Loans-FC	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Individual Credit Cards-TL	9,156,351	738,032	9,894,383	86,433
Installment	4,880,692	738,032	5,618,724	49,076
Non- Installment	4,275,659	-	4,275,659	37,357
Individual Credit Cards-FC	3,806	-	3,806	22
Installment	-	-	-	-
Non- Installment	3,806	-	3,806	22
Personnel Loans-TL	3,681	30,740	34,421	188
Housing Loans	-	422	422	2
Automobile Loans	-	117	117	1
Personal Need Loans	3,681	30,201	33,882	185
Other	-	-	-	-
Personnel Loans-FC Indexed	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Personnel Loans-FC	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Personnel Credit Cards-TL	32,198	-	32,198	-
Installment	17,488	-	17,488	-
Non-Installment	14,710	-	14,710	-
Personnel Credit Cards-FC	33	-	33	-
Installment	-	-	-	-
Non-Installment	33	-	33	-
Overdraft Accounts-TL (Real Persons)	836,328	-	836,328	46,337
Overdraft Accounts-FC (Real Persons)	-	-	-	-
Total	10,223,199	12,458,012	22,681,211	367,139

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e) Information on commercial loans with installments and corporate credit cards

	Short Term	Medium and Long Term	Total	Interest and Income Accruals
Commercial Loans with Installment Facility - TL	747,163	5,914,839	6,662,002	70,738
Real Estate Loans	528	129,440	129,968	1,461
Automobile Loans	7,217	307,910	315,127	4,293
Personal Need Loans	739,418	5,477,489	6,216,907	64,984
Other	-	-	-	-
Commercial Loans with Installment Facility - FC Indexed	54,766	746,873	801,639	152,241
Real Estate Loans	-	32,121	32,121	4,767
Automobile Loans	310	67,754	68,064	14,471
Personal Need Loans	54,456	646,998	701,454	133,003
Other	-	-	-	-
Commercial Loans with Installment Facility - FC	-	-	-	-
Real Estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Corporate Credit Cards -TL	972,558	2,880	975,438	8,493
Installment	441,934	2,880	444,814	3,873
Non-Installment	530,624	-	530,624	4,620
Corporate Credit Cards -FC	478	-	478	3
With Installment	-	-	-	-
Without Installment	478	-	478	3
Overdraft Accounts-TL (Legal Entities)	550,213	-	550,213	387
Overdraft Accounts-FC (Legal Entities)	-	-	-	-
Total	2,325,178	6,664,592	8,989,770	231,862

f) Loans according to borrowers (*)

	Current Period	Prior Period
Public	150,108	125,458
Private	42,250,717	36,289,560
Total	42,400,825	36,415,018

(*) The loans and other receivables amounting to TL 185,074 (December 31, 2012 - TL 352,296) are presented in "Loans at Fair Value Through Profit/Loss" in the financial statements.

g) Domestic and foreign loans (*)

	Current Period	Prior Period
Domestic Loans	42,209,080	36,246,287
Foreign Loans	191,745	168,731
Total	42,400,825	36,415,018

(*) The loans and other receivables amounting to TL 185,074 (December 31, 2012 - TL 352,296) are presented in "Loans at Fair Value Through Profit / Loss" in the financial statements.

h) Loans granted to subsidiaries and associates

	Current Period	Prior Period
Direct Loans Granted to Subsidiaries and Associates	110,670	65,220
Indirect Loans Granted to Subsidiaries and Associates	-	-
Total	110,670	65,220

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I) Specific provisions for loans

	Current Period	Prior Period
Specific Provisions		
Loans and Receivables with Limited Collectability	167,353	217,150
Loans and Receivables with Doubtful Collectability	483,952	340,379
Uncollectible Loans and Receivables	1,805,823	1,577,665
Total	2,457,128	2,135,194

j) Non-performing loans (NPLs) (Net)

j.1) Non-performing loans and other receivables restructured or rescheduled

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
Current Period			
(Gross Amounts Before the Specific Provisions)	221	1,700	159,808
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	221	1,700	159,808
Prior Period			
(Gross Amounts Before the Specific Provisions)	8,516	3,171	58,461
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	8,516	3,171	58,461

j.2) Movement of non-performing loans

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
Prior Period End Balance	440,683	494,368	1,577,665
Additions (+)	1,439,804	101,590	85,317
Transfers from Other Categories of Non-Performing Loans (+)	-	1,297,877	969,043
Transfers to Other Categories of Non-Performing Loans (-)	1,297,877	969,043	-
Collections (-)	163,515	183,857	274,359
Write-offs (-) ^(**)	-	-	551,843
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	108,353
Credit Cards	-	-	394,329
Others	-	-	49,161
Current Period End Balance	419,095	740,935	1,805,823
Specific Provision (-) ^(*)	167,353	483,952	1,805,823
Net Balances on Balance Sheet	251,742	256,983	-

^(*) Based on the "Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside", the Bank provided specific provisions in the prior period using the minimum provision ratios specified in the regulation for its non-performing consumer and commercial loans, whereas again in accordance with the regulation in the current period the Bank provided specific provision for its 3rd and 4th group consumer loans with 100% provision rate and for its 3rd group commercial loans with 50% provision rate. After the stated change, the provision amount increased by TL 24,625 in the current period as compared to the provisioning method used in the prior period.

^(**) In the current period, non-performing loans amounting to TL 542,337 and provisioned by 100% were, sold at a price of TL 100,100 in cash.

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j.3) Information on foreign currency non-performing loans and other receivables

None. (December 31, 2012 - None)

j.4) Information regarding gross and net amounts of non-performing loans with respect to user groups

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period (Net)	251,742	256,983	-
Loans to Real Persons and Legal Entities (Gross)	419,095	740,935	1,804,591
Specific provision (-)	(167,353)	(483,952)	(1,804,591)
Loans to Real Persons and Legal Entities (Net)	251,742	256,983	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	1,232
Specific provision (-)	-	-	(1,232)
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	223,533	153,989	-
Loans to Real Persons and Legal Entities (Gross)	440,683	494,368	1,568,817
Specific provision (-)	(217,150)	(340,379)	(1,568,817)
Loans to Real Persons and Legal Entities (Net)	223,533	153,989	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	8,848
Specific provision (-)	-	-	(8,848)
Other Loans and Receivables (Net)	-	-	-

k) Liquidation policies for uncollectible loans and other receivables

For the unrecoverable non-performing loans under legal follow up, the loan quality, collateral quality, bona fide of the debtor and assessment of the emergency of legal follow up are considered, before applying the best practice for unrecoverable non-performing loans under legal follow up. The bank prefers to liquidate the risk through negotiations with the debtors. If this cannot be possible, than the Bank starts the legal procedures for the liquidation of the risk. Ongoing legal follow up procedures do not prevent negotiations with the debtors. An agreement is made with the debtor at all stage of the negotiations for the liquidation of the risk.

l) Explanations on write-off policy

Unrecoverable non-performing loans under legal follow-up, for which 100% provision is provided in compliance with the "Provisioning Decree" and with no collateral that are deemed as uncollectible are written off by the Board of Directors' decision, in accordance with the laws and regulations.

7. Information on investment securities held-to-maturity

a) Information on financial assets held as collateral/blocked held-to-maturity

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	-	-	-	-
Bond, Treasury Bill and Similar Marketable Securities	126,049	-	-	-
Other	-	-	-	-
Total	126,049	-	-	-

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b) Information on financial assets held-to-maturity subject to repurchase agreements

As of the balance sheet date, the Bank has financial assets held-to-maturity subject to repurchase agreements amounting to TL 1,425,091. (December 31, 2012: None).

c) Information on financial government debt securities held-to-maturity

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bond	2,446,859	20,820	-	-
Treasury Bill	-	-	-	-
Other Debt Securities	-	-	-	-
Total	2,446,859	20,820	-	-

d) Information on investment securities held-to-maturity

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt Securities	2,446,859	378,920	-	-
Publicly-traded	2,446,859	378,920	-	-
Non-publicly traded	-	-	-	-
Provision for losses (-)	-	-	-	-
Total	2,446,859	378,920	-	-

e) Movement of held-to-maturity investments

	Current Period	Prior Period
Value at the beginning of the period	-	-
Exchange differences on monetary assets	-	-
Acquisitions during the year ^(*)	2,825,779	-
Disposals through sales and redemptions	-	-
Provision for losses (-)	-	-
The sum of end of the period	2,825,779	-

(*) Debt securities with the nominal value of TL 1,307,569 reclassified to held-to-maturity investments from available for sale financial assets on June 21, 2013 are presented under "acquisitions during the year" in the table above.

8. Information on investments in associates (Net)**8.1. Information on investments in associates**

Description	Address (City/ Country)	Bank's Share-If Different, Voting Rights (%)	Bank's Risk Group Share (%)
Bankalararası Kart Merkezi (BKM)	Istanbul/Turkey	9.23%	9.23%

Total Assets	Shareholder's Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
35,583	22,322	19,770	511	-	2,644	1,247	-

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8.2. Movements of investments in associates

	Current Period	Prior Period
Balance at the Beginning of Period	7,977	6,769
Movements During the Period	(4,211)	1,208
Acquisitions	-	1,211 ^(*)
Bonus Shares Received	-	-
Dividends From Current Year Profit	-	-
Sales	-	(3) ^(**)
Reclassifications	(4,211) ^(***)	-
Increase/Decrease in Market Values	-	-
Currency Differences on Foreign Associates	-	-
Impairment Losses (-)	-	-
Balance at the End of the Period	3,766	7,977
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

^(*)The amount represents the share capital increase amounting to TL 1,000 in Kredi Garanti Fonu A.Ş and distribution of shares to shareholder banks amounting to TL 211 due to the fact that shares of Fortis Bank transferred to TEB infringe the joint venture principle.

^(**) The amount represents the Bank's share in the capital decrease of Geleşen Bilgi Teknolojileri A.Ş.

^(***)The amount represents the reclassification of Kredi Garanti Fonu A.Ş shares amounting to TL 4,211 to investment securities available for sale.

8.3. Sectoral distribution and related carrying amounts on associates

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Associates	3,766	7,977
Total	3,766	7,977

8.4. Quoted Associates

None (December 31, 2012 - None).

8.5. Valuation of investments in associates

	Current Period	Prior Period
Valued at Cost	3,766	7,977
Valued at Fair Value	-	-
Valued at Equity Method	-	-
Total	3,766	7,977

8.6. Investments in associates sold during the current period

None (December 31, 2012 - None).

8.7. Investments in associates acquired during the current period

None (December 31, 2012 - None).

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9. Investments in subsidiaries (Net)

a) Information on the unconsolidated subsidiaries

	Title	Address (City/Country)	Bank's Share - If Different, Voting Rights (%)	Bank's Risk Group Share (%)				
1	Ibtech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek San. ve Tic. A.Ş.	Istanbul/Turkey	99.91%	99.91%				
2	EFINANS Elektronik Ticaret ve Bilişim Hizmetleri A.Ş.	Istanbul/Turkey	51.00%	51.00%				
(*)	Total Assets	Shareholders' Equity	Total Fixed Asset	Interest Income	Securities Income	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
1	23,859	19,928	19,020	-	-	3,782	(2,253)	-
2 ^(*)	6,000	6,000	-	-	-	-	-	-

^(*) Represents the investment for the foundation of EFINANS Elektronik Ticaret ve Bilişim Hizmetleri A.Ş. amounting to TL 3,060. In the Board of Directors meeting held on August 22, 2013, it has been decided that the Bank shall participate with 51% share and TL 3,060 capital in the foundation of EFINANS Elektronik Ticaret ve Bilişim Hizmetleri Anonim Şirketi which is located in Istanbul and is founded with a total of TL 6,000 capital. The foundation of the Company has been announced in Commercial Registry Gazette, dated September 16, 2013 and numbered 8405.

b.1) Information on the consolidated subsidiaries

	Subsidiary	Address (City/Country)	Bank's Share - If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1.	Finans Yatırım Menkul Değerler A.Ş.	Istanbul/Turkey	99.60	99.74
2.	Finans Finansal Kiralama A.Ş.	Istanbul/Turkey	51.06	69.01
3.	Finans Yatırım Ortaklığı A.Ş.	Istanbul/Turkey	76.06 ^(*)	76.10
4.	Finans Portföy Yönetimi A.Ş.	Istanbul/Turkey	0.01	99.71
5.	Finans Faktoring Hizmetleri A.Ş.	Istanbul/Turkey	99.99	100.00

^(*) The share of the Bank is 10.01% whereas the remaining 66.05% shareholding represents the purchases of publicly traded shares on the Istanbul Stock Exchange.

Information on subsidiaries in the order presented in the table above:

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value ^(**)
1. (*)	261,934	157,316	12,065	9,333	1,068	1,570	10,231	-
2. (*)	1,673,217	509,564	807	16,233	-	41,496	46,984	557,750
3. (*)	19,888	19,640	3	62	881	(2,101)	3,352	23,220
4. (*)	14,010	12,723	799	919	9	991	1,050	-
5. (*)	535,448	28,422	722	37,410	-	1,612	3,521	-

^(*) Current period information represents December 31, 2013 figures, and prior period profit/loss amounts represent December 31, 2012 figures as per the financial statements prepared in accordance with BRSA regulations.

^(**) Fair values of publicly traded subsidiaries reflect their values announced at the stock exchange as of the balance sheet date.

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b.2) Movement of investments in consolidated subsidiaries

	Current Period	Prior Period
Balance at the Beginning of the Period	476,617	397,409
Movements during the period	(71,447)	79,208
Purchases	-	5,902 ⁽¹⁾
Bonus Shares Received	-	-
Dividends from Current Year Profit	-	-
Disposals	-	(27,950) ⁽²⁾
Changes due to Reclassification	-	(22,050) ⁽³⁾
Revaluation Increase	(71,447)	123,306
Impairment Provision	-	-
Balance at the End of the Period	405,170	476,617
Capital Commitments	-	-
Share Percentage at the end of the Period (%)	-	-

⁽¹⁾ Purchases in the prior period include the participation to the capital of Bank's subsidiary Finans Yatırım Ortaklığı A.Ş. amounting to TL 5,902.⁽²⁾ Disposals in the prior period include the disposal of 51% shares of Finans Emeklilik ve Hayat A.Ş. to Cigna Nederland Gamma B.V. amounting to TL 22,950 and disposal of Finans Tüketici Finansmanı A.Ş. amounting to TL 5,000.⁽³⁾ Changes due to reclassification in the prior period include the transfer of the book value of Finans Emeklilik ve Hayat A.Ş. from consolidated subsidiaries to the entities under common control.

b.3) Sectoral distribution of consolidated subsidiaries

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	20,000	20,000
Leasing Companies	284,787	357,012
Finance Companies	-	-
Other Subsidiaries	100,383	99,605
Total	405,170	476,617

b.4) Quoted subsidiaries within the context of consolidation

	Current Period	Prior Period
Quoted on Domestic Stock Exchanges	302,448	373,896
Quoted on International Stock Exchanges	-	-
Total	302,448	373,896

b.5) Explanation to capital adequacy of major subsidiaries

The Bank does not have any major subsidiaries.

10. Investments in entities under common control

	The Parent Bank's Share	The Group's Share	Current Assets	Fixed Assets	Long Term Debt	Current Period Profit/Loss	Prior Period Profit/Loss
Cigna Finans Emeklilik ve Hayat A.Ş. ^(*)	49.00%	49.00%	588,762	7,756	63,565	11,762	29,031
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. ^(*)	33.33%	33.33%	12,442	9,803	342	3,018	2,145

^(*) Current period information represents December 31, 2013 figures.

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11 Information on financial lease receivables (Net)

None (December 31, 2012 - None).

12. Information on hedging purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge ^(*)	1,487,743	61,426	202,567	37,919
Cash Flow Hedge	378,626	-	-	-
Hedge of Net Investment in Foreign Operations	-	-	-	-
Total	1,866,369	61,426	202,567	37,919

^(*)Derivative financial instruments designated for the fair value hedge purposes comprise of swaps. TL 84,918 (December 31, 2012 - TL 37,919) represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in securities and TL 1,464,251 (December 31, 2012 - TL 202,567) represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in loans as of December 31, 2013.

13. Explanations on tangible assets

	Land and Buildings	Fixed Assets Under Finance Lease	Vehicles	Other Tangible Fixed Assets	Total
Prior Period End					
Cost	64,462	311,544	2,039	729,432	1,107,477
Accumulated Depreciation (-)	7,159	234,108	1,141	443,257	685,665
Net Book Value	57,303	77,436	898	286,175	421,812
Current Period End					
Cost at the Beginning of the Period	64,462	311,544	2,039	729,432	1,107,477
Additions	4,023	3,786	-	194,891	202,700
Disposals (-)	-	-	226	397	623
Impairment (-)/(increase)	706	-	-	-	706
Current Period Cost	67,779	315,330	1,813	923,926	1,308,848
Accumulated Depreciation at the Beginning of the Period	7,159	234,108	1,141	443,257	685,665
Disposals (-)	-	-	35	279	314
Depreciation Amount	1,425	7,011	210	94,012	102,658
Current Period Accumulated depreciation (-)	8,584	241,119	1,316	536,990	788,009
Net Book Value-End of the Period	59,195	74,211	497	386,936	520,839

- a) **If impairment on individual asset recorded or reversed in the current period is material for the overall financial statements: Events and conditions for recording or reversing impairment and amount of recorded or reversed impairment in the financial statements:**

The fair values of the buildings are determined by the licensed expertise companies and as a result of the changes in the fair value of these buildings, the impairment loss of TL 706 has been booked (December 31, 2012 - TL 1,651 impairment loss).

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- b) **The impairment provision set or cancelled in the current period according to the asset groups not individually significant but materially affecting the overall financial statements, and the reason and conditions for this:**

None (December 31, 2012- None)

- c) **Pledges, mortgages and other restrictions (if any) on the tangible fixed assets, expenses arising from the construction for tangible fixed assets, commitments given for the purchases of tangible fixed assets:**

None (December 31, 2012- None)

14. Explanations on intangible assets

	Rights	Goodwill	Total
Prior Period End			
Cost	374,736	-	374,736
Accumulated Amortization (-)	205,416	-	205,416
Net Book Value	169,320	-	169,320
Current Period End			
Cost at the Beginning of the Period	374,736	-	374,736
Additions	90,749	-	90,749
Disposals (-)	-	-	-
Current Period Cost	465,485	-	465,485
Acc. Amort. at the Beginning of the Period	205,416	-	205,416
Disposals (-)	-	-	-
Amortization charge (-)	61,865	-	61,865
Current Period Accumulated Amortization (-)	267,281	-	267,281
Net Book Value-End of the Period	198,204	-	198,204

- a) **Disclosures for book value, description and remaining life to be amortized for a specific intangible fixed asset that is material to the financial statements:** None (December 31, 2012 - None).
- b) **Disclosure for intangible fixed assets acquired through government grants and accounted for at fair value at initial recognition:** None (December 31, 2012)
- c) **The method of subsequent measurement for intangible fixed assets that are acquired through government incentives and recorded at fair value at the initial recognition:** None (December 31, 2012 - None).
- d) **The book value of intangible fixed assets that are pledged or restricted for use:** None (December 31, 2012 - None).
- e) **Amount of purchase commitments for intangible fixed assets:** None (December 31, 2012 - None)
- f) **Information on revalued intangible assets according to their types:** None (December 31, 2012 - None)
- g) **Amount of total research and development expenses recorded in income statement within the period if any:**
Amount of total research expenses recorded in income statement within the period is TL 4,525 (December 31, 2012 - TL 4,981).
- h) **Positive or negative consolidation goodwill on entity basis:**
None (December 31, 2012-None).
- i) **Information on goodwill:** None (December 31, 2012-None).
Movements on goodwill in the current period: None (December 31, 2012- None).

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15. Explanations on investment property

None (December 31, 2012- None).

16. Explanations on tax asset

As of December 31, 2013, the Bank has calculated deferred tax asset amounting to TL 78,670. (December 31, 2012 - TL 28,369 deferred tax liability).

According to the TAS 12, the deferred tax assets and liabilities are netted off in the accompanying financial statements. As of December 31, 2013 the Bank has presented the net amount of deferred tax asset of TL 184,270 (December 31, 2012 -TL 136,495) and deferred tax liability of TL 105,600 (December 31, 2012 -TL 164,864) in the accompanying financial statements on all taxable temporary differences arising between the carrying amounts and the taxable amounts of assets and liabilities on the financial statements that will be considered in the calculation of taxable earnings in the future periods.

In cases whereby deferred tax differences arising from the differences between the carrying amounts and the taxable amounts of the assets subjected to deferred tax that are related with certain items under the shareholders' equity accounts, the deferred tax benefits/ charges are netted under these accounts. The deferred tax asset amounting to TL 20,399 (December 31, 2012 -TL 60,370 deferred tax liability) is netted in the equity.

	Temporary Differences		Deferred Tax Asset / (Liability)	
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Reserve for Employee Benefits	208,904	192,814	41,781	38,563
The differences between carrying and taxable amounts of financial asset	346,088	153,559	69,218	30,712
Other	366,360	336,105	73,271	67,220
Deferred Tax Asset			184,270	136,495
The differences between carrying and taxable amounts of tangible assets	(144,634)	(119,956)	(28,927)	(23,991)
The differences between carrying and taxable amounts of financial assets	(167,560)	(550,674)	(33,512)	(110,135)
Other	(215,808)	(153,691)	(43,162)	(30,738)
Deferred Tax Liability			(105,600)	(164,864)
Deferred Tax Asset / (Liability), Net			78,670	(28,369)
			Current Period 01.01-31.12.2013	Prior Period 01.01-31.12.2012
Deferred Tax Asset/ (Liability) as of January 1 (Net)			(28,369)	(24,797)
Deferred Tax (Charge) / Benefit			26,270	117,523
Deferred Tax Items accounted for under the equity			80,769	(121,095)
Deferred Tax Asset/ (Liability) as of December 31, (Net)			78,670	(28,369)

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17. Explanations on assets held for sale and discontinued operations

None (December 31, 2012- None).

18. Information on other assets

18.1. Information on prepaid expense, tax and similar items

	Current Period	Prior Period
Advances Given	307,868	4,956
Other Prepaid Expenses	284,026	213,159
Cheques Receivables from Other Banks	188,161	254,500
Assets Held for Resale (Net)	161,832	158,841
Collateral Given for Derivative Transactions	109,161	248,533
Sundry Debtors	82,739	77,060
Prepaid Rent Expenses	30,339	25,307
Prepaid Agency Commissions	3,643	6,654
Other	54,762	64,855
Total	1,222,531	1,053,865

18.2. If other assets exceed 10% of total assets excluding the off-balance sheet items, the names and the amount of the subaccounts which create at least 20% of them are

Details of the other assets are described in the 18.1 section of disclosure.

19. Information on accrued interest and income

The details of accrued interest and income allocated to the related items on the assets side of the balance sheet are as follows.

	Current Period		Prior Period	
	TL	FC	TL	FC
Derivative Financial Instruments Held for Hedging Purposes	1,866,369	61,426	202,567	37,919
Assets on Trading Derivatives	1,029,956	251,525	359,132	133,007
Loans and Receivables	632,960	73,137	447,807	49,012
Investments Securities Available for Sale	95,011	11,539	328,828	163,622
Investment Securities Held to Maturity	23,336	4,876	-	-
Banks	143	-	3	25
Trading Securities	133	37	658	90
Other Accruals	206	-	16,210	-
Total	3,648,114	402,540	1,355,205	383,675

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SECTION FIVE

II. EXPLANATIONS AND DISCLOSURES RELATED TO LIABILITIES

1. Information on maturity structure of deposits

Current Period

	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	1,633,745	-	1,986,642	10,796,200	979,428	436,045	312,848	5,859	16,150,767
Foreign Currency Deposits	1,538,744	-	853,894	6,321,244	644,676	461,652	351,038	5,695	10,176,943
Residents in Turkey	1,490,688	-	841,434	6,220,353	597,287	441,805	283,983	5,695	9,881,245
Residents Abroad	48,056	-	12,460	100,891	47,389	19,847	67,055	-	295,698
Public Sector Deposits	304,915	-	607	49,520	254	1,352,508	-	-	1,707,804
Commercial Deposits	1,462,761	-	1,760,050	3,724,540	209,984	123,627	52,502	-	7,333,464
Other Ins. Deposits	22,666	-	149,047	511,418	104,932	45,464	613	-	834,140
Precious Metal Deposits	734,417	-	24,330	11,191	6,948	161	-	-	777,047
Bank Deposits	21,521	-	893,646	409,845	11,499	4,982	-	-	1,341,493
T.R Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	2,101	-	-	48,672	4,103	2,045	-	-	56,921
Foreign Banks	19,419	-	893,646	361,173	7,396	2,937	-	-	1,284,571
Participation Banks	1	-	-	-	-	-	-	-	1
Other	-	-	-	-	-	-	-	-	-
Total	5,718,769	-	5,668,216	21,823,958	1,957,721	2,424,439	717,001	11,554	38,321,658

Prior Period

	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	867,610	-	1,665,278	9,925,707	609,492	273,809	15,616	15,286	13,372,798
Foreign Currency Deposits	892,652	-	1,503,637	5,839,836	593,895	210,169	2,620	5,130	9,047,939
Residents in Turkey	854,653	-	1,482,461	5,739,827	560,225	120,732	2,620	5,130	8,765,648
Residents Abroad	37,999	-	21,176	100,009	33,670	89,437	-	-	282,291
Public Sector Deposits	162,871	-	2,687	837,007	1,464	61	-	-	1,004,090
Commercial Deposits	989,156	-	1,747,748	3,921,557	527,438	63,520	98	-	7,249,517
Other Ins. Deposits	18,476	-	32,675	572,391	54,064	710	-	-	678,316
Precious Metal Deposits	462,149	-	-	-	-	58,985	138	-	521,272
Bank Deposits	21,529	-	841,828	126,173	49,607	8,437	-	-	1,047,574
T.R Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	1,492	-	216,197	2,020	4,202	4,114	-	-	228,025
Foreign Banks	18,858	-	625,631	124,153	45,405	4,323	-	-	818,370
Participation Banks	1,179	-	-	-	-	-	-	-	1,179
Other	-	-	-	-	-	-	-	-	-
Total	3,414,443	-	5,793,853	21,222,671	1,835,960	615,691	18,472	20,416	32,921,506

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

	Covered by		Exceeding the	
	Current Period	Prior Period	Deposit Insurance Limit	Prior
			Current Period	Period
Saving Deposits	7,860,834	4,488,992	8,280,585	8,882,423
Foreign Currency Savings Deposits	1,653,084	909,501	5,382,496	4,809,767
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	9,513,918	5,398,493	13,663,081	13,692,190

1.2. Savings deposits in Turkey are not covered under insurance in another country since the headquarters of the Bank is not located abroad.

1.3. Savings deposits that are not covered under the guarantee of deposit insurance fund

	Current Period	Prior Period
Deposits and accounts in branches abroad	-	-
Deposits of ultimate shareholders and their close family members	-	-
Deposits of chairman and members of the Board of Directors and their close family members	32,736	28,062
Deposits obtained through illegal acts defined in the 282nd Article of the 5237 numbered Turkish Criminal Code dated September 26, 2004	-	-
Saving deposits in banks established in Turkey exclusively for off-shore banking activities	32,652	2,027
Total	65,388	30,089

2. Information on trading purpose derivatives

a) Negative value of trading purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forwards	1,004,649	54,068	354,146	84,122
Swaps	108,202	-	13,473	-
Futures	-	168	-	100
Options	-	135,472	1	22,077
Other	-	-	-	-
Total	1,112,851	189,708	367,620	106,299

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3. a) Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank Loans	-	-	-	-
Domestic Bank and Institutions	111,366	119,170	74,487	85,717
Foreign Bank, Institutions and Funds	-	3,120,514	-	2,378,563
Total	111,366	3,239,684	74,487	2,464,280

b) Maturity information on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	111,366	2,510,248	74,487	1,722,249
Medium and Long-Term	-	729,436	-	742,031
Total	111,366	3,239,684	74,487	2,464,280

In accordance with the diversified payment rights programme, the Bank obtained securitization loans amounting to USD 75 million and EUR 10 million with five years maturity and amounting to EUR 50 million with twelve years maturity on December 20, 2012.

The Bank signed a syndicated loan agreement on November 28, 2013 amounting to EUR 264.5 and on November 27, 2013 amounting to USD 167 million with one year maturity in line with the Board of Director's decision no:261 dated September 17, 2013.

a) Additional information on concentrations of the Bank's liabilities

As of December 31, 2013, the Bank's liabilities comprise; 58% deposits (December 31, 2012 – 61%), 8% funds borrowed (December 31, 2012 – 8%) and 6% funds provided under repurchase agreements (December 31, 2012 – 3%).

4. Information on funds provided under repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
From domestic transactions	2,502,997	-	844,583	-
Financial institutions and organizations	2,460,644	-	834,084	-
Other institutions and organizations	32,319	-	3,820	-
Real persons	10,034	-	6,679	-
From foreign transactions	8,165	1,141,561	4,543	878,081
Financial institutions and organizations	-	1,141,561	-	878,081
Other institutions and organizations	8,165	-	4,543	-
Real persons	-	-	-	-
Total	2,511,162	1,141,561	849,126	878,081

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5. Information on securities issued (net)

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bonds	2,057,875	-	2,789,390	-
Bills	103,734	1,793,767	-	1,288,923
Total	2,161,609	1,793,767	2,789,390	1,288,923

The Bank issued bonds with TL 750,000 nominal value, 91 days maturity and 9.45% interest rate on October 11, 2013, and issued bonds with TL 150,000 nominal value, 96 days maturity and 9.55% interest rate on October 31, 2013 and issued bonds with TL 244,585 nominal value, 101 days maturity and 9.02% interest rate on November 26, 2013 and issued bonds with TL 899,136 nominal value, 120 days maturity and 8.695% interest rate on December 12, 2013 and issued bonds with TL 116,190 nominal value, 115 days maturity and 8.97% interest rate on December 24, 2013 and issued bonds with TL 124,188 nominal value, 1 year maturity on April 19, 2013.

6. If other liabilities account exceeds 10% of total liabilities excluding the off-balance sheet items, information given about components of other liabilities account that exceeds 20% of the individual liability item in the unconsolidated balance sheet

Other liabilities account does not exceed 10% of total liabilities excluding the off-balance sheet items. (December 31, 2012 - does not exceed).

7. Criteria used in the determination of lease installments in the financial lease contracts, renewal and purchase options, restrictions, and significant burdens imposed on the bank on such contracts

Interest rate and cash flow of the Bank are the main criteria which are taken into consideration for the determination of payment plans in the leasing contracts.

7.1. Explanations on changes in agreements and further commitments arising

No changes have been made to the leasing agreements in the current period. (December 31, 2012- None)

7.2. Explanations on financial lease payables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	791	652	1,771	1,513
Between 1-4 years	2,738	2,257	476	408
More than 4 years	7	6	-	-
Total	3,536	2,915	2,247	1,921

7.3. Explanation and footnotes on operational lease

The Bank recognized operational lease payment as an expense in the income statement on a straight-line basis over the lease terms.

7.4. Explanations on "Sale -and- lease back" agreements

The Bank does not have any sale and lease back transactions in the current period (December 31, 2012- None).

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8. Information on liabilities arising from hedging purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge (*)	-	75,101	257,139	121,330
Cash Flow Hedge (**)	7,648	-	34,402	-
Net Investment Hedge	-	-	-	-
Total	7,648	75,101	291,541	121,330

(*)Derivative financial instruments for hedging purposes include swaps. As of December 31, 2013, TL 20,901 (December 31, 2012 - TL 247,656) represents the fair value of derivatives which are the hedging instruments of hedged loan portfolio. TL 54,200 (December 31, 2012 - TL 130,813) represents the fair value of derivatives which are the hedging instruments of hedged investment securities available for sale portfolio.

(**)Represents the fair value of derivatives which are the hedging instruments of deposits' cash flow risk.

9. Explanations on provisions

9.1. Information on general provisions

	Current Period	Prior Period
Provisions for Loans and Receivables in Group I	608,997	441,173
-Additional Provision for Loans and Receivables with Extended Maturities	56,116	29,599
Provisions for Loans and Receivables in Group II	88,573	79,834
-Additional Provision for Loans and Receivables with Extended Maturities	30,920	34,740
Provisions for Non - Cash Loans	63,599	60,135
Other	55,122	36,542
Total	816,291	617,684

9.2. Provision for currency exchange gain/loss on foreign currency indexed loans

	Current Period	Prior Period
Foreign Exchange Provision for Foreign Currency Indexed Loans (*)	146	6,906

(*) The foreign exchange provision for foreign currency indexed loans netted against "Loans and Receivables" in asset.

9.3. Specific provisions for non-cash loans that are not indemnified and converted into cash

The specific provision for non-cash loans which are related with the non-performing cash loans in arrears or the loans which were written off from balance sheet is TL 53,760 (December 31, 2012 - TL 47,989).

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9.4 Information on employee termination benefits and unused vacation accrual

The Bank has calculated reserve for employee termination benefits by using actuarial valuations as set out in TAS 19 and reflected these accompanying financial statements.

As of December 31, 2013, TL 86,693 (December 31, 2012 - TL 81,685) reserve for employee termination benefits was provided in the accompanying financial statements.

As of December 31, 2013, the Bank accrued TL 27,628 (December 31, 2012 - TL 18,973) for the unused vacations under reserve for employee benefits account in the accompanying financial statements.

As of December 31, 2013, TL 94,583 (December 31, 2012 - TL 92,156) bonus and premium provisions has been provided under reserve for employee benefits account in the accompanying financial statements.

9.4.1. Movement of employee termination benefits

	Current Period	Prior Period
	01.01-31.12.2013	01.01-31.12.2012
As of January 1	81,685	51,303
Service cost	13,322	8,137
Interest cost	6,032	4,657
Settlement/ curtailment/ termination loss	5,479	8,455
Actuarial Difference	(5,313)	25,784
Paid during the period	(14,512)	(16,651)
Total	86,693	81,685

9.5. Information on other provisions

9.5.1. Information on free reserves for possible loan losses

	Current Period	Prior Period
Free Reserves for Possible Loan Losses	102,025	99,747

As of December 31, 2013 the Bank has provided TL 102,025 provision (December 31, 2012 - TL 99,747) for possible losses that could arise for loans in the watch list, considering their recovery rates.

9.5.2. Information on other provisions

Apart from the information provided in 9.3 and 9.5.1, the other provisions are given below as follows:

	Current Period	Prior Period
Provision for Promotion Expenses of Credit Cards	20,138	16,187
Other Provisions	77,249	35,007
Total	97,387	51,194

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10. Information on tax liability

10.1. Information on current tax liability

10.1.1. Information on tax provision

As of December 31, 2013, the Bank has current tax liability of TL 298,168 (December 31, 2012 - TL 368,855) and advance taxes of TL 196,711 (December 31, 2012 - TL 283,037). The current tax liability and advance taxes are presented at net value in the accompanying financial statements.

10.1.2. Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	101,457	85,818
Banking and Insurance Transaction Tax (BITT)	31,734	32,499
Taxation on Securities Income	33,619	35,919
Taxation on Real Estates Income	1,803	1,522
Other	17,159	14,203
Total	185,772	169,961

The "Corporate Taxes Payable" balance is presented in the "Current Tax Liability" account and other taxes are presented in the "Other Liabilities" account in the accompanying unconsolidated financial statements.

10.1.3. Information on premiums

	Current Period	Prior Period
Social Security Premiums - Employee Share	7,015	5,323
Social Security Premiums - Employer Share	7,511	5,454
Unemployment Insurance - Employee Share	494	374
Unemployment Insurance - Employer Share	987	748
Total	16,007	11,899

10.1.4. Information on deferred tax liabilities

As of December 31, 2013, there is none deferred tax liability calculated based on the related regulations. (December 31, 2012- None). The information about deferred tax is presented in the disclosures and explanations about asset accounts in the footnote numbered 16.

11. Information on payables related to assets held for sale

None. (December 31, 2012 – None)

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12. Information on subordinated loans

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	1,950,719	-	1,629,590
From Other Foreign Institutions	-	-	-	-
Total	-	1,950,719	-	1,629,590

The Bank received USD 650 million of subordinated loans during 2008 and USD 325 million of subordinated loans during 2009 from its main shareholder, National Bank of Greece S.A. The maturity of the loan is 10 years with semi-annual interest payments and principle payment at maturity. There is a re-payment option at the end of the 5th year. In addition, interest is paid every six months and principal payment will be realized at maturity. The loan amounting to USD 325 million which was received in 2008 is closed in 2011 to be used in capital increase. In addition, the Bank received USD 260 million subordinated loan in 2011 from National Bank of Greece S.A.

13. Information on shareholder's equity

13.1. Paid-in capital

	Current Period	Prior Period
Common Stock	2,700,000	2,565,000
Preferred Stock	-	-

13.2. 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

Capital System	Paid-in Capital	Ceiling
Registered Capital System	2,700,000	6,000,000

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

Date of Increase	Amount of Increase	Cash	Profit Reserves Subject to Increase	Capital Reserves Subject to Increase
June 25, 2013	135,000	-	128,250	6,750

13.4. Information on share capital increases from revaluation funds

None (December 31, 2012 – None).

13.5. Capital commitments in the last fiscal year and at the end of the following period, the general purpose of these commitments and projected resources required to meet these commitments

The Bank does not have any capital commitment; all of the capital is fully paid-in.

13.6. Prior periods' indicators related with the Bank's income, profit and liquidity and the possible effects of the uncertainties in these indicators on the Bank's equity

None (December 31, 2012- None).

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13.7. Information on the privileges given to stocks representing the capital

The Bank has 100 founder shares stated in the Articles of Association. The profit distribution of the Bank is calculated in accordance with prevailing statutory regulations and its Article of Association. According to these regulations, after deducting the statutory and fiscal obligations of the Bank, 5% of the remaining net income is appropriated as legal reserves, 5% of the paid in capital might be distributed to shareholders as first dividend and 10 % of the remaining net profit is distributed to founder shares. Moreover, additional 10% legal reserve is provided from the dividends distributed to founder shares.

14. Common stock issue premiums, shares and equity instruments

	Current Period	Prior Period
Number of Stocks (Thousands)	27,000,000	25,650,000
Preferred Capital Stock	-	-
Common Stock Issue Premiums (*)	714	714
Common Stock Withdrawal Profits	-	-
Other Capital Instruments	-	-

(*)Due to the Bank's capital increase in prior periods, common stock issue premiums accounted amounting to TL 714.

15. Information on marketable securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, Subsidiaries and Entities under Common Control	367,086	-	433,945	-
Valuation Difference	367,086	-	433,945	-
Foreign Exchange Rate Difference	-	-	-	-
Securities Available-for-Sale	(85,632)	(136,568)	168,369	28,696
Valuation Difference	(85,632)	(136,568)	168,369	28,696
Foreign Exchange Rate Difference	-	-	-	-
Total	281,454	(136,568)	602,314	28,696

The Bank accounts for the remaining shares of 49% of Finans Emeklilik ve Hayat A.Ş. (CFEHAŞ) at fair value as per TAS 39 "Financial Instruments: Recognition and Measurement" in its unconsolidated financial statements. In this respect, as of balance sheet date, the difference between the fair value and the book value amounting to TL 164,223 (net of tax) has been booked under the shareholder's equity, "Securities Valuation Difference".

The Bank transferred a portion of its securities from "investment securities available-for sale" portfolio, with a nominal value of TL 1,307,569, to the "investment securities held to maturity" portfolio due to change in the intention of the holding of the securities, effective from 21 June 2013. The valuation differences amounting to TL 67,974 under equity will be amortized and recycled to profit/loss until the maturities of these securities. As of the balance sheet date, the recycled amount is TL 7,636.

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16. Information on accrued interest and expenses

The details of accrued interest and expenses allocated to the related items on the liability side of the balance sheet are as follows:

	Current Period		Prior Period	
	TL	FC	TL	FC
Deposits	157,980	25,541	115,101	18,024
Derivative Financial Liabilities Held for Trading	1,112,851	189,708	367,620	106,299
Funds Borrowed	1,700	21,721	1,454	19,639
Money Market Borrowings	821	1,660	1,197	1,276
Derivative Financial Liabilities Held for Hedging Purposes	7,648	75,101	291,541	121,330
Other Accruals	27,734	41,583	25,293	44,536
Total	1,308,734	355,314	802,206	311,104

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SECTION FIVE

III. EXPLANATIONS AND DISCLOSURES RELATED TO OFF-BALANCE SHEET ITEMS

1.. Information related to off-balance sheet contingencies

1.1. Type and amount of irrevocable commitments

	Current Period	Prior Period
Letters of Guarantee in FC	1,777,802	1,533,101
Letters of Guarantee in TL	4,162,296	3,677,256
Letters of Credit	548,606	579,351
Bank Loans	609,831	545,914
Other Guarantees	19,399	24,055
Total	7,117,934	6,359,677

1.2. Type and amount of possible losses from off-balance sheet items included below

Specific provision is provided for the non-cash loans amounting to TL 53,760 (December 31, 2012 - TL 47,989) followed in the off-balance sheet accounts that are not indemnified and liquidated yet.

1.3. Final guarantees, provisional guarantees, sureties and similar transactions

	Current Period	Prior Period
Provisional Letters of Guarantee	290,037	401,258
Final Letters of Guarantee	3,640,553	3,396,832
Advance Letters of Guarantee	191,920	179,659
Letters of Guarantee Given to Customs Offices	198,665	186,504
Other Letters of Guarantee	1,618,923	1,046,104
Total	5,940,098	5,210,357

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans granted for Obtaining Cash Loans	317,326	306,450
Less Than or Equal to One Year with Original Maturity	14,451	25,503
More Than One Year with Original Maturity	302,875	282,947
Other Non-Cash Loans	6,800,608	6,053,227
Total	7,117,934	6,359,677

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3. Information on risk concentration in sector terms in non-cash loans

	Current Period				Prior Period			
	TL	%	FC	%	TL	%	FC	%
Agricultural	16,207	0.39	2,362	0.08	16,824	0.46	2,708	0.1
Farming and Raising Livestock	13,627	0.33	2,033	0.07	14,758	0.4	668	0.03
Forestry	1,440	0.03	-	-	740	0.02	-	-
Fishing	1,140	0.03	329	0.01	1,326	0.04	2,040	0.08
Manufacturing	882,213	21.16	1,523,356	52.02	644,791	17.52	1,289,546	48.56
Mining and Quarrying	25,599	0.61	771	0.03	21,904	0.6	1,736	0.07
Production	554,277	13.29	1,213,207	41.43	551,677	14.99	1,157,579	43.59
Electricity, gas and water	302,337	7.25	309,378	10.56	71,210	1.94	130,231	4.9
Construction	932,925	22.37	369,150	12.61	925,880	25.16	407,535	15.35
Services	2,256,615	54.12	1,016,629	34.71	2,037,904	55.38	934,644	35.2
Wholesale and Retail Trade	1,289,108	30.91	504,487	17.23	1,118,337	30.39	522,299	19.67
Hotel, Food and Beverage Services	36,356	0.87	13,353	0.46	45,221	1.23	15,262	0.57
Transportation & Communication	94,292	2.26	97,140	3.32	98,881	2.69	110,684	4.17
Financial Institutions	491,441	11.79	301,735	10.3	468,212	12.72	259,148	9.76
Real Estate and Renting Services	2,684	0.06	1,868	0.06	6,363	0.17	1,552	0.06
Self-Employment Services	155,682	3.73	84,051	2.87	119,674	3.25	17,883	0.67
Educational Services	4,044	0.1	9	-	1,467	0.04	7	-
Health and Social Services	183,008	4.39	13,986	0.48	179,749	4.88	7,809	0.29
Other (*)	82,007	1.97	17,071	0.58	54,632	1.48	21,158	0.8
Total	4,169,967	100	2,928,568	100	3,680,031	100	2,655,591	100

(*) Does not include "Other Guarantees" amounting to TL 19,399 (December 31, 2012- TL 24,055).

4. Information on non-cash loans classified in first and second groups (*)

	I. Group		II. Group	
	TL	FC	TL	FC
Letters of Guarantee	3,969,393	1,676,732	162,256	77,957
Bills of Exchange and Acceptances	7,668	592,933	-	9,230
Letters of Credit	3	546,224	-	2,379
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	-	19,399	-	-
Non-cash Loans	3,977,064	2,835,288	162,256	89,566

(*) Does not include non-cash loans amounting to TL 53,760 for which provision is provided, but that are not indemnified and not liquidated yet.

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5. Information related to derivative financial instruments

	Current Period	Prior Period
Types of trading transactions		
Foreign Currency Related Derivative Transactions (I)	67,480,400	45,724,859
Forward transactions(*)	7,677,470	5,650,110
Swap transactions	43,885,478	28,756,039
Futures transactions	42,982	225,260
Option transactions	15,874,470	11,093,450
Interest Related Derivative Transactions (II)	8,707,332	5,812,344
Forward rate transactions	-	-
Interest rate swap transactions	8,707,332	5,793,738
Interest option transactions	-	-
Futures interest transactions	-	16,590
Securities sales/purchases option transactions	-	2,016
Other trading derivative transactions (III)	-	-
A. Total Trading Derivative Transactions (I+II+III)	76,187,732	51,537,203
Types of hedging transactions		
Fair value hedges	17,234,950	17,540,286
Cash flow hedges	6,770,693	540,885
Net investment hedges	-	-
B. Total Hedging Related Derivatives	24,005,643	18,081,171
Total Derivative Transactions (A+B)	100,193,375	69,618,374

(*) This line also includes Forward Asset Purchase Commitments accounted for under Commitments.

5.1 Fair value hedge accounting

a) Loans

The Bank enters into swap transactions in order to hedge itself from the changes in the fair value due to the changes in market interest rates of a certain portion of its long-term loans and applies fair value hedge accounting as per TAS 39. As of December 31, 2013; the mortgage loans amounting to TL 5,098,190 (December 31, 2012 - TL 5,777,912) were subject to hedge accounting by swaps with the nominal values of TL 6,557,217 (December 31, 2012 - TL 7,711,610). The net market valuation difference amounting to TL 13,721 gain (December 31, 2012 - TL 3,787 gain) due to the losses from loans amounting to TL 523,221 (December 31, 2012 - TL 218,951 gain) gains from swaps amounting to TL 536,942 (December 31, 2012 - TL 215,164 loss) is accounted for under "gains / (losses) from financial derivatives transactions" line in the accompanying financial statements.

As of the balance sheet date, the project finance loans amounting to TL 164,290 (December 31, 2012 - None) were subject to hedge accounting using swaps with the nominal values of TL 159,372 (December 31, 2012 - None). The net market valuation gains amounting to TL 956, which results from the losses from swaps amounting to TL 16,536 (December 31, 2012 - None) and gains from loans amounting to TL 17,393 (December 31, 2012 - None) is accounted for under "gains / (losses) from financial derivatives transactions" line in the accompanying financial statements.

When the fair value hedge accounting cannot be effectively continued as stated in TAS 39, the fair value hedge accounting is ceased. The fair value differences of the hedged loans are amortized through income statement until the maturity of the hedged loans. The Bank has booked the valuation effect amounting to TL 52,638 (December 31, 2012 - 61,360) related to the loans that are ineffective for hedge accounting under "gains / (losses) from financial derivatives transactions" as loss during the current period.

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b) Investment securities available for sale

The Bank applies fair value hedge accounting to hedge the changes in the interest rates related to long term foreign currency Eurobonds with fixed coupon held by the Bank using swaps as hedging instruments. As at the balance sheet date; Eurobonds with the nominal values of USD 333 million and EUR 26 million (December 31, 2012 - USD 322 million and EUR 26 million) were subject to hedge accounting by interest rate swaps with the same nominal value. The net market valuation difference loss amounting to TL 226 (December 31, 2012 - TL 142 gain) due to losses from Eurobonds amounting to TL 100,381 (December 31, 2012 - TL 5,789 loss) and gains from swaps amounting to TL 100,155 (December 31, 2012 - TL 5,931 gain) is accounted for under "gains / (losses) from financial derivatives transactions" line in the accompanying financial statements.

The Bank applies fair value hedge accounting to hedge the changes in the interest rates related to long term TL government bonds with fixed coupon held by the Bank using swaps as hedging instruments. As at the balance sheet date; government bonds with the nominal values of TL 198,305 (December 31, 2012 - TL 198,305) were subject to hedge accounting by swaps with the same nominal value. The net market valuation difference gains amounting to TL 1,253 (December 31, 2012 - TL 907 loss) due to loss from government bonds amounting to TL 12,760 (December 31, 2012 - TL 10,688 gains) and gains from swaps amounting to TL 14,013 (December 31, 2012 - TL 11,595 loss) is accounted for under "gains / (losses) from financial derivatives transactions" line in the accompanying financial statements.

c) Bonds issued

The Bank applies fair value hedge accounting to hedge the changes in the interest rates related to foreign currency bonds issued by the Bank using interest rate swaps as hedging instruments. As at the balance sheet date; bonds with the nominal values of USD 367 million (December 31, 2012 - USD 367 million) were subject to hedge accounting by swaps with the same nominal value. Net market valuation difference loss amounting to TL 10 (December 31, 2012 - TL 1 loss) due to gains from government bonds amounting to TL 7,034 (December 31, 2012 - TL 6,004 gain) and losses from swaps amounting to TL 7,044 (December 31, 2012 - TL 6,005 loss) is accounted for under "gains / (losses) from financial derivatives transactions" line in the accompanying financial statements.

5.2 Cash flow hedge accounting

a) Deposit

The Bank applies cash flow hedge accounting using interest rate swaps in order to hedge the interest rate changes of deposits that have an average maturity of 1 month. The Bank implements efficiency tests at the balance sheet dates for hedging purposes; the effective portions are accounting for under equity "Hedging Funds", whereas the amount concerning ineffective portions are accounted for at income statement as defined in TAS 39. Swaps amounting to TL 169,642 (December 31, 2012 - TL 270,442) are subject to hedge accounting as hedging instruments. As a result of the mentioned hedge accounting, fair value loss before taxes amounting to TL 15,383 (December 31, 2012 - TL 8,273 loss) are accounted for under equity during the current period. The losses amounting to TL 5 (December 31, 2012 - TL 97 loss) concerning for the ineffective portions are accounted for at the income statement.

As at the balance sheet date, swaps amounting to USD 1,470 million are subject to hedge accounting as hedging instruments (December 31, 2012 - None). As a result of the mentioned hedge accounting, fair value gain before taxes amounting to TL 112,448 are accounted for under equity during the current period (December 31, 2012 - None). The gains amounting to TL 164 (December 31, 2012 - None) concerning for the ineffective portions are accounted for at the income statement.

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When the fair value hedge accounting cannot be effectively continued as stated in TAS 39, the fair value hedge accounting is ceased. Effective parts classified under equity due to hedge accounting are amortized through income statement until the maturity of swaps in case of ineffectiveness. The Bank transferred loss amounting to TL 4,684 from equity to income statement due to swaps that are matured or whose effectiveness is deteriorated during the current period (December 31, 2012 - TL 3,692 loss).

As of December 31 2013, breakdown of the Bank's foreign currency forward and swap and interest rate swap transactions based on currencies are disclosed below in their TL equivalents:

	Forward Buy ^(**)	Forward Sell ^(**)	Swap Buy ^(*)	Swap Sell ^(*)	Option Buy	Option Sell	Future Buy	Future Sell
Current Period								
TL	1,564,585	1,786,489	13,318,339	18,547,585	3,031,745	3,225,306	255	255
USD	1,379,951	1,493,252	23,467,275	17,315,382	2,476,355	2,961,723	21,236	21,236
EURO	852,426	533,866	1,326,918	1,594,862	2,334,809	1,694,057	-	-
Other	43,473	23,428	22,484	1,005,609	116,312	34,163	-	-
Total	3,840,435	3,837,035	38,135,016	38,463,438	7,959,221	7,915,249	21,491	21,491
^(*) This column also includes hedging purpose derivatives.								
^(**) This column also includes Forward Asset Purchase Commitments accounted for under Commitments								
	Forward Buy ^(**)	Forward Sell ^(**)	Swap Buy ^(*)	Swap Sell ^(*)	Option Buy	Option Sell	Future Buy	Future Sell
Prior Period								
TL	1,247,007	888,393	8,619,195	15,365,712	2,466,724	2,385,395	4,134	4,134
USD	711,151	1,276,449	16,549,012	10,068,256	2,348,440	2,399,794	116,067	116,067
EURO	773,666	586,699	583,508	566,649	740,150	734,985	724	724
Other	100,963	65,782	45,477	833,139	19,978	-	-	-
Total	2,832,787	2,817,323	25,797,192	26,833,756	5,575,292	5,520,174	120,925	120,925
^(*) This column also includes hedging purpose derivatives.								
^(**) This column also includes Forward Asset Purchase Commitments and accounted for under Commitments.								

As of December 31, 2013, the Bank has no derivative transactions for hedge of net investment.

6. Credit derivatives and risk exposures on credit derivatives

As of 31 December 2013, other irrevocable commitments include commitments for "credit linked notes" with a nominal of USD 15,345,550 (31 December 2012: USD 13,494,490).

As of 31 December 2013, the Bank has no other derivative financial instruments included in "credit default swaps" (31 December 2012: USD 100,000,000).

7. Information on contingent liabilities and assets

None. (December 31, 2012 - None)

8. Information on the services in the name and account of third parties

The Bank acts as an investment agent for banking transactions on behalf of its customers and provides custody services. Such transactions are followed under off-balance sheet accounts.

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

9. Information on the Bank's rating by international rating institutions

MOODY's December 2013		FITCH April 2013		CI February 2013	
Long-Term Deposit Rating (FC)	Ba2	Long-Term Foreign Curr.	BBB-	Long-Term Foreign Curr.	BB+
Long-Term Deposit Rating (TL)	Ba2	Short-Term Foreign Curr.	F3	Short-Term Foreign Curr.	B
Short-Term Deposit Rating (TL)	NP	Long-term TL	BBB-	Financial strength at local market	BBB+
Financial Strength	E+	Short-term TL	F3	Support	3
		Long-term National	AAA(tur)		
		Individual	3		
		Support	bbb-		

SECTION FIVE

IV. EXPLANATIONS AND DISCLOSURES RELATED TO THE INCOME STATEMENT

1. a) Information on interest income received from loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on loans				
Short Term Loans	2,487,150	38,922	2,836,920	58,388
Medium and Long-Term Loans	2,355,947	165,822	1,855,576	129,677
Non-Performing Loans	108,943	-	97,535	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	4,952,040	204,744	4,790,031	188,065

b) Information on interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank	-	-	-	229
Domestic Banks	464	3	854	6
Foreign Banks	304	178	608	255
Foreign Headquarters and Branches	-	-	-	-
Total	768	181	1,462	490

c) Information on interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Held-for-Trading Financial Assets	11,217	175	12,284	466
Financial Assets at FVTPL	-	-	-	-
Investment Securities Available for Sale	343,729	63,381	503,054	53,977
Investment Securities Held to Maturity	76,789	6,796	-	-
Total	431,735	70,352	515,338	54,443

d) Information on interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	3,511	1,545

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FINANSBANK ANONİM ŞİRKETİ

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2. a) Information on interest expense related to funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
T.R. Central Bank	-	-	-	-
Domestic Banks	5,934	3,161	5,669	2,700
Foreign Banks	25	143,758	4	129,106
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	-	-	-
Total	5,959	146,919	5,673	131,806

b) Information on interest expense paid to associates and subsidiaries

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	24,950	30,386

c) Information on interest expense paid to securities issued

The bonds issued by the Bank in September 14, 2012, with TL 400,000 nominal value, in September 21, 2012, with TL 500,000 nominal value, in November 15, 2012 TL 750,000 nominal value, in December 14, 2012, with TL 650,000 nominal value, in December 28, 2012 TL 600,000 nominal value, in March 20, 2013, with TL 400,000 nominal value, in April 4, 2013 with TL 475,812 nominal value, in June 26, 2013, with TL 525,418 nominal value, in July 11, 2013, with TL 125,435, in July 18, 2013, with TL 105,000 nominal value, in July 25, 2013 with TL 265,562 nominal value and in November 29, 2013 with TL 578,000 has matured during the current period. In addition, the Bank has issued TL 750,000 nominal value with 9.45% interest rate on October 11, 2013 and issued bonds with TL 150,000 nominal value with 9.55% interest rate on October 31, 2013 and issued bonds with TL 244,585 nominal value with 9.02% interest rate on November 26, 2013 and issued bonds with TL 899,136 nominal value with 8.69% interest rate on December 12, 2013 and issued bonds with TL 116,190 nominal value with 8.97% interest rate on December 24, 2013 and issued bonds with TL 124,188 nominal value on April 19, 2013. As of December 31, 2013, interest expense amounting to TL 252,784 is accounted for the bonds issued. (December 31, 2012 - TL 140,315).

d) Information on maturity structure of interest expenses on deposits (Current Period)

Account	Demand Deposits	Time Deposits					Accumulated Deposit Account	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
Turkish Lira								
Bank Deposits	-	2,057	13,445	7,028	269	269	-	23,068
Saving Deposits	9	142,805	692,559	133,170	94,624	7,930	149	1,071,246
Public Sector Deposits	-	128	2,598	93	45,904	3	-	48,726
Commercial Deposits	-	131,471	259,797	48,066	11,808	2,215	-	453,357
Other Deposits	-	3,458	36,581	21,315	52,512	41	-	113,907
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	9	279,919	1,004,980	209,672	205,117	10,458	149	1,710,304
Foreign Currency								
Foreign Currency Deposits	-	31,222	171,242	31,844	15,605	7,193	117	257,223
Bank Deposits	27	904	16,076	919	92	44	-	18,062
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	212	153	18	4	-	-	387
Total	27	32,338	187,471	32,781	15,701	7,237	117	275,672
Grand Total	36	312,257	1,192,451	242,453	220,818	17,695	266	1,985,976

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Information on maturity structure of interest expense on deposits (Prior Period)

Account	Demand Deposits	Time Deposits					Accumulated Deposit Account	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
Turkish Lira								
Bank Deposits	-	2,274	6,438	14,477	292	748	-	24,229
Saving deposits	2	149,645	1,046,214	196,943	25,772	1,790	1,752	1,422,118
Public Sector Deposits	-	1,003	4,167	331	9	-	-	5,510
Commercial Deposits	1	125,325	263,300	72,404	12,937	4,168	-	478,135
Other Deposits	-	2,096	71,149	21,497	157	434	-	95,333
7 Day Call Accounts	-	-	-	-	-	-	-	-
Total	3	280,343	1,391,268	305,652	39,167	7,140	1,752	2,025,325
Foreign Currency								
Foreign Currency Deposits	-	40,529	192,347	29,467	10,486	282	552	273,663
Bank Deposits	124	1,983	8,149	1,131	401	-	-	11,788
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	778	2	-	780
Total	124	42,512	200,496	30,598	11,665	284	552	286,231
Grand Total	127	322,855	1,591,764	336,250	50,832	7,424	2,304	2,311,556

e) Information on interest expense on repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expense on Repurchase Agreements ^(*)	93,100	6,498	97,061	7,206

(*) Disclosed in "Interest on Money Market Transactions".

f) Information on finance lease expenses

	Current Period	Prior Period
Finance Lease Expenses	314	804

g) Information on interest expense on factoring payables

None. (December 31, 2012 – None)

3. Information on dividend income

	Current Period	Prior Period
Financial Assets Held for Trading		
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets Available for Sale	7	186
Other	12,145	8,601
Total	12,152	8,787

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4. Information on trading income/loss

	Current Period	Prior Period
Trading Income	8,573,835	4,916,956
Gains on Capital Market Operations	223,815	129,072
Derivative Financial Instruments	2,577,006	1,952,427
Foreign Exchange Gains	5,773,014	2,835,457
Trading Loss (-)	8,788,840	5,265,275
Losses on Capital Market Operations	61,289	47,560
Derivative Financial Instruments	2,851,915	2,380,789
Foreign Exchange Losses	5,875,636	2,836,926
Net Trading Income/Loss	(215,005)	(348,319)

5. Information on other operating income

The Bank recorded the current year collections from loans written off in the previous period, portfolio management fees and commissions and expense accruals in "Other Operating Income" account.

6. Provision for losses on loans and other receivables

	Current Period	Prior Period
Specific Provisions For Loans and Other Receivables	873,777	694,132
Loans and Receivables in Group III	(49,797)	151,005
Loans and Receivables in Group IV	143,573	193,226
Loans and Receivables in Group V	780,001	349,901
Doubtful Fee, Commission and Other Receivables	-	-
General Provisions	198,607	217,243
Provision Expenses for Possible Losses	2,278	36,045
Impairment Losses on Securities	103	-
Financial assets at fair value through profit or loss	-	-
Investment securities available for sale	103	-
Impairment Losses on Associates, Subsidiaries and	-	-
Investment Securities Held-to-Maturity	-	-
Associates	-	-
Subsidiaries	-	-
Entities under common control	-	-
Investment securities held-to-maturity	-	-
Other	5,986	18,011
Total	1,080,751	965,431

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FİNANSBANK ANONİM ŞİRKETİ

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7. Information on other operating expenses

	Current Period	Prior Period
Personnel costs	904,751	752,134
Reserve for employee termination benefits	10,321	4,595
Provision for pension fund deficits	-	-
Impairment losses on tangible assets	705	1,651
Depreciation charge of tangible assets	102,658	90,833
Impairment losses of intangible assets	-	-
Impairment losses of goodwill	-	-
Amortization charge of intangible assets	61,865	54,851
Impairment losses on investments under equity method of accounting	-	-
Impairment losses on assets to be disposed	1,048	2,000
Depreciation on assets to be disposed	5,470	2,247
Impairment charge of assets held for sale and discontinued operations	-	-
Other operating expenses	807,323	637,322
Operational lease related expenses	174,458	139,517
Repair and maintenance expenses	62,480	53,106
Advertisement expenses	103,776	84,312
Other expenses	466,609	360,387
Losses on sales of assets	334	2,185
Other	399,744	248,275
Total	2,294,219	1,796,093

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

For the period ended at December 31, 2013, net interest income of TL 3,163,146 (December 31, 2012 – TL 2,877,154), net fees and commission income of TL 1,031,522 (December 31, 2012 – TL 1,028,813) and other operating income of TL 320,749 (December 31, 2012 – TL 364,667) constitute an important part of the income.

9. Explanations on tax provision for continued and discontinued operations

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

	Current Period	Prior Period
Current Tax Provision	(229,625)	(383,179)
Deferred Tax Income/(Expense)	26,270	117,523
Total	(203,355)	(265,656)

As of December 31, 2013, the Bank recorded tax charge of TL 229,625 (December 31, 2012 – TL 383,179) and a deferred tax income of TL 26,270 (December 31, 2012 – TL 117,523).

9.2. Explanations on operating profit/loss after taxes

None (December 31, 2012 – None).

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

10. Explanations on net profit/(loss) from continued and discontinued operations

In the current period, the net profit of the Bank from continued operations is TL 734,239 (December 31, 2012 – TL 903,922).

11. Explanations on net income/loss for the period

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

None (December 31, 2012 – None).

11.2. There is no material effect of changes in accounting estimates on income statement for the current and for subsequent periods.

11.3. There is no profit or loss attributable to minority shares.

11.4. There are no changes in the accounting estimates, which have a material effect on current period or expected to have a material effect on subsequent periods.

12. Information on the components of other items in the income statement exceeding 10% of the total, or items that comprise at least 20% of the income statement

Fees and commissions from credit cards, transfers and insurance intermediaries are recorded to the "Others" line under "Fees and Commissions Received" account and fees and commissions given to credit cards are recorded to the "Others" line under "Fees and Commissions Paid" account by the Bank.

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SECTION FIVE

V. EXPLANATIONS AND DISCLOSURES RELATED TO STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

1. Changes resulting from valuation of available for sale securities

Net decrease of TL 486,124 (December 31, 2012 - TL 730,802 net increase) after tax effect resulting from valuation of available for sale securities at fair values is included in "Securities Value Increase Fund" account under shareholders' equity.

2. Explanations on foreign exchange differences

None.

3. Explanations on dividend

3.1. Dividends declared subsequent to the balance sheet date, but before the announcement of the financial statements

There is no announcement of dividend distribution before the release of the accompanying financial statements. At the General Assembly dated March 28, 2013, it was decided to distribute the 2012 profit as follow:

2012 profit distribution table:	
Current year profit	902,346
A - I. Legal Reserve (Turkish Commercial Code 466/1) at 5%	(45,117)
B - The First Dividend for Shareholders ^(*)	(128,250)
C - Profit from Disposal of Associates	-
D- II. Legal Reserves	-
E- Gains on Real estate Sales Fund	(130,187)
F- Extraordinary Reserves	(598,792)
(*)Distributed as bonus shares.	

3.2. Dividends per share proposed subsequent to the balance sheet date

No decision is taken concerning the profit distribution by the General Assembly as of the balance sheet date (December 31, 2012- Profit distribution for 2012 is detailed in footnote 3.1).

3.3. Transfers to legal reserves

	Current Period	Prior Period
Amount Transferred to Reserves from Retained Earnings	45,117	42,405

4. Information on issuance of share certificates

4.1. The rights, priorities and restrictions regarding the share capital including distribution of income and repayment of the capital

None (December 31, 2012- None).

5. Information on the other capital increase items in the statement of changes in shareholders' equity

Capital increase amounting to TL 135,000 presented in the Statement of Changes in Shareholder's Equity in 2013 is entirely provided from extraordinary reserves. TL 125,000 of the total capital increase presented in the Statement of Changes in Shareholder's Equity in 2012 has been provided in from extraordinary reserves.

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SECTION FIVE

VI. EXPLANATIONS AND DISCLOSURES RELATED TO CASH FLOWS STATEMENT

1. The effects of the other items stated in the cash flow statement and the changes in foreign currency exchange rates on cash and cash equivalents

"Other items" amounting to TL 1,214,116 (December 31, 2012 - TL 135,950) in "Operating profit before changes in operating assets and liabilities" consist of commissions paid amounting to TL 140,131 (December 31, 2012 - TL 131,450), net trading income/loss by TL 1,043,417 (December 31, 2012 - TL 157,290 net trading income/loss) and other operating expenses amounting to TL 30,568 (December 31, 2012 - TL 161,790).

"Other items" in changes in operating assets amounting to TL 49,928 (December 31, 2012- TL 548,686) consist of the decrease in collaterals given by TL 109,161 (December 31, 2012- TL 179,491 increase) and the increase in other assets by TL 59,233 (December 31, 2012- TL 728,177 decrease).

"Other items" in changes in operating liabilities amounting to TL 4,177,429 (December 31, 2012- TL 463,978) consist of the increase in money market borrowings by TL 1,975,516 (December 31, 2012- TL 211,464 increase) and the increase in sundry debtors and other liabilities by TL 2,201,913 (December 31, 2012- TL 252,514 increase).

"Other items" in changes in net cash provided from banking operations amounting to consists of the increase in intangible assets by TL 90,749 TL, 4,177,429 (December 31, 2012 - TL 89,699) and advances given amounting to TL 296,587 (December 31, 2012 - None).

2. Information regarding the balances of cash and cash equivalents at the beginning of the period

	Current Period	Prior Period
	January 1, 2013	January 1, 2012
Cash	653,019	518,772
Cash	439,754	320,851
Cash in Foreign Currencies	212,803	184,673
Other	462	13,248
Cash Equivalents	2,861,638	2,389,971
Balances with the T.R. Central Bank	965,102	480,213
Banks and Other Financial Institutions	110,816	829,462
Money Market Placements	1,785,748	1,091,322
Less: Placements with Banks with Maturities Longer than 3 Months	(28)	(10,428)
Less: Accruals	-	(598)
Cash and Cash Equivalents	3,514,657	2,908,743

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3. Information regarding the balances of cash and cash equivalents at the end of the period

	Current Period	Prior Period
	December 31, 2013	December 31, 2012
Cash	1,047,161	653,019
Cash	633,496	439,754
Cash in Foreign Currencies	413,140	212,803
Other	525	462
Cash Equivalents	1,051,385	2,861,638
Balances with the T.R. Central Bank	752,806	965,102
Banks and Other Financial Institutions	302,866	110,816
Money Market Placements	-	1,785,748
Less: Placements with Banks with Maturities Longer than 3 Months	(143)	(28)
Less: Accruals	(4,144)	-
Cash and Cash Equivalents	2,098,546	3,514,657

4. Restricted cash and cash equivalents due to legal requirements or other reasons

Foreign bank balances include TL 3,258 (December 31, 2012- TL 778) of cash blocked at foreign banks held for transactions made for foreign money markets and capital markets and borrowings from foreign markets.

5. Additional information

5.1. Restrictions on the Bank's potential borrowings that can be used for ordinary operations or capital commitment

None.

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SECTION FIVE

VII. EXPLANATIONS AND DISCLOSURES RELATED TO THE BANK'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

- 1.1. As of December 31, 2013, the Bank's risk group has deposits, cash and non-cash loans at the Bank amounting to TL 395,261 (December 31, 2012- TL 429,905), TL 110,670 (December 31, 2012- TL 65,220) and TL 58,604 (December 31, 2012- TL 42,521), respectively.

Current Period

Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group (**)	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	65,220	13,023	-	29,498	-	-
Balance at the End of the Period	110,670	25,402	-	32,895	-	307
Interest and Commission Income	3,511	47	1	-	-	-

Prior Period

Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group (**)	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	55,015	7,510	-	3,072	34,873	2
Balance at the End of the Period	65,220	13,023	-	29,498	-	-
Interest and Commission Income	1,545	33	5	20	2,195	1

(*) As described in the Article 49 of Banking Law No 5411.

(**) Includes the loans given to the Bank's indirect subsidiaries.

1.2. Information on deposits held by the Bank's risk group

Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group (**)	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at the Beginning of the Period	403,106	340,624	18,692	31,009	8,107	2,115
Balance at the End of the Period	359,891	403,106	18,776	18,692	16,594	8,107
Interest on deposits	24,950	30,386	-	-	395	-

(*) As described in the Article 49 of Banking Law No 5411.

(**) Includes the deposits received from the indirect subsidiaries of the Bank.

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1.3. Information on forward and option agreements and similar agreements made with the Bank's risk group

Bank's Risk Group ^(*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group ^(**)	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions for Trading Purposes						
Beginning of the Period	25,869	15,581	393,221	34,165	4,711	28,702
End of the Period	-	25,869	130,397	393,221	177,748	4,711
Total Income/Loss ^(***)	544	1,301	22,706	4,918	1,367	3,137
Transactions for Hedging Purposes	-	-	-	-	-	-
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Income/Loss ^(***)	-	-	-	-	-	-

(*)As described in the Article 49 of Banking Law No 5411.

(**)Includes the derivative transactions between the Bank's indirect subsidiaries.

(***) Profit and loss amounts of transactions for trading purposes made with risk group cannot be differentiated in total profit and loss accounts.

1.4. As of December 31 2013, the total amount of remuneration and bonuses paid to top management of the Bank is TL 40,522 (December 31, 2012- TL 31,926).

2. Disclosures of transactions with the Bank's risk group

2.1. Relations with entities in the risk group of / or controlled by the Bank regardless of the nature of relationship among the parties

Transactions with the risk group are made on an arms-length basis; terms are set according to the market conditions and in compliance with the Banking Law.

2.2. In addition to the structure of the relationship, type of transaction, amount, and share in total transaction volume, amount of significant items, and share in all items, pricing policy and other

As of December 31, 2013, cash loans of the risk group represented 0.3% of the Bank's total cash loans (December 31, 2012- 0.2%), the deposits represented 1.0% of the Bank's total deposits (December 31, 2012- 1.3%) and derivative transactions represented 0.3% of the Bank's total derivative transactions (December 31, 2012- 1.2%).

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2.3. Explanations on purchase and sale of real estate and other assets, sales and purchases of services, agent contracts, financial lease agreements, transfer of data obtained from research and development, licensing agreements, financing (including loans and cash and in-kind capital support), guarantees and promissory notes, and management contracts

The Bank enters into finance lease agreements with Finans Finansal Kiralama A.Ş. As of December 31, 2013, the Bank has net finance lease payables to Finans Finansal Kiralama A.Ş. amounting to TL 2,915 (December 31, 2012 – TL 1,921) relating with finance lease agreements.

The Bank places certain amount of its funds from time to time to Finans Portföy Yönetimi A.Ş.

The Bank has signed an agreement with Ibtch Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek Sanayi ve Ticaret A.Ş. regarding research, development, advisory and improvement services.

Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş., in which the Bank participated 33.33% shareholding, provides cash transfer services to the Bank.

Information about the Bank's subordinated loans obtained from NBG S.A. is explained under Section 5, Part II., Footnote 12.

The Bank provides agency services to Finans Emeklilik ve Hayat A.Ş., which is a jointly controlled entity with 49% shares held by the Bank.

VIII. EXPLANATIONS ON THE BANK'S DOMESTIC, FOREIGN AND OFF-SHORE BANKING BRANCHES AND FOREIGN REPRESENTATIVES

1. Information relating to the bank's domestic and foreign branch and representatives

	Number	Employees			
Domestic Branch	673	13,960			
			Country		
Foreign Representation	-	-	1-		
			2-		
			3-		
				Total Assets	Capital
Foreign Branch	-	-	1-	-	-
			2-		
			3-		
Off-shore Banking and Region Branches	1	7	1- Bahrain	8,430,434	-

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

FİNANSBANK ANONİM ŞİRKETİ

Notes to the financial statements for the year ended December 31, 2013

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

SECTION SIX

OTHER EXPLANATIONS AND DISCLOSURES

I. OTHER EXPLANATIONS RELATED TO THE BANK'S OPERATIONS

1. Disclosure related to subsequent events and transactions that have not been finalized yet, and their impact on the financial statements

In the meeting of the Board of Directors dated February 27, 2014, the Bank decided to hold the ordinary general assembly meeting on March 27, 2014.

2. Information about effects of significant changes in foreign exchange rates after balance sheet date that would affect decision making process of users and foreign operations of the bank

There are no significant fluctuations in the currency exchange rates after the balance sheet date that would affect the analysis and decision making process of the readers of the financial statements.

3. Other matters

None.

SECTION SEVEN

INDEPENDENT AUDITOR'S REPORT

I. EXPLANATIONS ON THE INDEPENDENT AUDITOR'S REPORT

The unconsolidated financial statements of the Bank have been audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu Limited) and the independent auditor's report dated February 27, 2014 is presented preceding the financial statements.

II. EXPLANATIONS ON THE NOTES PREPARED BY INDEPENDENT AUDITOR

None (December 31, 2012 – None).

**FİNANSBANK ANONİM ŞİRKETİ
AND IT'S FINANCIAL SUBSIDIARIES**

**INDEPENDENT AUDITOR'S REPORT,
CONSOLIDATED FINANCIAL
STATEMENTS AND NOTES
FOR THE YEAR ENDED
DECEMBER 31, 2013**

Translated into English from the Original Turkish Report

Deloitte.

DRT Bağımsız Denetim ve
Serbest Muhasebeci
Mali Müşavirlik A.Ş.
Sun Plaza
Bilim Sok. No:5
Maslak, Şişli 34398
İstanbul, Türkiye

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

Tel : (212) 366 6000
Fax : (212) 366 6010
www.deloitte.com.tr

FINANSBANK ANONİM ŞİRKETİ AND ITS FINANCIAL SUBSIDIARIES INDEPENDENT AUDITOR'S REPORT FOR THE YEAR JANUARY 1 – DECEMBER 31, 2013

We have audited the accompanying consolidated balance sheet of Finansbank A.Ş. ("the Bank") and its financial subsidiaries ("the Group") as of December 31, 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.

Board of Director's Responsibility for the Financial Statements

The Board of Directors of the Bank is responsible for the preparation and fair presentation of the financial statements in accordance with the regulation on "Procedures And Principles Regarding Banks" Accounting Practices And Maintaining Documents" published in the Official Gazette dated November 1, 2006 and numbered 26333 and Turkish Accounting Standards, Turkish Financial Reporting Standards and other regulations, circulars, communiqués and pronouncements in respect of accounting and financial reporting made by Banking Regulation and Supervision Agency. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the regulation on "Licensing and Operations of Audit Firms in Banking" published in the Official Gazette no: 26333 on November 1, 2006 and the International Standards on Auditing. We planned and performed our audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the consideration of the effectiveness of internal control and appropriateness of accounting policies applied relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2013 and the results of its operations and its cash flows for the year then ended in accordance with the prevailing accounting principles and standards set out as per the Articles 37 and 38 of the Banking Act No: 5411, and other regulations, communiqués, and circulars in respect of accounting and financial reporting made by the Banking Regulation and Supervision Board and pronouncements made by Banking Regulation and Supervision Agency.

Additional paragraph for English translation:

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

İstanbul, February 27, 2014

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



Müjde Şehsuvaroğlu
Partner

**THE CONSOLIDATED FINANCIAL REPORT OF FINANSBANK A.Ş.
FOR THE YEAR ENDED DECEMBER 31, 2013**

The Bank's;
Address of the head office : Büyükdere Cad. No: 129, 34394 Mecidiyeköy / İSTANBUL
Phone number : (0 212) 318 50 00
Facsimile number : (0 212) 318 58 50
Web page : www.finansbank.com.tr
E-mail address : name.surname@finansbank.com.tr

The year end unconsolidated financial report designed by the Banking Regulation and Supervision Agency in line with Communiqué on Financial Statements to be Publicly Announced and the Related Policies and Disclosures consists of the sections below:

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

Within the context of this financial report, the consolidated subsidiaries and entities under common control are as follows. There are no associates included in the consolidation.


Subsidiaries

1. Finans Finansal Kiralama Anonim Şirketi
2. Finans Yatırım Menkul Değerler Anonim Şirketi
3. Finans Yatırım Ortaklığı Anonim Şirketi
4. Finans Portföy Yönetimi Anonim Şirketi
5. Finans Faktoring Hizmetleri Anonim Şirketi

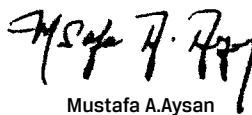
Entities Under Common Control (Joint Ventures)

1. Cigna Finans Emeklilik ve Hayat Anonim Şirketi

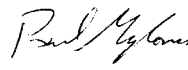
The consolidated financial statements and related disclosures and footnotes for the year ended, are prepared in accordance with the Regulation on Principles Related to Banks' Accounting Applications and Preserving the Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements and guidance and in compliance with the financial records of our Bank. Unless stated otherwise, the accompanying consolidated financial statements are presented in thousands of Turkish Lira (TL).



Ömer A. Aras
Chairman of the Board
of Directors



Mustafa A. Aysan
Member of the Board of Directors
and Chairman of the Audit
Committee



Paul Mylonas
Member of the Board of
Directors and of the
Audit Committee



Ioannis Vagionitis
Member of the Board of Directors
and Member of the Audit
Committee



Temel Güzeloğlu
General Manager and
Member of the Board of
Directors



Adnan Menderes Yayla
Executive Vice President Responsible of
Financial Control and Planning



Ercan Sakarya
Division Manager of Financial
Reporting, Statutory Reporting
Reporting and Treasury Control

Information related to the responsible personnel to whom the questions about the financial report can be communicated:

Name-Surname/Title : Ercan Sakarya
Division Manager of Financial Reporting, Statutory Reporting and Treasury Control
Phone Number : (0 212) 318 52 92
Facsimile Number : (0 212) 318 55 78

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FINANSBANK ANONİM ŞİRKETİ

Notes to the financial statements for the year ended December 31, 2013

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

SECTION ONE

GENERAL INFORMATION ABOUT THE PARENT BANK

I. History of the Parent Bank, including its establishment date, initial legal status and amendments to legal status, if any

Finansbank Anonim Şirketi ("the Bank" and/or "the Parent Bank") was incorporated in Istanbul on September 23, 1987. The Parent Bank's shares have been listed on the Istanbul Stock Exchange (currently as "BIST") since the first public offering on February 3, 1990.

II. Explanations about the Parent Bank's shareholding structure, shareholders who individually or jointly have power to control the management and audit directly or indirectly, changes regarding these subjects during the year, if any, and information about the controlling group of the Parent Bank

As of December 31, 2013, 77.23% of the Parent Bank's shares are owned by National Bank of Greece S.A. (NBG), 9.68% by NBG Finance (Dollar) PLC., 7.90% by NBGI Holdings B.V. and 5.00% by International Finance Corporation ("IFC").

The Parent Bank is a National Bank of Greece S.A ("NBG") Group entity. NBG was founded in 1841 and its shares have been traded on Athens Stock Exchange since 1880 and traded on the New York Stock Exchange since 1999. NBG offers financial services to its customers such as retail banking, assets management, intermediary services and investment banking.

III. Explanations about the chairman and members of board of directors, members of audit committee, managing directors and executive vice presidents; any changes, and the information about the Parent Bank shares they hold and their responsibilities

Name	Title	Date of Appointment	Education
Dr. Ömer A. Aras	Chairman and Executive Member	April 16, 2010	PhD
Sinan Şahinbaş	Deputy Chairman and Executive Member	April 16, 2010	Masters
Prof. Dr. Mustafa Aydın Aysan	Board Member and Head of Audit Committee	November 9, 2006	PhD
Antonios Grammatikopoulos (*)	Board Member	June 7, 2012	Masters
Stefanos Pantzopoulos	Board Member	October 16, 2012	Graduate
Dr. Paul Mylonas (**)	Board Member and Audit Committee Member	February 23, 2010	PhD
Ioannis Vagionitis (***)	Board Member and Audit Committee Member	January 6, 2014	Masters
Christos Alexis Komninos	Board Member	February 16, 2011	Graduate
Temel Güzeloğlu	Board Member and Managing Director	April 16, 2010	Masters
Mustafa Hamdi Gürtin	Board Member	April 16, 2010	Masters
Ali Teoman Kerman	Board Member	April 16, 2010	Masters
Paula Hadjisotiriou (****)	Board Member	December 16, 2013	Masters
Adnan Menderes Yayla	Assistant Managing Director	May 20, 2008	Masters
Metin Karabiber	Assistant Managing Director	October 8, 2010	Graduate
Murat Şakar	Assistant Managing Director	August 18, 2008	Graduate
Köksal Çoban	Assistant Managing Director	August 18, 2008	Masters
Saruhan Doğan	Assistant Managing Director	October 9, 2009	Masters
Dr. Mehmet Kürşad Demirkol	Assistant Managing Director	October 8, 2010	PhD
Özlem Cinemre	Assistant Managing Director	July 9, 1997	Graduate
Hakan Alp	Assistant Managing Director	July 7, 2010	Graduate
Tunç Erdal	Assistant Managing Director	October 8, 2010	Graduate
Filiz Sonat	Assistant Managing Director	September 19, 2007	Graduate
Levent Yörük	Assistant Managing Director	February 1, 2010	Masters
Erkin Aydın	Assistant Managing Director	May 16, 2011	Masters
Ömür Tan	Assistant Managing Director	October 28, 2011	Graduate
Şebnem Seniye Karaduman	Assistant Managing Director	January 9, 2012	Graduate
Halim Ersun Bilgici	Assistant Managing Director	March 15, 2013	Masters
Aytaç Aydın (*****)	Assistant Managing Director	June 13, 2013	Masters

(*) Antonios Grammatikopoulos resigned from the Board of Directors as of February 12, 2014.

(**) Michail Oratis resigned from the Board of Directors and the Audit Committee as of November 21, 2013, Dr. Paul Mylonas has been appointed to the Audit Committee as of January 17, 2014.

(***) Ioannis Vagionitis has been appointed to the Board of Directors as of January 6, 2014 and to the Audit Committee as of January 17, 2014.

(****) In the Board of Director's Meeting on October 24, 2013, resignation of the Board Member Dimitrios Frangetis has been accepted and Paula Hadjisotiriou has been appointed as a Board Member on December 16, 2013.

(*****) Aytaç Aydın resigned from the Assistant Managing Director responsible for payment systems and central operations, as of January 31, 2014.

The top level management listed above possesses immaterial number of shares of the Parent Bank.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

FİNANSBANK ANONİM ŞİRKETİ

Notes to the financial statements for the year ended December 31, 2013

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

IV. Information about the persons and institutions that have qualified shares on the Parent Bank

Name Surname/Trade Name	Amount of		Paid-up	Unpaid
	Shares	Shareholding	Shares	Shares
National Bank of Greece S.A.	2,085,162	77.23%	2,085,162	-
NBG Finance (Dollar) PLC	261,343	9.68%	261,343	-
NBGI Holdings B.V.	213,300	7.90%	213,300	-

The Parent Bank has 100 founder shares as stated in the Articles of Association. The profit distribution is performed according to the prevailing regulations and the Articles of Association. Accordingly, 5% of the distributable profit is appropriated as legal reserves, 5% of the paid up capital is paid out as first dividend and 10% of the remaining distributable profit might be distributed to the founder shares. In addition, 10% of dividends distributed to founder shares are provided as additional legal reserve.

V. Summary on the Parent Bank's services and activity

The Parent Bank's activities include trade finance and corporate banking, treasury, retail banking and credit card operations. In addition, the Parent Bank carries out insurance agency activities on behalf of insurance companies through its branches. As of December 31, 2013, the Parent Bank operates through 672 domestic (December 31, 2012 - 580), 1 off shore banking (December 31, 2012 - 1) and 1 Atatürk Airport Free Trade Zone (December 31, 2012 - 1) branches.

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

As per the Regulation on Preparation of Consolidated Financial Statements of Banks, the investments in financial subsidiaries are subject to consolidation whereas per the Turkish Accounting Standards, the investments in both financial and non-financial subsidiaries are subject to consolidation. There are no significant consolidation differences between Turkish Accounting Standards and mentioned regulation. Consolidated financial statements contain the Bank's credit or financial institution partnership due to BRSA regulations and in the current period the Bank does not have any credit or financial subsidiaries that are not included to consolidation.

VII. Current or likely actual or legal barriers to immediate transfer of equity or repayment of debts between parent bank and its subsidiaries

None.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

FİNANSBANK ANONİM ŞİRKETİ

Notes to the financial statements for the year ended December 31, 2013

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

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(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

FINANSBANK ANONİM ŞİRKETİ

Notes to the financial statements for the year ended December 31, 2013

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

I. CONSOLIDATED BALANCE SHEET – ASSETS

	Section 5 Part I	Audited 31.12.2013			Audited 31.12.2012		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(1)	887,790	7,320,692	8,208,482	1,025,036	4,302,907	5,327,943
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	1,423,069	253,498	1,676,567	839,686	135,876	975,562
2.1 Financial assets held for trading		1,237,995	253,498	1,491,493	487,390	135,876	623,266
2.1.1 Public sector debt securities		198,580	1,973	200,553	105,400	2,869	108,269
2.1.2 Equity securities		-	-	-	-	-	-
2.1.3 Assets on trading derivatives		1,029,956	251,525	1,281,481	357,732	133,007	490,739
2.1.4 Other securities		9,459	-	9,459	24,258	-	24,258
2.2 Financial assets at fair value through profit and loss		185,074	-	185,074	352,296	-	352,296
2.2.1 Public sector debt securities		-	-	-	-	-	-
2.2.2 Equity securities		-	-	-	-	-	-
2.2.3 Loans		185,074	-	185,074	352,296	-	352,296
2.2.4 Other securities		-	-	-	-	-	-
III. BANKS	(3)	5,987	470,167	476,154	95,410	109,827	205,237
IV. MONEY MARKET PLACEMENTS	(4)	3,433	-	3,433	1,786,785	-	1,786,785
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3 Receivables from reverse repurchase agreements		3,433	-	3,433	1,786,785	-	1,786,785
V. INVESTMENT SECURITIES AVAILABLE-FOR-SALE (Net)	(5)	4,669,176	1,073,809	5,742,985	5,931,174	1,234,774	7,165,948
5.1 Equity Securities		-	-	-	-	-	-
5.2 Public sector debt securities		4,633,866	1,059,507	5,693,373	5,730,803	1,208,574	6,939,377
5.3 Other securities		35,310	14,302	49,612	200,371	26,200	226,571
VI. LOANS AND RECEIVABLES	(6)	38,052,309	4,618,996	42,671,305	33,011,328	3,426,511	36,437,839
6.1 Loans and receivables		37,543,584	4,618,996	42,162,580	32,633,806	3,426,511	36,060,317
6.1.1 Loans to risk group of the Bank		-	-	-	-	-	-
6.1.2 Public sector debt securities		-	-	-	-	-	-
6.1.3 Other		37,543,584	4,618,996	42,162,580	32,633,806	3,426,511	36,060,317
6.2 Non-performing loans		2,965,853	-	2,965,853	2,512,716	-	2,512,716
6.3 Specific provisions (-)		2,457,128	-	2,457,128	2,135,194	-	2,135,194
VII. FACTORING RECEIVABLES	(7)	512,851	7,806	520,657	364,145	2,622	366,767
VIII. INVESTMENT SECURITIES HELD TO MATURITY (Net)	(8)	2,446,859	378,920	2,825,779	-	-	-
8.1 Public sector debt securities		2,446,859	20,820	2,467,679	-	-	-
8.2 Other securities		-	358,100	358,100	-	-	-
IX. INVESTMENT IN ASSOCIATES (Net)	(9)	3,766	-	3,766	7,977	-	7,977
9.1 Equity method associates		-	-	-	-	-	-
9.2 Unconsolidated		3,766	-	3,766	7,977	-	7,977
9.2.1 Financial investments		-	-	-	-	-	-
9.2.2 Non-financial Investments		3,766	-	3,766	7,977	-	7,977
X. INVESTMENT IN SUBSIDIARIES (Net)	(10)	18,048	-	18,048	14,986	-	14,986
10.1 Unconsolidated financial investments		-	-	-	-	-	-
10.2 Unconsolidated non-financial investments		18,048	-	18,048	14,986	-	14,986
XI. ENTITIES UNDER COMMON CONTROL (JOINT VENTURES) (Net)	(11)	177,608	-	177,608	201,092	-	201,092
11.1 Equity method entities under common control		174,808	-	174,808	198,292	-	198,292
11.2 Unconsolidated		2,800	-	2,800	2,800	-	2,800
11.2.1 Financial investments		-	-	-	-	-	-
11.2.2 Non-financial Investments		2,800	-	2,800	2,800	-	2,800
XII. LEASE RECEIVABLES (Net)	(12)	468,975	833,813	1,302,788	308,429	667,925	976,354
12.1 Financial lease receivables		561,460	921,274	1,482,734	376,532	738,253	1,114,785
12.2 Operational lease receivables		-	-	-	-	-	-
12.3 Others		-	-	-	-	-	-
12.4 Unearned income (-)		92,485	87,461	179,946	68,103	70,328	138,431
XIII. DERIVATIVE FINANCIAL ASSETS HEDGING PURPOSES	(13)	1,866,369	61,426	1,927,795	202,567	37,919	240,486
13.1 Fair value hedge		1,487,743	61,426	1,549,169	202,567	37,919	240,486
13.2 Cash flow hedge		378,626	-	378,626	-	-	-
13.3 Hedging of a net investment in foreign subsidiaries		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)	(14)	533,983	63	534,046	436,425	69	436,494
XV. INTANGIBLE ASSETS (Net)	(15)	209,767	-	209,767	180,557	-	180,557
15.1 Goodwill		8,969	-	8,969	8,969	-	8,969
15.2 Others		200,798	-	200,798	171,588	-	171,588
XVI. INVESTMENT PROPERTIES (Net)	(16)	-	-	-	-	-	-
XVII. TAX ASSETS	(17)	107,583	-	107,583	10,215	-	10,215
17.1 Current tax assets		-	-	-	-	-	-
17.2 Deferred tax assets		107,583	-	107,583	10,215	-	10,215
XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(18)	-	-	-	-	-	-
18.1 Held for sale		-	-	-	-	-	-
18.2 Discontinued operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(19)	800,887	458,068	1,258,955	788,855	312,473	1,101,328
TOTAL ASSETS		52,188,460	15,477,258	67,665,718	45,204,667	10,230,903	55,435,570

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

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

FİNANSBANK ANONİM ŞİRKETİ

Notes to the financial statements for the year ended December 31, 2013

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

I. CONSOLIDATED BALANCE SHEET - LIABILITIES AND EQUITY

	Section 5 Part II	Audited 31.12.2013			Audited 31.12.2012		
		TL	FC	Total	TL	FC	Total
		(1)	(2)	(3)	(4)	(5)	(6)
I. DEPOSITS		26,304,628	11,802,374	38,107,002	22,643,757	10,061,260	32,705,017
1.1 Deposits from risk group of the Bank		153,012	27,593	180,605	186,025	27,391	213,416
1.2 Other		26,151,616	11,774,781	37,926,397	22,457,732	10,033,869	32,491,601
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	1,112,851	198,046	1,310,897	368,589	106,642	475,231
III. FUNDS BORROWED	(3)	542,041	4,278,910	4,820,951	301,184	3,238,624	3,539,808
IV. MONEY MARKET BORROWINGS		2,638,931	1,141,561	3,780,492	910,793	878,081	1,788,874
4.1 Interbank money markets takings		50,000	-	50,000	-	-	-
4.2 Istanbul Stock Exchange money markets takings		62,210	-	62,210	60,000	-	60,000
4.3 Funds provided under repurchase agreements	(4)	2,526,721	1,141,561	3,668,282	850,793	878,081	1,728,874
V. SECURITIES ISSUED (Net)	(5)	2,160,812	1,793,767	3,954,579	2,789,390	1,288,923	4,078,313
5.1 Bills		2,057,078	-	2,057,078	2,789,390	-	2,789,390
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		103,734	1,793,767	1,897,501	-	1,288,923	1,288,923
VI. FUNDS		-	-	-	-	-	-
6.1 Borrower funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
VII. SUNDRY CREDITORS		1,417,764	2,031,963	3,449,727	1,154,828	138,539	1,293,367
VIII. OTHER LIABILITIES	(6)	867,142	76,561	943,703	909,037	55,769	964,806
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. LEASE PAYABLES (Net)	(7)	-	-	-	-	-	-
10.1 Financial lease payables		-	-	-	-	-	-
10.2 Operational lease payables		-	-	-	-	-	-
10.3 Others		-	-	-	-	-	-
10.4 Deferred financial lease expenses (-)		-	-	-	-	-	-
XI. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	(8)	7,648	75,101	82,749	291,541	121,330	412,871
11.1 Fair value hedge		-	75,101	75,101	257,139	121,330	378,469
11.2 Cash flow hedge		7,648	-	7,648	34,402	-	34,402
11.3 Hedge of net investments in foreign subsidiaries		-	-	-	-	-	-
XII. PROVISIONS	(9)	1,207,228	84,572	1,291,800	969,314	51,993	1,021,307
12.1 General provisions		731,719	84,572	816,291	565,691	51,993	617,684
12.2 Restructuring provisions		-	-	-	-	-	-
12.3 Reserve for employee benefits		220,328	-	220,328	203,904	-	203,904
12.4 Insurance technical provisions (Net)		-	-	-	-	-	-
12.5 Other provisions		255,181	-	255,181	199,719	-	199,719
XIII. TAX LIABILITY	(10)	109,638	-	109,638	114,102	-	114,102
13.1 Current tax liability		108,308	-	108,308	99,035	-	99,035
13.2 Deferred tax liability		1,330	-	1,330	15,067	-	15,067
XIV. PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (NET)	(11)	-	-	-	-	-	-
14.1 Held for sale		-	-	-	-	-	-
14.2 Discontinued operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS	(12)	-	1,950,719	1,950,719	-	1,629,590	1,629,590
XVI. SHAREHOLDERS' EQUITY	(13)	8,000,029	(136,568)	7,863,461	7,384,225	28,059	7,412,284
16.1 Paid-in capital	(13)	2,700,000	-	2,700,000	2,565,000	-	2,565,000
16.2 Capital reserves		(22,675)	(136,568)	(159,243)	121,086	28,059	149,145
16.2.1 Share premium	(14)	714	-	714	714	-	714
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Securities value increase fund	(15)	(85,632)	(136,568)	(222,200)	168,496	28,059	196,555
16.2.4 Revaluation funds on tangible assets		-	-	-	-	-	-
16.2.5 Revaluation funds on intangible assets		-	-	-	-	-	-
16.2.6 Investment property revaluation differences		-	-	-	-	-	-
16.2.7 Bonus shares obtained from associates, subsidiaries and entities under common control (joint ventures)		-	-	-	-	-	-
16.2.8 Hedging funds (effective portion)		95,987	-	95,987	(10,026)	-	(10,026)
16.2.9 Accumulated valuation differences from assets held for sale and discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		(33,744)	-	(33,744)	(38,098)	-	(38,098)
16.3 Profit reserves		4,210,843	-	4,210,843	3,394,920	-	3,394,920
16.3.1 Legal reserves		363,631	-	363,631	314,251	-	314,251
16.3.2 Status reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		3,847,212	-	3,847,212	3,080,669	-	3,080,669
16.3.4 Other profit reserves		-	-	-	-	-	-
16.4 Profit or loss		948,925	-	948,925	1,153,457	-	1,153,457
16.4.1 Prior years' income/ (losses)		202,774	-	202,774	49,827	-	49,827
16.4.2 Current year income/ (loss)		746,151	-	746,151	1,103,630	-	1,103,630
16.5 Minority shares		162,936	-	162,936	149,762	-	149,762
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		44,368,712	23,297,006	67,665,718	37,836,760	17,598,810	55,435,570

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

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

FINANSBANK ANONİM ŞİRKETİ

Notes to the financial statements for the year ended December 31, 2013

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

II. CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES

	Section 5 Part III	Audited 31.12.2013			Audited 31.12.2012		
		TL	FC	Total	TL	FC	Total
A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I-II+III)		70,483,727	62,693,666	133,177,393	59,901,122	41,370,102	101,271,224
I. GUARANTEES	(1), (2), (3),(4)	4,170,445	2,947,967	7,118,412	3,680,031	2,679,646	6,359,677
1.1 Letters of guarantee		4,162,774	1,777,802	5,940,576	3,677,256	1,533,101	5,210,357
1.1.1 Guarantees subject to State Tender Law		173,860	24,805	198,665	172,175	14,329	186,504
1.1.2 Guarantees given for foreign trade operations		2,619,423	1,752,997	4,372,420	2,535,231	1,518,772	4,054,003
1.1.3 Other letters of guarantee		1,369,491	-	1,369,491	969,850	-	969,850
1.2 Bank loans		7,668	602,163	609,831	2,771	543,143	545,914
1.2.1 Import letter of acceptance		7,668	602,163	609,831	2,771	543,143	545,914
1.2.2 Other bank acceptances		-	-	-	-	-	-
1.3 Letters of credit		3	548,603	548,606	4	579,347	579,351
1.3.1 Documentary letters of credit		3	531,441	531,444	4	539,429	539,433
1.3.2 Other letters of credit		-	17,162	17,162	-	39,918	39,918
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		-	19,399	19,399	-	24,055	24,055
1.9 Other collaterals		-	-	-	-	-	-
II. COMMITMENTS	(6)	25,084,936	1,696,831	26,781,767	25,492,027	1,309,173	26,801,200
2.1 Irrevocable commitments		24,976,518	751,500	25,728,018	25,025,838	1,309,173	26,335,011
2.1.1 Forward asset purchase commitments		327,259	749,594	1,076,853	233,925	1,302,960	1,536,885
2.1.2 Forward deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3 Share capital commitment to associates and subsidiaries		-	-	-	-	-	-
2.1.4 Loan granting commitments		5,424,542	213	5,424,755	4,512,056	-	4,512,056
2.1.5 Securities underwriting commitments		-	-	-	-	-	-
2.1.6 Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7 Payment commitment for checks		2,060,004	-	2,060,004	1,685,568	-	1,685,568
2.1.8 Tax and fund liabilities from export commitments		6,988	-	6,988	6,031	-	6,031
2.1.9 Commitments for credit card expenditure limits		17,067,174	-	17,067,174	18,492,777	-	18,492,777
2.1.10 Commitments for promotions related with credit cards and banking activities		38,002	-	38,002	43,189	-	43,189
2.1.11 Receivables from short sale commitments		-	-	-	-	-	-
2.1.12 Payables for short sale commitments		-	-	-	-	-	-
2.1.13 Other irrevocable commitments		52,549	1,693	54,242	52,292	6,213	58,505
2.2 Revocable commitments		108,418	945,331	1,053,749	466,189	-	466,189
2.2.1 Revocable loan granting commitments		108,418	351,395	459,813	466,189	-	466,189
2.2.2 Other revocable commitments		-	593,936	593,936	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(5)	41,228,346	58,048,868	99,277,214	30,729,064	37,381,283	68,110,347
3.1 Derivative financial instruments for hedging purposes		10,309,736	13,695,907	24,005,643	8,484,346	9,596,825	18,081,171
3.1.1 Fair value hedge		6,675,930	10,559,020	17,234,950	7,943,461	9,596,825	17,540,286
3.1.2 Cash flow hedge		3,633,806	3,136,887	6,770,693	540,885	-	540,885
3.1.3 Hedge of net investment in foreign operations		30,918,610	44,352,961	75,271,571	22,244,718	27,784,458	50,029,176
3.2 Held for trading transactions		3,023,815	3,576,802	6,600,617	1,873,860	2,185,881	4,059,741
3.2.1 Forward foreign currency buy/sell transactions		1,406,707	1,895,433	3,302,140	1,083,037	953,734	2,036,771
3.2.1.1 Forward foreign currency transactions-buy		1,617,108	1,681,369	3,298,477	790,823	1,232,147	2,022,970
3.2.1.2 Forward foreign currency transactions-sell		211,399	214,064	425,463	292,214	221,587	491,393
3.2.2 Swap transactions related to foreign currency and interest rates		21,637,234	31,116,268	52,753,502	15,510,471	19,121,648	34,632,119
3.2.2.1 Foreign currency swap-buy		12,593,337	9,913,810	21,897,147	7,541,602	6,860,603	14,402,205
3.2.2.2 Foreign currency swap-sell		7,761,087	14,387,936	22,149,023	6,354,569	8,018,111	14,372,680
3.2.2.3 Interest rate swaps-buy		646,405	3,536,517	4,182,922	807,150	2,050,163	2,857,313
3.2.2.4 Interest rate swaps-sell		646,405	3,878,005	4,524,410	807,150	2,192,771	2,999,921
3.2.3 Foreign currency, interest rate and securities options		6,257,051	9,617,419	15,874,470	4,852,119	6,243,347	11,095,466
3.2.3.1 Foreign currency options-buy		3,031,745	4,927,476	7,959,221	2,465,716	3,108,568	5,574,284
3.2.3.2 Foreign currency options-sell		3,225,306	4,689,943	7,915,249	2,386,403	3,134,779	5,519,166
3.2.3.3 Interest rate options-buy		-	-	-	-	-	-
3.2.3.4 Interest rate options-sell		-	-	-	-	-	-
3.2.3.5 Securities options-buy		-	-	-	1,008	-	1,008
3.2.3.6 Securities options-sell		-	-	-	1,008	-	1,008
3.2.4 Foreign currency futures		510	42,472	42,982	8,268	216,992	225,260
3.2.4.1 Foreign currency futures-buy		255	21,236	21,491	4,134	108,496	112,630
3.2.4.2 Foreign currency futures-sell		255	21,236	21,491	4,134	108,496	112,630
3.2.5 Interest rate futures		-	-	-	-	16,590	16,590
3.2.5.1 Interest rate futures-buy		-	-	-	-	8,295	8,295
3.2.5.2 Interest rate futures-sell		-	-	-	-	8,295	8,295
3.2.6 Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		315,542,822	66,407,768	381,950,590	238,580,965	55,698,574	294,279,539
IV. ITEMS HELD IN CUSTODY		10,043,403	1,183,406	11,226,809	9,038,350	1,662,193	10,700,543
4.1 Assets under management		3,513,680	6,252	3,519,932	2,606,526	112,331	2,718,857
4.2 Investment securities held in custody		2,005,410	337,766	2,343,176	2,379,933	546,715	2,926,648
4.3 Checks received for collection		1,756,326	231,738	1,988,064	1,246,196	214,083	1,460,279
4.4 Commercial notes received for collection		521,071	93,224	614,295	453,802	88,021	541,823
4.5 Other assets received for collection		-	-	-	-	-	-
4.6 Assets received for public offering		-	-	-	-	-	-
4.7 Other items under custody		2,246,913	514,426	2,761,339	2,351,890	701,043	3,052,933
4.8 Custodians		3	-	3	3	-	3
V. PLEDGED ITEMS		176,311,088	24,357,446	200,668,534	131,930,871	20,206,574	152,137,445
5.1 Marketable securities		503,325	643,935	1,147,260	524,393	458,219	982,612
5.2 Guarantee notes		142,011	38,261	180,272	119,772	50,678	170,450
5.3 Commodity		27,266	-	27,266	21,788	-	21,788
5.4 Warranty		-	-	-	-	-	-
5.5 Properties		46,396,463	7,993,070	54,389,533	38,013,600	6,867,934	44,881,534
5.6 Other pledged items		129,242,023	15,682,180	144,924,203	93,251,318	12,829,743	106,081,061
5.7 Pledged items-depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		129,188,331	40,866,916	170,055,247	97,611,744	33,829,807	131,441,551
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		386,026,549	129,101,434	515,127,983	298,482,087	97,068,676	395,550,763

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

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

FİNANSBANK ANONİM ŞİRKETİ

Notes to the financial statements for the year ended December 31, 2013

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

III. CONSOLIDATED INCOME STATEMENT

			Audited 01.01-31.12.2013	Audited 01.01-31.12.2012
		Section 5 Part IV		
I.	INTEREST INCOME	(1)	5,818,835	5,719,226
1.1	Interest on loans		5,159,683	4,984,499
1.2	Interest received from reserve deposits		-	-
1.3	Interest received from banks		4,474	13,441
1.4	Interest received from money market placements		8,291	25,665
1.5	Interest received from marketable securities portfolio		502,993	572,105
1.5.1	Held-for-trading financial assets		13,341	18,278
1.5.2	Financial assets at fair value through profit and loss		9	11
1.5.3	Available-for-sale financial assets		406,058	553,816
1.5.4	Investments held-to-maturity		83,585	-
1.6	Finance lease income		102,774	81,617
1.7	Other interest income		40,620	41,899
II.	INTEREST EXPENSE	(2)	2,549,868	2,720,107
2.1	Interest on deposits		1,972,161	2,288,984
2.2	Interest on funds borrowed		206,385	178,097
2.3	Interest on money market borrowings		103,651	107,666
2.4	Interest on securities issued		252,784	140,315
2.5	Other interest expense		14,887	5,045
III.	NET INTEREST INCOME (I - II)		3,268,967	2,999,119
IV.	NET FEES AND COMMISSIONS INCOME		1,086,758	1,114,569
4.1	Fees and commissions received		1,231,675	1,298,988
4.1.1	Non-cash loans		42,670	42,248
4.1.2	Other		1,189,005	1,256,740
4.2	Fees and commissions paid		144,917	184,419
4.2.1	Non-cash loans		1,088	1,173
4.2.2	Other		143,829	183,246
V.	DIVIDEND INCOME	(3)	147	248
VI.	NET TRADING INCOME	(4)	(205,454)	(348,650)
6.1	Securities trading gains/ (losses)		162,360	87,391
6.2	Gains / (losses) from financial derivative transactions		(270,990)	(432,009)
6.3	Foreign exchange gains/ (losses)		(96,824)	(4,032)
VII.	OTHER OPERATING INCOME	(5)	321,674	531,571
VIII.	NET OPERATING INCOME (III+IV+V+VI+VII)		4,472,092	4,296,857
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)	1,103,391	978,154
X.	OTHER OPERATING EXPENSES (-)	(7)	2,382,845	1,911,758
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		985,856	1,406,945
XII.	AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-
XIII.	GAIN / (LOSS) ON EQUITY METHOD		(11,338)	3,375
XIV.	GAIN / (LOSS) ON NET MONETARY POSITION		-	-
XV.	PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)	(8)	974,518	1,410,320
XVI.	TAX CHARGE FOR CONTINUED OPERATIONS (±)	(9)	(216,428)	(290,357)
16.1	Current income tax charge		(250,376)	(395,527)
16.2	Deferred tax charge / benefit		33,948	105,170
XVII.	NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	(10)	758,090	1,119,963
XVIII.	INCOME ON DISCONTINUED OPERATIONS		-	-
18.1	Income on assets held for sale		-	-
18.2	Income on sale of associates, subsidiaries and entities under common control		-	-
18.3	Income on other discontinued operations		-	-
XIX.	LOSS FROM DISCONTINUED OPERATIONS (-)		-	-
19.1	Loss from assets held for sale		-	-
19.2	Loss on sale of associates, subsidiaries and entities under common control		-	-
19.3	Loss from other discontinued operations		-	-
XX.	PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)	(8)	-	-
XXI.	TAX CHARGE FOR DISCONTINUED OPERATIONS (±)	(9)	-	-
21.1	Current income tax charge		-	-
21.2	Deferred tax charge / benefit		-	-
XXII.	NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)	(10)	-	-
XXIII.	NET PROFIT/LOSS (XVII+XXII)	(11)	758,090	1,119,963
23.1	Group's profit/loss		746,151	1,103,630
23.2	Minority shares		11,939	16,333
	Earnings per share		0.02763	0.04087

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

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

FİNANSBANK ANONİM ŞİRKETİ

Notes to the financial statements for the year ended December 31, 2013

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

IV. CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY

		Audited 01.01 - 31.12.2013	Audited 01.01 - 31.12.2012
I.	ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	(443,111)	494,304
II.	TANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
III.	INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV.	FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	-	-
V.	PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR CASH FLOW HEDGE PURPOSES (EFFECTIVE PORTION OF FAIR VALUE DIFFERENCES)	127,832	(8,273)
VI.	PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGE OF NET INVESTMENT IN FOREIGN OPERATIONS (EFFECTIVE PORTION OF FAIR VALUE DIFFERENCES)	-	-
VII.	THE EFFECT OF CORRECTIONS OF ERRORS AND CHANGES IN ACCOUNTING POLICIES	-	-
VIII.	OTHER PROFIT LOSS ITEMS ACCOUNTED FOR UNDER EQUITY AS PER TURKISH ACCOUNTING STANDARDS	5,443	(26,029)
IX.	DEFERRED TAX OF VALUATION DIFFERENCES	77,157	(109,360)
X.	TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)	(232,679)	350,642
XI.	PROFIT/LOSS	(75,709)	75,141
11.1	Change in fair value of marketable securities (Transfer to Profit/Loss)	(80,393)	71,449
11.2	Reclassification and transfer of derivatives accounted for cash flow hedge purposes recycled to Income Statement	4,684	3,692
11.3	Transfer of hedge of net investments in foreign operations recycled to Income Statement	-	-
11.4	Other	-	-
XII.	TOTAL PROFIT/LOSS ACCOUNTED FOR IN THE PERIOD (X±XI)	(308,388)	425,783

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VI. CONSOLIDATED CASH FLOWS STATEMENT

	Section 5 Part VI	Audited 01.01-31.12.2013	Audited 01.01 - 31.12.2012
A. CASH FLOWS FROM / (TO) BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities (+)		1,902,909	2,756,529
1.1.1 Interest received (+)		5,765,623	5,833,877
1.1.2 Interest paid (-)		(2,314,638)	(2,711,387)
1.1.3 Dividend received (+)		147	248
1.1.4 Fees and commissions received (+)		1,232,690	1,299,567
1.1.5 Other income (+)		307,354	171,228
1.1.6 Collections from previously written off loans (+)		410,479	363,792
1.1.7 Payments to personnel and service suppliers (-)		(1,787,004)	(1,446,787)
1.1.8 Taxes paid (-)		(386,800)	(472,055)
1.1.9 Other (+/-)	(1)	(1,324,942)	(281,954)
1.2 Changes in operating assets and liabilities		(492,204)	(5,110,335)
1.2.1 Net (increase) decrease in financial assets held for trading (+/-)		(80,881)	(43,012)
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss (+/-)		(75,218)	221,070
1.2.3 Net (increase) decrease in due from banks (+/-)		(2,705,482)	(1,733,531)
1.2.4 Net (increase) decrease in loans (+/-)		(6,924,139)	(7,176,655)
1.2.5 Net (increase) decrease in other assets (+/-)	(1)	(323,001)	(702,562)
1.2.6 Net increase (decrease) in bank deposits (+/-)		248,659	752,999
1.2.7 Net increase (decrease) in other deposits (+/-)		4,507,911	2,912,019
1.2.8 Net increase (decrease) in funds borrowed (+/-)		607,526	147,524
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)	(1)	4,252,421	511,813
I. Net cash provided from / (used in) banking operations (+/-)		1,410,705	(2,353,806)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from / (used in) investing activities (+/-)		(2,334,555)	(84,658)
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries (-)		(3,060)	(28,721)
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries (+)		1,476	143,661
2.3 Fixed assets purchases (-)		(203,041)	(133,376)
2.4 Fixed assets sales (+)		439	2,272
2.5 Cash paid for purchase of financial assets available for sale (-)		(12,464,123)	(10,307,811)
2.6 Cash obtained from disposal of financial assets available for sale (+)		11,945,092	10,330,036
2.7 Cash paid for purchase of investment securities (-)		(1,222,906)	-
2.8 Cash obtained from disposal of investment securities (+)		-	-
2.9 Other (+/-)	(1)	(388,432)	(90,719)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from / (used in) financing activities (+/-)		(761,244)	2,998,586
3.1 Cash obtained from funds borrowed and securities issued (+)		4,613,983	4,448,586
3.2 Cash used for repayment of funds borrowed and securities issued (-)		(5,375,227)	(1,450,000)
3.3 Capital increase (+)		-	-
3.4 Dividends paid (-)		-	-
3.5 Payments for finance leases (-)		-	-
3.6 Other (+/-)	(1)	-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents (+/-)		348,374	30,467
V. Net increase / (decrease) in cash and cash equivalents (I+II+III+IV)		(1,336,720)	590,589
VI. Cash and cash equivalents at the beginning of the period (+)	(2)	3,608,818	3,018,229
VII. Cash and cash equivalents at end of the period (V+VI)	(3)	2,272,098	3,608,818

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

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VII. CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION (*)

	Audited 31.12.2013(**)	Audited 31.12.2012(***)
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1 CURRENT YEAR INCOME	937,594	1,167,608
1.2 TAXES AND DUTIES PAYABLE (-)	203,355	265,262
1.2.1 Corporate tax (Income tax)	229,625	383,179
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties	(26,270)	(117,917)
A. NET INCOME FOR THE YEAR (1.1-1.2)	734,239	902,346
1.3 PRIOR YEARS' LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	45,117
1.5 OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]	734,239	857,229
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	128,250
1.6.1 To owners of ordinary shares	-	128,250****)
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 EXTRAORDINARY RESERVES	-	728,979
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES		
2.1 DISTRIBUTED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To owners of ordinary shares	-	-
2.3.2 To owners of preferred shares	-	-
2.3.3 To 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	0.02719	0.03518
3.2 TO OWNERS OF ORDINARY SHARES (%)	2.72%	3.52%
3.3 TO OWNERS OF PREFERRED SHARES	-	-
3.4 TO OWNERS OF PREFERRED SHARES (%)	-	-
IV. DIVIDEND PER SHARE		
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3 TO OWNERS OF PREFERRED SHARES	-	-
4.4 TO OWNERS OF PREFERRED SHARES (%)	-	-

(*) Consolidated profit is not distributed by the companies according to the legislations in Turkey. Within this framework, the above table represents the stand-alone profit distribution of the Parent Bank.

(**) Decision regarding the profit distribution for the 2013 will be taken at the General Meeting.

(***) Distributed to shareholders as bonus shares.

****) Statement of profit distribution represents previously reported December 31, 2012 figures described in explanation on other matters, section XXII.

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SECTION THREE

ACCOUNTING POLICIES

I. Basis of Presentation

1. Preparation of the consolidated financial statements and the accompanying footnotes in accordance with Turkish Accounting Standards and Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents

The Turkish Banking Law No 5411 is published in the Official Gazette No 25983 dated November 1, 2005. The Parent Bank and its financial subsidiaries ("The Group") prepared the accompanying financial statements as of December 31, 2013 and the related disclosures and footnotes in accordance with accounting and valuation standards as described in the "Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents", dated November 1, 2006 which is published in the Official Gazette No 26333, "Communiqué on Financial Statements and the Accompanying Explanations and Footnotes to be Announced to the Public", dated June 28, 2012 which is published in the Official Gazette No 28337, Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRS) and other circulars, communiqués and pronouncements in respect of accounting and financial reporting made by the Banking Regulation and Supervision Agency (BRSA).

Statutory Decree No: 660, which has been become effective and published in the Official Gazette on 2 November 2011, were nullified and accordingly, Public Oversight, Accounting and Audit Standards Institution (the "Institution") was established. The financial statements are prepared based on the Turkish Accounting Standards ("TAS") and the related statements and guidance announced by the Public Oversight, Accounting and Auditing Standards Authority.

Financial statements and the related disclosures and footnotes have been presented in thousands of Turkish Lira unless otherwise specified.

2. Classifications

None.

3. Accounting policies and valuation principles used in the preparation of the financial statements

Accounting policies and valuation principles used in the preparation of the financial statements are determined and applied in accordance with the requirements of TAS, TFRS, "Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents", dated November 1, 2006 which is published in the Official Gazette No 26333, "Communiqué on Financial Statements and the Accompanying Explanations and Footnotes to be Announced to the Public", dated June 28, 2012 which is published in the Official Gazette No 28337 and the other regulations, circulars, communiqués and pronouncements in respect of accounting and financial reporting made by BRSA.

Explanation for Convenience Translation to English

The accounting principles used in the preparation of the accompanying financial statements differ from International Financial Reporting Standards (IFRS). The effects of the differences between these accounting principles and the accounting principles generally accepted in the countries in which the accompanying financial statements to be used and IFRS have not been quantified in the financial statements.

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II. Strategy for the Use of Financial Instruments and the Foreign Currency Transactions

1. Strategy for the use of financial instruments

The major funding sources of the Parent Bank are customer deposits, bond issues and funds borrowed from international markets. The customer deposits bear fixed interest rate and have an average maturity of 1-3 months. Domestic bonds issues are realized within the maturity of 6 months and foreign bond issues are based on long maturities with fixed interests. Funds borrowed from abroad generally bear floating rates and are repriced at an average period of 3-6 months. The Parent Bank diverts its placements to assets with high return and sufficient collaterals. The Parent Bank manages the liquidity structure to meet its liabilities when due by diversifying the funding sources and keeping sufficient cash and cash equivalents. The maturity of fund sources and maturity and yield of placements are considered to the extent possible within the current market conditions and higher return on long-term placements is aimed. Among the operations of the Parent Bank, the main activities generating yields higher than the calculated average yield are credit card transactions.

Besides customer deposits, the Parent Bank funds its long term fixed interest rate TL loan portfolio with long term (up to 10 years) floating interest rate foreign currency funds obtained from international markets.

The Parent Bank converts the foreign currency liquidity obtained from the international markets to TL liquidity using long term swap transactions (pay fixed TL interest rate and receive floating FC interest rate). Thus, the Parent Bank generates TL denominated resources for funding long term loans with fixed interest rates.

The Parent Bank has determined securities portfolio limits based on the market risk limitations for money, capital and commodity markets. Products included in the securities portfolio are subject to position and risk limits. Position limits restrict the maximum position based on the product. Risk limits are expressed in terms of "Value at Risk (VAR)" by taking the risk tolerance as a cap. The maximum VAR amounts are determined for the three main risk factors, which affect the securities portfolio that is subject to market risk, as well as determining the risk tolerance based on the total value at risk. The above mentioned limits are revised annually.

The strategies for hedging exchange rate risk resulting from the Group's foreign currency available-for-sale investment securities are explained in foreign currency risk section and the applications regarding the hedging of interest rate risk resulting from deposits with fixed or floating interest rates are explained in the interest rate risk section in detail.

Hedging strategies for foreign exchange rate risk resulting from other foreign currency transactions are explained in the foreign currency risk section.

2. Foreign currency transactions

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

The Group accounts for the transactions denominated in foreign currencies in accordance with TAS 21 "The Effects of Changes in Foreign Exchange Rates". Foreign exchange gains and losses arising from transactions that are completed as of December 31, 2013 are translated to TL by using historical foreign currency exchange rates. Balances of the foreign currency denominated assets and liabilities except for non-monetary items are converted into TL by using foreign currency exchange rates of the Parent Bank for the year end and the resulting exchange differences are recorded as foreign exchange gains and losses. The Bank's foreign currency exchange rates for the related period ends are as follows:

	<u>December 31, 2013</u>	<u>December 31, 2012</u>
US Dollar	TL 2.1343	TL 1.7826
Euro	TL 2.9365	TL 2.3517

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

The net foreign exchange loss included in the consolidated income statement as of December 31, 2013 is TL 96,824 (December 31, 2012 - TL 4,032 net foreign exchange loss).

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2.3. Foreign subsidiaries

As of December 31, 2013 and December 31, 2012 the Parent Bank does not have any subsidiaries established abroad.

III. Information on Associates, Subsidiaries and Entities under Common Control

The accompanying consolidated financial statements are prepared in accordance with TAS 27 "Consolidated and Separate Financial Statements" and BRSA communiqué published on the Official Gazette numbered 26340 and dated November 8, 2006.

The subsidiaries included in consolidation and their places of incorporation, nature of activities and shareholding percentages are as follows:

		Place of Incorporation	Principal Activity	Effective Shareholding and Voting Rights (%)	
				December 31, 2013	December 31, 2012
1.	Finans Yatırım Menkul Değerler A.Ş. (Finans Invest)	Turkey	Securities Brokerage Intermediary	99.74	99.70
2.	Finans Portföy Yönetimi A.Ş. (Finans Portfolio)	Turkey	Portfolio Management	99.71	99.58
3.	Finans Yatırım Ortaklığı A.Ş. (Finans Investment Trust)	Turkey	Investment Trust	76.10	82.20
4.	Finans Finansal Kiralama A.Ş. (Finans Leasing)	Turkey	Financial Leasing	69.01	68.94
5.	Finans Emeklilik ve Hayat A.Ş. (Finans Pension Fund)	Turkey	Private Pension and Insurance	100.00	100.00
6.	Finans Faktoring Hizmetleri A.Ş.	Turkey	Factoring	49.00	49.00

Subsidiaries maintain their books of accounts and prepare their financial statements in accordance with the regulations on accounting and reporting framework and accounting standards which are determined by the accounting standards promulgated by the Turkish Commercial Code, Financial Leasing Law and Turkish Capital Markets Board regulations. Certain adjustments and reclassifications were made on the financial statements of the subsidiaries for the purpose of fair presentation in accordance with the prevailing regulations and accounting standards according to the Articles 37 and 38 of the Turkish Banking Law No 5411 and other regulations, circulars, communiqués and pronouncements in respect of accounting and financial reporting issued by the BRSA.

Differences between the accounting policies of the subsidiaries and the Parent Bank are adjusted, if material. The financial statements of the subsidiaries are prepared as of December 31, 2013.

1. Subsidiaries

As of December 31, 2013, the financial subsidiaries are fully consolidated and intercompany balances and income and expenses resulting from intercompany transactions are eliminated.

2. Associates and entities under common control

The Parent Bank does not have any associates that are consolidated in the accompanying financial statements. As of the balance sheet date, entities under common control are accounted using equity pickup method.

IV. Explanations on Forwards, Option Contracts and Derivative Instruments

The Group enters into forward currency purchase/sale agreements and swap transactions to reduce the foreign currency risk and interest rate risk and manage foreign currency liquidity risk. The Group also carries out currency and interest options, swaption, credit default swap and futures agreements.

Besides customer deposits, the Parent Bank funds its long term fixed interest rate TL loan portfolio with long term (up to 10 years) floating interest rate foreign currency funds obtained from international markets.

The Parent Bank converts the foreign currency liquidity obtained from the international markets to TL liquidity with long term swap transactions (pay fixed TL interest rate and receive floating FC interest rate). Therefore, the Group not only funds its long term fixed interest rate loans with TL but also hedges itself against interest rate risk.

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In accordance with TAS 39 "Financial Instruments: Recognition and Measurement", derivative instruments are categorized as "hedging purpose" or "trading purpose" transactions. Derivatives are initially recognized at cost including the transaction costs. Also, the liabilities and receivables arising from the derivative transactions are recorded as off-balance sheet items at their contractual values. The derivative transactions are accounted for at fair value subsequent to initial recognition and are presented in the "Assets on Trading Derivatives", "Liabilities on Trading Derivatives" or "Assets on Hedging Purpose Derivatives" and "Liabilities on Hedging Purpose Derivatives" items of the balance sheet depending on the resulting positive or negative amounts of the computed value. These amounts presented on the balance sheet, represent the fair value differences based on the valuation.

The fair value differences regarding the derivative financial instruments held for the fair value hedge purposes are accounted for under "gains / (losses) from financial derivatives transactions", except for the foreign currency valuation differences. These foreign currency valuation differences are accounted for under "Foreign Exchange Gains/Losses" account. Information on Eurobond and loan portfolio, recognized as fair value hedged items, is presented in section 3, footnote VII, 2 and 4.

The Parent Bank implements cash flow hedge accounting by means of interest rate swaps in order to hedge itself for the changes in interest rates of deposits that have an average maturity of 1 month. The Bank implements effectiveness tests at the balance sheet dates for hedging purposes; the effective parts are accounted as defined in TAS 39, in financial statements under equity "Hedging Funds", whereas the amount concerning ineffective parts is associated with income statement.

The Parent Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to foreign currency bonds issued by the Parent Bank using interest rate swaps as hedging instruments. The Parent Bank performs hedge effectiveness tests at each balance sheet date.

Fair values of forward foreign currency purchase and sales contracts, currency and interest rate swap transactions are calculated by using internal pricing models based on market data. Unrealized gains and losses are reflected in the income statement in the current period.

Fair values of option contracts are calculated with option pricing models and the resulting unrealized gains and losses are reflected in the current period income statement.

Futures transactions are accounted for at settlement prices obtained from counterparties as of the balance sheet date and related unrealized gains and losses are reflected in the current period income statement.

Credit default swap transactions are accounted for at market prices as of the balance sheet date and related unrealized gains and losses are reflected in the current period income statement.

V. Interest Income and Expenses

Interest income and expenses are recognized in the income statement for all interest bearing instruments on an accrual basis using the effective interest rate method. In accordance with the related regulation, the interest receivables and accruals of non-performing loans are cancelled and not recorded as interest income until collected.

VI. Fees and Commission Income and Expenses

Fees and commission income and expenses are accounted for on an accrual basis or on an effective interest rate method, except for the certain banking transactions that income is recognized immediately. Income generated through agreements or through the sale and purchases of assets on behalf of third parties, is recorded as income when collected.

Dividend income is accrued when the subsidiaries', associates' and entities under common control's profit distribution decisions are approved. Dividend income from subsidiaries is eliminated in the accompanying financial statements by adjusting in the retained earnings as part of the consolidation principles.

VII. Explanations on Financial Assets

Financial assets comprise cash and cash equivalents and the contractual right to obtain cash or another financial asset from counterparty or to exchange financial assets with counterparty or the equity instrument transactions of the counterparty. Financial assets are classified in four categories; as "Financial Assets at Fair Value through Profit or Loss", "Investment Securities Available-For-Sale", "Investment Securities Held-To-Maturity", and "Loans And Other Receivables". The classification of the financial assets is determined at the initial inception of the related financial assets.

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1. Financial assets at fair value through profit or loss

1.1. Trading securities

The Group accounts for its trading securities at fair value. The interest income that has been gained from trading securities is presented at interest income in the income statement, while the difference between the cost and the fair value of trading securities and the gain or loss resulting from the sale of these financial assets before their maturity are realized under securities trading gains/losses.

1.2. Financial assets at fair value through profit or loss

The Parent Bank has classified its mortgage loans that were initiated between January 1, 2006 – December 31, 2007, as financial assets at fair value through profit or loss in compliance with TAS 39. These loans are presented under "Financial Assets at Fair Value through Profit or Loss" as loan, in order to be in compliance with the balance sheet presentation. The Parent Bank has not classified its mortgage loans that were initiated after January 1, 2008 as fair value through profit or loss. Interest on related loans is presented under "Income statement" as "Interest on Loans" and fair value differences are presented as "Securities Trading Gains (Losses)".

Financial assets at fair value through profit or loss are initially recorded at cost and are measured at fair value in the following periods.

Fair value of loans that are classified as financial assets at fair value through profit or loss has been determined by using effective interest rates used for similar financial assets within the market. The fair values of public sector debt securities that are classified in the mentioned group have been determined by using the market prices as at the balance sheet date.

2. Investment securities available for sale

Available for sale assets represent financial assets other than financial assets at fair value through profit or loss, loans and other receivables and investment securities held to maturity.

Premiums and discounts on investment securities available-for-sale are considered in computing of the internal rate of return and are included in interest income in the income statement. Accrued interest income on investment securities available for sale is recognized in the income statement whereas gains and losses arising from the change in the fair values of such securities are reflected in equity under "Securities value increase fund" (Unrealized Gains/Losses on Securities). When investment securities available for sale are sold, collected or otherwise disposed of, the cumulative fair value adjustments under equity are transferred to the income statement.

Real coupons of consumer price indexed government bonds that are constant throughout their lives and their real principal amounts are preserved from inflation. In addition, payments are made considering the reference index as of the issue date, as stated in the explanations of Republic of Turkey Prime Ministry Under secretariat of Treasury. In this context, cash flows calculated in line with T.R. Central Bank's inflation expectation are taken into account in the valuation of consumer price indexed government bonds in the Bank's portfolio.

Some portion of the Eurobond portfolio which has been recognized as available for sale securities are designated as fair value hedged items starting from March and April 2009. Those securities are disclosed under Investment Securities Available for Sale in order to be in line with balance sheet presentation. The fair value differences of hedged items are accounted for under "Securities Trading Gains/ Losses" in the income statement.

The Parent Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to long term government bonds with fixed coupon held by the Parent Bank using swaps as hedging instruments. The Parent Bank performs hedge effectiveness tests at each balance sheet date.

In cases where fair value hedge operations cannot be effectively performed as described in TAS 39, fair value hedge accounting is ceased. The fair value differences are amortized through equity until the maturity of related hedged securities. The fair value differences of related portfolio securities sold prior to maturity are once realized in the income statement.

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3. Investment securities held to maturity

Investments held to maturity include securities with fixed or determinable payments and fixed maturity where there is an intention of holding until maturity and the relevant conditions for fulfillment of such intention, including the funding ability and excluding loans and receivables.

The Parent Bank classified debt securities nominal amounted to TL 1,307,569 as investment securities held-to-maturity which is previously accounted under investment securities available-for-sale in the financial statements as due to the change in the intention of holding as of June 21, 2013. Detailed information regarding the classification given in section five 1/8.e.

4. Loans and specific provisions

The Group initially records loans and receivables at cost; except for the loans that are recorded with fair value through profit or loss and loans subject to fair value hedge. In the following periods, these loans are carried at amortized cost by using the effective interest rate method.

As mentioned in note "IV. Explanations on forward, option contracts and derivative instruments", the Group enters into swap transactions against TL in order to hedge the possible losses which might arise due to the changes in the fair value of a certain portion of its long-term loans and applies fair value hedge accounting as per TAS 39. The Parent Bank accounted for the hedged part of the loan portfolio at fair value, together with the swap transactions used as the hedging instrument and the related net gain or loss was included in the income statement.

When the fair value hedge accounting cannot be effectively continued as stated in TAS 39, the fair value hedge accounting is ceased. The fair value differences of the hedged loans are amortized through income statement until the maturity of the hedged loans.

Provision is set for the loans that might be doubtful and amount is charged in the current period income statement.

In the case where there is an evidence for the possibility of uncollectibility of loans, the Parent Bank classifies related loans and receivables in non-performing loans and provides specific provision in accordance with the Communiqué dated November 1, 2006, published on the Official Gazette No: 26333 "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves". The Bank provides specific provision for the loans under follow-up regarding credit risk and other factors, in accordance with the aforementioned regulation. Additionally, the Bank provides general provisions in accordance with the Communiqué dated November 1, 2006, published on the Official Gazette No: 26333 and presents it in the liabilities as "General Provisions".

The Parent Bank also provides specific provisions for the closely monitored loans as a result of risk assessment. These provisions accounted for in liabilities under other provisions as "Free Reserves for Possible Loan Losses".

The provisions provided for loans are accounted for under "Provision for Loan Losses and Other Receivables" in the statement of income.

The collections made in relation to amounts that provision provided in the current period and the principle collections made in relation to amounts that provision provided in the prior periods are offset against the "Provision for Loan and Other Receivables" in the income statement. The principal collections made related to the loans that were written-off are recorded under "Other Operating Income" and interest collections are recorded under the "Interest on Loans" account.

VIII. Explanations on Impairment of Financial Assets

If the amount computed by discounting expected future cash flows of a financial asset or of asset groups using the effective interest rate method or (if any) the fair value is lower than the carrying value of financial assets, impairment can be recognized. Provision is provided for impairment of the financial assets and recorded to related expense accounts.

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IX. Explanations on Netting of Financial Instruments

In cases where the fair values of trading securities, securities available-for-sale, securities quoted at the stock exchanges, subsidiaries', associates' and entities under common control are less than their carrying values, a provision for impairment is allocated, and the net value is presented on the balance sheet.

The Group provides specific allowances for loans and other receivables in accordance with "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" and offset against overdue loans in the assets.

The unearned interest income related to leasing agreements is netted off from the "Lease Receivables". Additionally, the specific provision is provided for non-performing lease receivables and netted off from lease receivables.

The unearned interest income related to factoring transactions is netted off from the "Factoring Receivables". Additionally, the specific provision is provided for non-performing factoring receivables and netted off from factoring receivables.

Financial assets and liabilities other than those explained above are offset when the Bank has a legally enforceable right to set off, and the intention of collecting or paying the net amount of related assets and liabilities or the right to offset the assets and liabilities, simultaneously. Otherwise, no offsetting is made.

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of the ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for the amounts that it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Bank continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated loss in equity is recognized in profit or loss.

X. Explanations on Sales and Repurchase Agreements and Lending of Securities

Securities sold under repurchase agreements are recorded on the balance sheet in accordance with Uniform Chart of Accounts. Accordingly, government bonds and treasury bills sold to customers under repurchase agreements are classified as "Investments Subject to Repurchase Agreements" and valued based on the Group Management's future intentions, either at market prices or using discounting method with internal rate of return. Funds received through repurchase agreements are classified separately under liability accounts and the related interest expenses are accounted for on an accrual basis.

Securities that are subject to repurchase agreements as at the balance sheet date amounted to TL 3,834,984 (December 31, 2012 - TL 1,986,434).

The Group does not have any securities that are subject to lending transactions as of December 31, 2013 (December 31, 2012 - none).

Securities purchased with a commitment to resell (reverse repurchase agreements) are recorded in a separate account under "Money Market Placements" in the balance sheet. The difference resulting from purchase and resale prices is treated as interest income and accrued over the life of the agreement.

XI. Explanations on Assets Held for Sale and Discontinued Operations

Assets held for sale are those with highly saleable condition requiring a plan by the management regarding the sale of the asset to be disposed, together with an active program for determination of buyers as well as for the completion of the plan. Also, the asset shall be actively marketed in conformity with its fair value. On the other hand, the sale is expected to be journalized as a completed sale within one year after the classification date; and the necessary transactions and procedures to complete the plan should demonstrate the fact that the possibility of making significant changes or canceling the plan is low.

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As at the balance sheet date, the Group does not have assets held for sale.

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

XII. Explanations on Goodwill and Other Intangible Assets

The Group's intangible assets consist of software, intangible rights and goodwill.

The intangible assets are recorded at their historical cost less accumulated amortization and provision for impairment, if any. Amortization is calculated on a straight-line basis.

Software has been classified as other intangible fixed assets. The useful life of software is determined as 3 years.

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

XIII. Explanations on Tangible Assets

The tangible assets are recorded at their historical cost less accumulated depreciation and provision for impairment, if any.

Depreciation is calculated on a straight-line basis over the estimated useful life of tangible assets. The annual rates used are as follows:

Property	2%
Movables purchased and acquired under finance lease contracts	7% - 25%

The depreciation of leasehold improvements acquired before December 2009, under operating lease agreements, is calculated according to their useful lives. Depreciation of leasehold improvements acquired after this date is calculated over the lease period not exceeding 5 years where the lease duration is certain; or 5 years where the lease period is not certain in accordance with "Communiqué on the Amendment of Communiqué on Uniform Chart of Accounts and Explanatory Notes" dated January 10, 2011.

Depreciation is calculated on a pro-rata basis for the assets that have been placed in use for less than a year as of the balance sheet date.

Net book value of the property and leased assets under financial lease contracts are compared with the fair values determined by independent appraisers as of the year end and provision for impairment is recognized in "Other Operating Expenses" in the related period income statement when the fair value is below the net book value in accordance with "Turkish Accounting Standard on Impairment of Assets" (TAS 36).

Gains or losses resulting from disposals of the tangible assets are recorded in the income statement as the difference between the net proceeds and net book value of the asset.

Expenses for repairs are capitalized if the expenditure increases economic life of the asset; otherwise they are expensed.

There are no changes in the accounting estimates, which could have a significant impact on the current and future financial statements. There are no pledges, mortgages or other restrictions on the tangible assets.

There is no purchase commitments related to the fixed assets.

XIV. Explanations on Leasing Transactions

Fixed assets acquired under finance lease contracts are recorded under "Tangible Fixed Assets" on the asset side and under "Financial Lease Payables" on the liability side at the initial date of the lease. The basis for the determination of related balance sheet amounts is the lower of fair value of the leased asset and the present value of the lease payments. The direct costs incurred for a finance lease transaction are capitalized as additions to the cost of the leased asset. Lease payments include the financing costs incurred due to the leasing transaction and the principal amount of the leased asset for the current period. Depreciation is calculated on a straight-line basis over the estimated useful life of the leased assets at the rate of 20% except for the buildings which are depreciated at the rate of 2%.

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Total payments made under operating leases are charged to income statement on a straight-line basis over the period of the lease.

The gross lease receivables including interest and principal amounts regarding the Group's financial leasing activities as "Lessor" are stated under the "Finance Lease Receivables". The difference between the total of rental payments and the cost of the related fixed assets is reflected to the "unearned income" account. The interest income is recognized based on a pattern reflecting a constant periodic rate of return on the net investment outstanding.

The provisions for lease receivables are set as per BRSA communiqué numbered 28861 and dated December 24, 2013 "Principles of Accounting and Financial Statements of Leasing, Factoring and Financing Companies". Those provisions are accounted for under "Lease Receivables" at the accompanying financial statements.

XV. Explanations on Factoring Receivables

Factoring receivables are carried at amortized cost by using the effective interest rate method after unearned interest income is deducted and specific provisions for impairments are provided, if any. The provisions for factoring receivables are set as per BRSA communiqué numbered 28661 and dated December 24, 2013 "Principles of Accounting and Financial Statements of Leasing, Factoring and Financing Companies". Those provisions are accounted for under "Factoring Receivables" at the accompanying financial statements.

XVI. Explanations on Provisions and Contingent Liabilities

Provisions, other than specific and general provisions for loans and other receivables, and contingent liabilities are provided for in accordance with TAS 37 "Provisions, Contingent Liabilities and Contingent Assets". Provisions are accounted immediately when obligations arise as a result of past events and a reliable estimate of the obligation is made by the Group. Whenever the amount of such obligations cannot be measured, they are regarded as "contingent". If the possibility of an outflow of resources embodying economic benefits becomes probable and the amount of the obligation can be reliably measured, a provision is provided.

Provisions provided during the period are accounted for under "Other Operating Expenses"; provisions provided in the prior periods and reversed in the current year are accounted for under "Other Operating Income".

XVII. Explanations on Obligations of the Group Concerning Employee Benefits

Provision for employee severance benefits of the Group has been accounted for in accordance with TAS 19 "Employee Benefits".

In accordance with the existing social legislation in Turkey, the Group is required to make lump-sum termination indemnities including retirement and notice payments to each employee whose employment is terminated due to resignation or for reasons other than misconduct. The retirement pay is calculated for every working year within the Group over salary for 30 days or the official ceiling amount per year of employment and the notice pay is calculated for the relevant notice period time as determined based on the number of years worked for the Group.

The Bank has reflected the retirement pay liability amount, which was calculated by an independent actuary, in the accompanying financial statements. As explained in details in Section 3 Part XXIV, amendments to IAS 19 change the accounting for defined benefit plans and termination benefits retrospectively. The most significant change relates to the accounting in defined benefit obligations. Hence, the Bank recognizes the changes in defined benefit obligations, "corridor approach" which was permitted in previous version of IAS 19 is eliminated and accelerate the recognition of past service costs. The Bank recognizes all actuarial gains and losses immediately through other comprehensive income.

The Group does not have any employees who work under limited period contracts with remaining terms longer than 12 months after the balance sheet date.

Provision for the employees' unused vacations has been booked and reflected to the financial statements.

There are no foundations, pension funds or similar associations of which the Group employees are members.

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XVIII. Explanations on Taxation

1. Corporate tax

In accordance with the Corporate Tax Law No: 5520 published in the Official Gazette No. 26205 dated June 21, 2006, statutory income is subject to corporate tax at 20%. Advance corporate taxes paid are followed under "Current Tax Liability" or "Current Tax Asset" account and are deducted from the corporate taxes of the current year.

75% of gains on disposal of subsidiary shares and real estates held in Parent Bank assets for more than two years are exempted from tax, according to Corporate Tax Law under the condition with adding these gains into equity or allocating into a specific fund account as liability for five years.

Companies file their tax returns between the 1st and the 25th day of the fourth month following the closing of the fiscal year to which they relate and the payments are made until the end of that month.

Losses occurred due to prior year's financial statements can be deducted from corporate income under condition that each year amounts are shown separately on Corporate Tax declaration and are not carried more than five years.

Taxes that are not been levied or notified to tax payer in five years, starting from the beginning of the year following the calendar year that the tax asset emerged are prescribed. Therefore, the tax authority can perform tax audit up to five years backwards. Besides, in case of benefiting from the decision of the document that is subject to stamp duty, yet the tax and the penalty is prescribed, after period of limitation is expired, tax asset of aforementioned document is emerged again.

The provision for corporate and income taxes for the period is reflected as the "Current Tax Charge" in the income statement.

Undistributed profit for the period is not subject to withholding tax if it is added to capital or it is distributed to full-fledged taxpayer corporations. However, with the Council of Ministers' decisions numbered 2009/14593 and 2009/14594; published in the Official Gazette No: 27130 dated February 3, 2009 and based on Corporate Tax Law No: 5520, 15th and 30th Articles, profit distribution for the period is subject to withholding tax by 15%, for full-fledged real person taxpayers, for those who are not responsible for corporate tax and income tax, for those exempt from corporate and income tax (except for those taxed through their businesses or permanent representatives in Turkey) and for foreign based real person taxpayers.

2. Deferred taxes

In accordance with Turkish Accounting Standard on Income Taxes (TAS 12), the Group accounts for deferred taxes based on the tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

XIX. Additional Explanations on Borrowings

The Group generates funds from domestic and foreign sources when this is necessary. The funds borrowed from foreign sources are mainly in the form of syndications and securitizations. The funds borrowed are measured at amortized cost by using the effective internal rate of return method.

The Group has not issued convertible bonds. Debt instruments directly issued by the Group are classified under "Securities Issued", while the funds obtained through the debt instruments issued by the special purpose vehicles (SPV's) are classified under funds borrowed.

XX. Explanations on Share Issues

During the current period, the share capital of the Bank has been increased by TL 135,000 from bonus shares, TL 128,250, from first dividends, TL 6,750 from shareholding disposal funds. (January 1 - December 31, 2012: TL 125,000, from first dividends, TL 122,000 and from extraordinary reserves, TL 3,000 in cash).

XXI. Explanations on Confirmed Bills of Exchange and Acceptances

Confirmed bills of exchange and acceptances are realized simultaneously with the customer payments and recorded in off-balance sheet accounts as possible debt and commitment, if any.

There are no acceptances and confirmed bills of exchange presented as liabilities against any assets.

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XXII. Explanations on Government Incentives

As of December 31, 2013, the Bank does not have any government incentives or grants. (December 31, 2012 – 2,968 TL).

XXIII. Explanations on Reporting According to Segmentation

In addition to corporate banking, retail banking and commercial banking services, the Group also provides private banking, treasury operations and credit card services through branches and alternative channels. The Group serves its retail banking clients with time and demand deposits, also overdraft services, automatic account services, consumer loans, vehicle loans, housing loans and investment fund services. The Group provides services including deposit and loans, foreign trade financing, forward and option agreements to its corporate clients. Other than those mentioned above, the Group also serves in trading financial instruments, treasury operations, and performs insurance, factoring, and domestic and abroad financial lease operations.

The calculations based on the income statement on corporate and commercial banking, consumer banking, plastic cards that have operational units designated as the main profit centers, have been made according to the product and customer types. During the profitability calculations, the pricing of transfers among these units and treasury unit are made by using cost/return ratios that are determined by the Parent Bank's senior management and which are updated periodically. In this pricing method, general market conditions and the Parent Bank's internal policies are considered.

The Corporate Marketing Unit provides services to firms that are institutional, big size, that have annual revenues of TL 100,000 and higher and multi-national firms operating in Turkey. The firms that have revenue between TL 2,000 and TL 100,000 are considered as "Commercial Enterprise". The Bank gives importance to the commercial segmentation in order to hedge risk and decrease the concentration of income. Moreover; the Parent Bank also offers sectoral solution packages to small and medium-size firms.

The Consumer Banking meets the needs and expectations of the retail banking customers. The Private Banking Unit has formed and started to operate to serve customers with high level income, in a more effective way. The installments, discounts and bonus advantages are provided to the users of Card Finans in the plastic cards line. The main function of Treasury Segment is managing the liquidity of the Parent Bank and interest and foreign currency risks resulting from market conditions. This segment is in close relation with corporate, commercial, retail, and private banking units in order to increase the number of customers and the volume of transactions in treasury products of the Parent Bank.

Current Period (Jan. 1-Dec. 31, 2013)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Group
Net Interest Income	1,473,234	518,911	1,276,822	3,268,967
Net Fees and Commissions Income	1,573,479	119,828	(606,549)	1,086,758
Other Operating Income and Net Trading Income	175,762	138,559	(198,101)	116,220
Dividend Income			147	147
Operating Income	3,222,475	777,298	472,319	4,472,092
Other Operating Expenses	1,542,251	375,112	465,482	2,382,845
Provision for Loan Losses and Other Receivables(-)	651,737	184,657	266,997	1,103,391
Profit Before Taxes	1,028,487	217,529	(260,160)	985,856
Gain /Loss on Equity Method	-	-	(11,338)	(11,338)
Tax Charge	-	-	-	(216,428)
Net Profit/Loss	-	-	-	758,090
Total Assets	34,123,577	9,912,457	19,618,825	67,665,718
Segment Assets	34,123,577	9,912,457	19,618,825	63,654,859
Associates, Subsidiaries and Entities Under Common Control	-	-	-	199,422
Undistributed Assets	-	-	-	3,811,437
Total Liabilities	25,886,321	10,625,129	17,316,855	67,665,718
Segment Liabilities	25,886,321	10,625,129	17,316,855	53,828,305
Undistributed Liabilities	-	-	-	5,973,952
Equity	-	-	-	7,863,461
Other Segment Accounts	-	-	-	474,308
Capital Expenditures	-	-	-	299,622
Depreciation and Amortization	-	-	-	172,933
Value Decrease/ (Increase)	-	-	-	1,753

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Prior Period (Jan. 1-Dec. 31, 2012)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Group
Net Interest Income	1,555,277	581,660	862,182	2,999,119
Net Fees and Commissions Income	1,513,891	113,548	(512,870)	1,114,569
Other Operating Income and Net Trading Income	113,076	107,665	(37,820)	182,921
Dividend Income	-	-	248	248
Operating Income	3,182,244	802,873	311,740	4,296,857
Other Operating Expenses	1,208,070	313,631	390,057	1,911,758
Provision for Loan Losses and Other Receivables(-)	471,705	158,632	347,817	978,154
Profit Before Taxes	1,502,469	330,610	(426,134)	1,406,945
Gain /Loss on Equity Method	-	-	3,375	3,375
Tax Charge	-	-	-	(290,357)
Net Profit/Loss	-	-	-	1,119,963
Total Assets	29,154,171	7,872,140	14,696,588	55,435,570
Segment Assets	29,154,171	7,872,140	14,696,588	51,722,899
Associates, Subsidiaries and Entities Under Common Control	-	-	-	224,055
Undistributed Assets	-	-	-	3,488,616
Total Liabilities	19,964,569	11,466,991	13,107,747	55,435,570
Segment Liabilities	19,964,569	11,466,991	13,107,747	44,539,307
Undistributed Liabilities	-	-	-	3,483,979
Equity	-	-	-	7,412,284
Other Segment Accounts	-	-	-	440,887
Capital Expenditures	-	-	-	285,399
Depreciation and Amortization	-	-	-	151,837
Value Decrease/ (Increase)	-	-	-	3,651

XXIV. Explanations on Other Matters

Changes in the financial statements of the prior period:

Within the scope of the revisions in TAS 19 'Employee Benefits' which would be applied retrospectively; the Bank restated its prior period financial statements while preparing its current period financial statements. Accordingly, the effect of the restatement for the year 2012 is as follows:

	Previously Reported December 31, 2012	Effect of Adjustment	Restated December 31, 2012
Reserve for employee termination benefits	158,486	45,418	203,904
Deferred tax liabilities	24,185	(9,118)	15,067
Other capital reserves	-	(38,098)	(38,098)
Period net income	1,101,832	1,798	1,103,630

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SECTION FOUR

INFORMATION ON GROUP'S FINANCIAL STRUCTURE

I. Explanations Related to Consolidated Capital Adequacy Standard Ratio

As of December 31, 2013, the Group's consolidated capital adequacy ratio is 17.16%. (December 31, 2012 – 19.15%)

Capital adequacy ratio is calculated within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks", "Communiqué on Credit Risk Mitigation Techniques" and "Communiqué on Calculation of Risk Weighted Amounts for Securitizations" published in the Official Gazette No: 28337 dated June 28, 2012 and the "Communiqué on Equities of Banks" published in the Official Gazette No: 26333 dated November 1, 2006.

The Group designates balance sheet items and non-balance sheet items as "trading" and "banking book" according to capital adequacy account.

The risk weighted assets are calculated as the figures deducted from the capital base net off depreciations and provisions.

The items classified as trading book are not included in the calculation of the credit risk. However, counterparty credit risk for all transactions stated in the Article 21 of the Regulation, are calculated using the rates stated in the Appendix-2 of the Regulation.

The balance sheet items and off balance sheet items for which credit equivalent risk is calculated within the scope of the rates stated in the Article 5 of the Regulation, are included in the relevant exposure category defined in the Article 6 of the Regulation and weighted as per Appendix-1 of the Regulation.

The disclosures on credit risk mitigation techniques used under "Regulation on Credit Risk Mitigation Techniques" are presented in Section 4, Footnote X under "Explanations related to Credit Risk Mitigation Techniques".

Capital requirement for the market risk is calculated using the standard method. Market risk for the options is calculated in line with the regulation "Capital Requirement for Market Risk of Options - Standard Method" published in the Official Gazette No: 28337 dated June 28, 2012.

Capital requirement for the operational risk is calculated in line with the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" published in the Official Gazette No: 28337 dated June 28, 2012 by using Basic Indicator Approach.

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Consolidated and unconsolidated capital adequacy ratio:

Current Period	The Parent Bank								
	Risk Weightings								
	0%	10%	20%	50%	75%	100%	150%	200%	250%
Value at Credit Risk	-	-	179,588	7,476,755	11,903,243	18,675,739	1,992,405	8,987,942	1,356,358
Exposure Categories:	15,315,268	-	897,940	14,953,510	15,870,990	18,675,739	1,328,270	4,493,971	542,543
Conditional and unconditional receivables from central governances and central Banks	14,268,181	-	-	1,333,821	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	2,452	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	1,023	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	895,415	1,608,741	-	27,180	-	-	-
Conditional and unconditional receivables from corporates	-	-	-	16,039	-	12,719,917	-	-	-
Conditional and unconditional retail receivables	-	-	-	-	15,870,990	3,261,960	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	11,952,456	-	-	-	-	-
Past due receivables	-	-	-	42,453	-	454,259	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	1,328,270	4,493,971	542,543
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	23,640	-	-	-
Other receivables	1,047,087	-	73	-	-	2,187,760	-	-	-

Current Period	Consolidated								
	Risk Weightings								
	0%	10%	20%	50%	75%	100%	150%	200%	250%
Value at Credit Risk	-	-	158,471	7,561,842	12,328,796	20,062,864	2,044,314	8,987,942	1,356,358
Exposure Categories:	15,315,351	-	792,355	15,123,683	16,438,394	20,062,864	1,362,876	4,493,971	542,543
Conditional and unconditional receivables from central governances and central Banks	14,268,181	-	-	1,333,821	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	2,452	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	1,023	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	789,829	1,717,364	-	27,181	-	-	-
Conditional and unconditional receivables from corporates	-	-	-	16,039	-	13,945,683	-	-	-
Conditional and unconditional retail receivables	-	-	-	-	16,438,394	3,261,959	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	12,012,528	-	-	-	-	-
Past due receivables	-	-	-	43,931	-	486,837	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	1,362,876	4,493,971	542,543
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	23,640	-	-	-
Other receivables	1,047,170	-	74	-	-	2,316,541	-	-	-

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

Prior Period	The Parent Bank								
	Risk Weightings								
	0%	10%	20%	50%	75%	100%	150%	200%	250%
Value at Credit Risk	-	-	161,174	6,019,267	13,911,243	11,448,093	4,156,287	5,802,598	-
Exposure Categories:	10,744,997	-	805,871	12,038,534	18,548,325	11,448,093	2,770,858	2,901,299	-
Conditional and unconditional receivables from central governances and central Banks	10,091,979	-	-	1,177,704	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	4,200	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	90	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	801,669	286,125	-	20,312	-	-	-
Conditional and unconditional receivables from corporates	-	-	-	13,196	-	9,151,879	-	-	-
Conditional and unconditional retail receivables	-	-	-	-	18,548,325	-	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	10,537,266	-	-	-	-	-
Past due receivables	-	-	-	24,243	-	309,988	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	2,770,858	2,901,299	-
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	182,692	-	-	-
Other receivables	653,018	-	2	-	-	1,783,132	-	-	-

Prior Period	Consolidated								
	Risk Weightings								
	0%	10%	20%	50%	75%	100%	150%	200%	250%
Value at Credit Risk	-	-	193,592	6,037,556	14,653,172	12,106,776	4,185,533	5,802,598	-
Exposure Categories:	10,745,058	-	967,959	12,075,112	19,537,563	12,106,776	2,790,355	2,901,299	-
Conditional and unconditional receivables from central governances and central Banks	10,091,979	-	-	1,177,704	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	4,200	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	90	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	963,757	282,531	-	20,312	-	-	-
Conditional and unconditional receivables from corporates	-	-	-	13,196	-	9,586,459	-	-	-
Conditional and unconditional retail receivables	-	-	-	-	19,537,563	-	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	10,576,698	-	-	-	-	-
Past due receivables	-	-	-	24,983	-	329,800	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	2,790,355	2,901,299	-
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	182,692	-	-	-
Other receivables	653,079	-	2	-	-	1,987,423	-	-	-

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Summary information related to consolidated and unconsolidated capital adequacy ratio:

	The Parent Bank	Consolidated
	Current Period	Current Period
Capital Requirement for Credit Risk (Value at Credit Risk*0.08) (CRCR)	4,045,762	4,200,047
Capital Requirement for Market Risk (MRCR)	80,017	94,166
Capital Requirement for Operational Risk (ORCR)	425,090	454,568
Shareholders' Equity	9,642,752	10,188,321
Shareholders' Equity/(CRCR+MRCR+ORCR) * 12.5 * 100	16.95%	17.16%
	The Parent Bank	Consolidated
	Prior Period	Prior Period
Capital Requirement for Credit Risk (Value at Credit Risk*0.08) (CRCR)	3,319,893	3,438,338
Capital Requirement for Market Risk (MRCR)	64,494	68,687
Capital Requirement for Operational Risk (ORCR)	359,393	390,558
Shareholders' Equity	8,820,860	9,327,985
Shareholders' Equity/(CRCR+MRCR+ORCR) * 12.5 * 100	18.85%	19.15%

CRCR : Capital Requirement for Credit Risk

MRCR : Capital Requirement for Market Risk

ORCR : Capital Requirement for Operational Risk

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Components of consolidated shareholders' equity items:

	Current Period	Prior Period ^(*)
CORE CAPITAL		
Paid-in Capital	2,700,000	2,565,000
Nominal Capital	2,700,000	2,565,000
Capital Commitments (-)	-	-
Inflation Adjustments to Paid-in Capital	-	-
Share Premium	714	714
Share Cancellation Profits	-	-
Reserves	3,534,548	2,837,708
Inflation Adjustments to Reserves	-	-
Profit	948,925	1,153,457
Current Period's Profit	746,151	1,103,630
Prior Periods' Profit	202,774	49,827
Provision for Possible Losses (up to 25% of Core Capital)	102,025	99,747
Income on Sale of Equity Shares and Real Estates	642,551	519,114
Primary Subordinated Debts	-	-
Minority Interest	162,936	149,762
Loss (in excess of Reserves) (-)	-	-
Current Period's Losses	-	-
Prior Periods' Losses	-	-
Leasehold Improvements on Operational Leases (-)	140,275	116,864
Intangible Assets (-)	200,798	171,588
Deferred Tax Asset in Excess of 10% of Core Capital (-)	-	-
Limit excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-	-
Goodwill (Net) (-)	8,969	8,969
Total Core Capital	7,741,657	7,028,081
SUPPLEMENTARY CAPITAL		
General Provisions	741,997	608,997
45% of Revaluation Surplus on Movables	-	-
45% of Revaluation Surplus on Immovable	-	-
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	-	-
Primary Subordinated Debts excluding the Portion included in Core Capital	-	-
Secondary Subordinated Debts	1,941,738	1,614,716
45% of Securities Value Increase Fund	(222,200)	88,450
Inflation Adjustments to Other Capital and Profit Reserves and Prior Periods' Profit/Loss	-	-
Minority Interest	-	-
Total Supplementary Capital	2,461,535	2,312,163
CAPITAL	10,203,192	9,340,244
DEDUCTIONS FROM CAPITAL	14,871	12,259
Unconsolidated Investments in Entities (Domestic/Foreign) Operating in Banking and Financial Sectors at 10% or more	-	-
Investments in Entities (Domestic/Foreign) Operating in Banking and Financial Sectors at Less than 10% Exceeding 10% or more of the Total Core and Supplementary Capitals	-	-
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Secondary Subordinated Debts and Debt Instruments Purchased from Such Parties Qualified as Primary or Secondary Subordinated Debts	-	-
Loan Granted to Customer against the Articles 50 and 51 of the Banking Law	2,015	-
Net Book Values of Properties exceeding 50% of the Capital and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law but Retained more than Five Years	12,855	12,216
Securitization Positions to be Deducted from Equity	-	-
Other	1	43
TOTAL SHAREHOLDERS' EQUITY	10,188,321	9,327,985

(*) The prior period figures are adjusted as detailed in Section 3, Part XXIV.

Approaches for assessment of adequacy of internal capital requirements for current and future activities

The Parent Bank documented its strategy on the process of assessing the internal capital requirements in "Finansbank Risk Management Strategy" approved by its Board of Directors. The target capital adequacy ratio set within the scope of this process is a significant determining factor of the Bank's risk appetite.

The Parent Bank's strategy on the process of assessing the internal capital requirements results in planning of future needs of additional capital under the effects of long term business plans' stress tests reflecting adverse economic conditions in addition to determination of the additional need for capital for the types of risk that are not covered or partially covered by "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

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II. Explanations Related to Consolidated Credit Risk

Credit risk represents the risk arising due to the counter party's not fulfilling its responsibilities stated in the agreement either partially or totally. Credit Risk Management Committee and Credit Department is responsible for managing credit risk.

Loan strategies and policies are determined by the Policy Committees. These policies and strategies are constituted in line with the applications of the Parent, and credit risk is managed according to these policies and strategies. The quality of loan portfolio is monitored regularly with the help of metrics which are in line with the Bank's risk appetite, as specified in Risk Management Strategies.

Credit Risk Management takes place in every steps of the Parent Bank's credit process from the beginning. Loan applications are evaluated by non-profit oriented independent loan granting departments. Loan Limits are determined on a product basis and in the aggregate for every individual, corporate customer and risk group. Furthermore, concentration on product, industry, region, are monitored within the frame of loan limits in line with the regulation.

The credibility of the debtors is monitored periodically in accordance with the related regulation. The statements presenting the financial position of the borrowers are obtained in accordance with the related regulation.

Loan limits of the loan customers are revised periodically in line with the Group's loan limit revision procedures.

The Parent Bank analyses the credibility of the loans within the framework of its loan policies and obtains collaterals for loans.

The Parent Bank has control limits over the positions of forward transactions, options and other similar agreements. The credit risk arising from these instruments are managed together with the risks resulting from market fluctuations.

The Parent Bank monitors risks of forward transactions, options and other similar agreements and reduces the risk if necessary.

Indemnified non-cash loans are weighted in the same risk group with the past due but not impaired loans.

The restructured and rescheduled loans are monitored by the Parent Bank in line with the Parent Bank's credit risk management procedures. The debtor's financial position and commercial activities are continuously analyzed and the principal and interest payments of rescheduled loans are monitored by the related departments.

The restructured and rescheduled loans are evaluated in the Parent Bank's current internal rating system besides the follow up method determined in the related regulation.

The risk of banking operation abroad and credit transactions is acceptable and there is no significant credit risk density in international banking market.

Based on "Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside", the Parent Bank considers Second Group loans whose principal or interest payments are not collected at the determined dates as overdue loans. Loans whose principal or interest payments are delayed for more than 90 days and loans of borrowers which the Parent Bank believes that the borrower lost his creditworthiness are considered as impaired loans.

The Parent Bank calculates general loan provision for overdue loans and specific loan provision for impaired loans based on "Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside".

The receivables of the Group from its top 100 cash loan customers are 10% in the total cash loans (December 31, 2012 - 14%).

The receivables of the Group from its top 200 cash loan customers are 12% in the total cash loans (December 31, 2012 - 17%).

The receivables of the Group from its top 100 non-cash loan customers are 45% in the total non-cash loans (December 31, 2012 - 44%).

The receivables of the Group from its top 200 non-cash loan customers are 54% in the total non-cash loans (December 31, 2012 - 54%).

The share of cash and non-cash receivables of the Group from its top 100 loan customers in total cash and non-cash loans is 13% (December 31, 2012 - 11%).

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The share of cash and non-cash receivables of the Group from its top 200 loan customers in total cash and non-cash loans is 16% (December 31, 2012 – 13%).

The general loan loss provision related with the credit risk taken by the Group is TL 816,291 (December 31, 2012 – TL 617,684).

Provision for probable risks in the Group's loan portfolio amounted to TL 102,025 (December 31, 2012 – TL 99,747).

Exposure Categories	Current Period Risk Amount(**)	Average Risk Amount	Prior Period Risk Amount(**)	Average Risk Amount(*)
Conditional and unconditional receivables from central governments or central banks	15,602,002	12,973,783	11,269,683	10,909,145
Conditional and unconditional receivables from regional or local governments	2,473	3,665	4,200	4,643
Conditional and unconditional receivables from administrative units and non-commercial enterprises	1,040	880	90	769
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	4,045,252	2,002,151	1,317,785	1,110,212
Conditional and unconditional receivables from corporates	14,406,938	12,107,421	9,985,106	11,458,728
Conditional and unconditional retail receivables	19,902,934	19,782,744	19,734,200	19,745,023
Conditional and unconditional receivables secured by mortgages	12,012,527	10,742,185	10,576,698	9,224,410
Past due receivables	530,867	475,415	354,791	386,313
Receivables defined in high risk category by BRSA	6,456,484	5,948,744	5,734,568	5,491,950
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	99,232	-	-
Investments similar to collective investment funds	23,640	78,577	182,692	182,692
Other receivables	3,363,786	2,694,659	2,640,504	2,386,522

(*)Average risk amount is determined by calculating the arithmetical average of the amounts after credit conversion for the period July-December 2012.

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

Credit rating system

The Parent Bank uses internal credit rating system effectively in order to track the quality of credit portfolio and determine the actions required, based on customer groups and types of loans. The parent Bank uses the behavioral rating systems in order to measure the probability of default of the current customers in a determined period of time and to perform limit management. These rating systems are monitored regularly in line with generally accepted applications and methods.

The table below indicates the ratings of the corporate / commercial and enterprise banking cash loans:

	Current Period (%)	Prior Period (%)
Debtor has a very strong financial structure	10	6
Debtor has a good financial structure	60	59
Debtor has a medium financial structure	19	22
Debtor has a financial structure which needs attention in medium term	8	10
Not graded	3	3
Total	100	100

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Profile of significant exposures in major regions:

	Exposure Categories ^(*)																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	Total
Current Period																	
1. Domestic	15,602,002	2,473	1,040	-	-	896,606	14,195,816	19,898,563	12,009,077	530,867	6,456,078	-	-	-	23,640	3,164,205	72,720,367
2. European Union Countries	-	-	-	-	-	2,775,100	211,294	152	3,155	-	146	-	-	-	-	-	2,989,847
3. OECD Countries ^(**)	-	-	-	-	-	47,892	-	207	-	-	-	-	-	-	-	-	48,099
4. Off-Shore Banking Regions	-	-	-	-	-	83	38,075	-	-	-	-	-	-	-	-	-	38,888
5. USA, Canada	-	-	-	-	-	293,097	16,773	9	-	-	-	-	-	-	-	-	309,879
6. Other Countries	-	-	-	-	-	31,744	4,980	4,003	295	-	260	-	-	-	-	-	41,282
7. Associates, Subsidiaries and Joint-Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	199,581	199,581
8. Unallocated Assets/Liabilities ^(***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	15,602,002	2,473	1,040	-	-	4,045,252	14,406,938	19,902,934	12,012,527	530,867	6,456,484	-	-	-	23,640	3,363,786	76,347,943
Prior Period																	
1. Domestic	11,269,683	4,200	90	-	-	379,860	9,671,367	19,725,799	10,575,915	354,696	5,713,087	-	-	-	182,692	2,416,447	60,293,726
2. European Union Countries	-	-	-	-	-	535,213	236,103	2,622	645	-	98	-	-	-	-	-	773,681
3. OECD Countries ^(**)	-	-	-	-	-	17,453	-	2	-	-	21,366	-	-	-	-	-	38,821
4. Off-Shore Banking Regions	-	-	-	-	-	230,167	31,709	-	-	-	-	-	-	-	-	-	261,876
5. USA, Canada	-	-	-	-	-	96,495	28,716	10	9	-	17	-	-	-	-	-	125,247
6. Other Countries	-	-	-	-	-	58,597	18,221	5,767	229	95	-	-	-	-	-	-	82,909
7. Associates, Subsidiaries and Joint-Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	224,057	224,057
8. Unallocated Assets/Liabilities ^(***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	11,269,683	4,200	90	-	-	1,317,785	9,985,106	19,734,200	10,576,698	354,791	5,734,568	-	-	-	182,692	2,640,504	61,800,317

(*) Exposure categories based on "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

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

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

- 1- Conditional and unconditional exposures from central governments or central banks
- 2- Conditional and unconditional exposures to regional governments or local authorities
- 3- Conditional and unconditional exposures to administrative bodies and non-commercial undertakings
- 4- Conditional and unconditional exposures to multilateral development banks
- 5- Conditional and unconditional exposures to international organizations
- 6- Conditional and unconditional exposures to banks and brokerage houses
- 7- Conditional and unconditional exposures to corporates
- 8- Conditional and unconditional retail exposures
- 9- Conditional and unconditional exposures secured by real estate property
- 10- Past due items
- 11- Items in regulatory high-risk categories
- 12- Exposures in the form of bonds secured by mortgages
- 13- Short term exposures to banks, brokerage houses and corporates
- 14- Exposures in the form of collective investment undertakings
- 15- Other items

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Risk profile by sectors or counterparties:

	Exposure Categories ^(*)																Total	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16		TL
Agricultural	-	-	-	-	-	-	324,150	92,758	214,095	3,070	-	-	-	-	-	-	595,295	38,790
Farming and Raising Livestock	-	-	-	-	-	-	313,815	83,910	204,219	2,984	-	-	-	-	-	-	574,077	30,862
Forestry	-	-	-	-	-	-	254	3,627	3,269	31	-	-	-	-	-	-	7,182	-
Fishing	-	-	-	-	-	-	10,081	5,221	6,607	55	-	-	-	-	-	-	14,036	7,928
Manufacturing	-	-	-	-	-	-	4,050,590	1,319,408	1,051,403	46,930	257	-	-	-	-	-	3,037,305	3,431,283
Mining and Quarrying	-	-	-	-	-	-	68,899	24,400	23,576	924	2	-	-	-	-	-	71,378	46,423
Production	-	-	-	-	-	-	3,158,953	1,288,093	1,019,375	45,943	255	-	-	-	-	-	2,787,449	2,725,170
Electricity, gas and water	-	-	-	-	-	-	822,738	6,915	8,452	63	-	-	-	-	-	-	178,478	659,690
Construction Services	-	-	-	-	-	-	1,405,988	523,766	1,074,050	26,128	50	-	-	-	-	-	1,935,037	1,094,965
Wholesale and Retail Trade	-	-	-	-	-	-	5,174,491	3,378,222	2,693,971	107,565	854	-	-	-	-	-	17,488,438	4,792,941
Hotel, Food and Beverage Services	-	-	-	-	-	-	2,837,800	2,632,911	1,725,391	80,604	701	-	-	-	-	-	5,810,470	1,466,937
Transportation & Communication	-	-	-	-	-	-	161,373	32,757	360,298	566	7	-	-	-	-	-	118,143	436,858
Financial Institutions	-	-	-	-	-	-	807,259	367,745	197,492	21,342	81	-	-	-	-	-	789,523	604,396
Real Estate and Renting Services	-	-	-	-	-	-	3,754,591	24,171	15,630	217	7	-	-	-	-	-	9,761,860	1,527,829
Self-Employment Services	-	-	-	-	-	-	404,825	41,504	50,062	1,542	15	-	-	-	-	-	109,515	368,433
Educational Services	-	-	-	-	-	-	338,612	158,447	175,527	1,930	19	-	-	-	-	-	391,046	283,489
Health and Social Services	-	-	-	-	-	-	29,254	28,774	32,113	562	9	-	-	-	-	-	83,056	8,686
Other	8,441,357	2,473	1,040	1,040	4,045,252	14,406,938	3,451,719	14,588,760	6,979,008	347,174	6,455,311	23,640	3,363,786	41,148,414	2,785,475	41,148,414	2,785,475	
Total	15,602,002	2,473	1,040	1,040	4,045,252	14,406,938	3,451,719	14,588,760	6,979,008	347,174	6,455,311	23,640	3,363,786	41,148,414	2,785,475	41,148,414	2,785,475	

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

- 1- Conditional and unconditional exposures from central governments or central banks
- 2- Conditional and unconditional exposures to regional governments or local authorities
- 3- Conditional and unconditional exposures to administrative bodies and non-commercial undertakings
- 4- Conditional and unconditional exposures to multilateral development banks
- 5- Conditional and unconditional exposures to international organizations
- 6- Conditional and unconditional exposures to banks and brokerage houses
- 7- Conditional and unconditional exposures to corporates
- 8- Conditional and unconditional retail exposures
- 9- Conditional and unconditional exposures secured by real estate property
- 10- Past due items
- 11- Items in regulatory high-risk categories
- 12- Exposures in the form of bonds secured by mortgages
- 13- Short term exposures to banks, brokerage houses and corporates
- 14- Exposures in the form of collective investment undertakings
- 15- Other items

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FINANSBANK ANONİM ŞİRKETİNotes to the financial statements for the year ended december 31, 2013
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

Prior Period	Exposure Categories ^(*)											Total							
	1	2	3	4	5	6	7	8	9	10	11		12	13	14	15	16	TL	FC
Agricultural	-	-	-	-	-	-	150,629	80,262	93,527	3,978	2,656	-	-	-	-	-	309,244	21,810	331,054
Farming and Raising Livestock	-	-	-	-	-	-	143,013	73,432	86,961	3,640	2,617	-	-	-	-	-	294,743	14,920	309,663
Forestry	-	-	-	-	-	-	51	3,246	1,696	194	19	-	-	-	-	-	5,206	-	5,206
Fishing	-	-	-	-	-	-	7,565	3,584	4,870	144	22	-	-	-	-	-	9,295	6,890	16,185
Manufacturing	-	-	-	-	-	-	3,137,729	1,049,676	907,289	23,175	34,473	-	-	-	-	-	2,473,887	2,678,455	5,152,342
Mining and Quarrying	-	-	-	-	-	-	40,334	23,253	15,656	273	291	-	-	-	-	-	52,001	27,806	79,807
Production	-	-	-	-	-	-	2,539,004	1,022,766	886,580	22,847	34,068	-	-	-	-	-	2,329,699	2,175,656	4,505,255
Electricity, gas and water	-	-	-	-	-	-	558,391	3,657	5,053	55	124	-	-	-	-	-	92,167	475,093	567,280
Construction	-	-	-	-	-	-	1,001,558	441,554	676,697	13,878	9,472	-	-	-	-	-	1,491,054	652,105	2,143,159
Services	4,674,860	-	90	-	-	1,317,785	3,756,205	2,720,655	1,995,693	55,933	25,694	-	-	-	-	-	11,114,663	3,432,232	14,546,915
Wholesale and Retail Trade	-	-	-	-	-	-	1,995,332	2,088,962	1,292,331	39,266	20,734	-	-	-	-	-	4,291,621	1,145,004	5,436,625
Hotel, Food and Beverage Services	-	-	-	-	-	-	112,078	34,284	275,867	349	97	-	-	-	-	-	104,441	318,234	422,675
Transportation & Communication	-	-	-	-	-	-	552,174	334,023	139,835	13,963	2,675	-	-	-	-	-	594,003	448,667	1,042,670
Financial Institutions	4,674,860	-	-	-	-	-	1,317,785	19,692	16,343	75	202	-	-	-	-	-	5,384,313	1,044,678	6,428,991
Real Estate and Renting Services	-	-	-	-	-	-	292,963	26,265	40,056	166	210	-	-	-	-	-	64,728	294,932	359,660
Self-Employment Services	-	-	-	-	-	-	148,099	116,568	85,467	752	662	-	-	-	-	-	254,113	97,435	351,548
Educational Services	-	-	90	-	-	-	13,907	20,756	19,741	130	168	-	-	-	-	-	46,230	8,552	54,782
Health and Social Services	-	-	-	-	-	-	241,618	80,105	126,053	1,232	956	-	-	-	-	-	375,234	74,730	449,964
Other	6,594,823	4,200	-	-	-	-	1,938,985	15,442,053	6,903,492	257,827	5,662,271	-	-	-	-	-	37,631,872	1,994,975	39,626,847
Total	11,269,683	4,200	90	-	-	1,317,785	9,985,106	19,734,200	10,576,698	354,791	5,734,568	-	-	-	-	-	52,734,288	9,066,029	61,800,317

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

- 1- Conditional and unconditional exposures from central governments or central banks
- 2- Conditional and unconditional exposures to regional governments or local authorities
- 3- Conditional and unconditional exposures to administrative bodies and non-commercial undertakings
- 4- Conditional and unconditional exposures to multilateral development banks
- 5- Conditional and unconditional exposures to international organizations
- 6- Conditional and unconditional exposures to banks and brokerage houses
- 7- Conditional and unconditional exposures to corporates
- 8- Conditional and unconditional retail exposures
- 9- Conditional and unconditional exposures secured by real estate property
- 10- Past due items
- 11- Items in regulatory high-risk categories
- 12- Exposures in the form of bonds secured by mortgages
- 13- Short term exposures to banks, brokerage houses and corporates
- 14- Exposures in the form of collective investment undertakings
- 15- Other items

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Analysis of maturity-bearing exposures according to remaining maturities (*):

Current Period Exposure Categories	Term To Maturity				
	Up to 1 month	1-3 Months	3-6 Months	6-12 Months	Over 1 year
Conditional and unconditional exposures from central governments or central banks	-	173,747	482,125	121,119	7,664,366
Conditional and unconditional exposures to regional governments or local authorities	-	-	-	1,177	1,296
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	84	-	850	-	61
Conditional and unconditional exposures from multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures from international organizations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	342,190	104,980	503,955	30,891	2,966,041
Conditional and unconditional exposures to corporates	2,224,875	1,249,108	1,818,472	1,533,218	6,225,592
Conditional and unconditional retail exposures	340,287	662,363	1,141,575	1,485,038	3,017,380
Conditional and unconditional exposures secured by real estate property	119,130	251,095	560,335	691,675	10,357,885
Past due items	-	-	-	-	4,582,316
Items defined in high risk categories	-	-	-	-	-
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short-term exposure to banks, brokerage houses and corporates	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-
Other items	109,602	-	-	-	214
Total	3,136,168	2,441,293	4,507,312	3,863,118	34,815,151

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

Prior Period Exposure Categories	Term To Maturity				
	Up to 1 month	1-3 Months	3-6 Months	6-12 Months	Over 1 year
Conditional and unconditional exposures from central governments or central banks	40,488	-	29,954	778,187	5,746,195
Conditional and unconditional exposures to regional governments or local authorities	-	-	-	-	4,200
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	-	-	-	-	46
Conditional and unconditional exposures from multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures from international organizations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	306,468	280,635	102,983	11,992	261,256
Conditional and unconditional exposures to corporates	1,783,511	1,312,941	1,443,921	1,057,315	3,740,043
Conditional and unconditional retail exposures	1,332,874	2,304,826	2,714,462	1,113,669	2,856,392
Conditional and unconditional exposures secured by real estate property	140,887	291,813	545,084	553,115	8,931,565
Past due items	-	-	-	-	-
Items defined in high risk categories	-	-	-	1,538,325	4,097,580
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short-term exposure to banks, brokerage houses and corporates	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-
Other items	-	-	-	-	-
Total	3,604,228	4,190,215	4,836,404	5,052,603	25,637,277

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

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Explanations on exposure categories

Within the scope of "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks", public ratings appointed to exposures to central governments of banks and exposures to foreign banks and corporates by Fitch Ratings International Rating Institution are used. Exposures and asset groups to counterparties without public ratings appointed by the mentioned institution or other rating institutions are also weighted as per Appendix-1 of the Regulation.

The below mapping between the ratings appointed by Fitch Ratings International Rating Institution and credit quality levels as per Appendix-1 of the Regulation is used.

Credit Quality Grade	Fitch Risk Rating	Exposure Categories				
		Exposures to Central Governments or Central Banks	Exposures to Administrative Bodies and Non-Commercial Undertakings	Exposures to Banks and Brokerage Houses		Exposures to Corporates
				Exposures with Remaining Maturities Less Than 3 Months	Exposures with Remaining Maturities More Than 3 Months	
1	AAA	0%	20%	20%	20%	20%
	AA+					
	AA					
	AA-					
2	A+	20%	50%	20%	50%	50%
	A					
	A-					
3	BBB+	50%	100%	20%	50%	100%
	BBB					
	BBB-					
4	BB+	100%	100%	50%	100%	100%
	BB					
	BB-					
5	B+	100%	100%	50%	100%	150%
	B					
	B-					
6	CCC+	150%	150%	150%	150%	150%
	CCC					
	CCC-					
	CC					
	C					
D						

Exposures by risk weights:

Current Period Risk Weights	0%	10%	20%	50%	75%	100%	150%	200%	250%	Deductions from Equity
1. Exposures Before Credit Risk Mitigation	15,315,351	-	795,876	4,574,603	25,803,952	23,401,676	1,385,242	4,528,700	542,543	355,944
2. Exposures After Credit Risk Mitigation	15,315,351	-	792,355	15,123,683	16,438,394	20,062,864	1,362,876	4,493,971	542,543	355,944
Prior Period Risk Weights	0%	10%	20%	50%	75%	100%	150%	200%	250%	Deductions from Equity
1. Exposures Before Credit Risk Mitigation	10,745,058	-	974,039	12,095,232	19,734,200	12,517,221	2,809,049	2,925,518	-	309,680
2. Exposures After Credit Risk Mitigation	10,745,058	-	967,959	12,075,112	19,537,563	12,106,776	2,790,355	2,901,299	-	309,680

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Information by major sectors and type of counterparties:

Information about impaired credits and past due credits and value adjustments and provisioning methods are described in Part IV Footnote 2.

Major Sectors / Counterparties	Credit Risks ^{(*)(**)}			
	Impaired Loans	Past Due Loans	Value Adjustments	Provisions
Current Period				
1. Agriculture	23,371	8,128	218	20,162
1.1. Farming and Raising Livestock	22,371	7,854	209	19,279
1.2. Forestry	375	59	1	320
1.3. Fishing	625	215	8	563
2. Manufacturing	232,446	68,863	2,012	173,964
2.1. Mining and Quarrying	5,440	840	26	4,502
2.2. Production	226,829	67,774	1,981	169,364
2.3. Electricity, gas and water	177	249	5	98
3. Construction	141,532	38,739	1,079	114,446
4. Services	564,974	224,326	6,315	438,101
4.1. Wholesale and Retail Trade	357,294	141,546	4,028	266,826
4.2. Hotel, Food and Beverage Services	100,426	24,740	713	92,109
4.3. Transportation & Communication	79,581	26,388	757	57,285
4.4. Financial Institutions	9,103	2,868	84	7,548
4.5. Real Estate and Renting Services	1,577	9,427	199	1,156
4.6. Self-Employment Services	8,230	7,308	215	6,071
4.7. Educational Services	1,516	2,164	65	877
4.8. Health and Social Services	7,247	9,885	254	6,229
5. Other	2,003,530	1,122,964	73,762	1,710,455
6. Total	2,965,853	1,463,020	83,386	2,457,128

Major Sectors / Counterparties	Credit Risks ^{(*)(**)}			
	Impaired Loans	Past Due Loans	Value Adjustments	Provisions
Prior Period				
1. Agriculture	20,156	4,768	133	14,723
1.1. Farming and Raising Livestock	19,214	4,582	128	14,186
1.2. Forestry	312	4	-	84
1.3. Fishing	630	182	5	453
2. Manufacturing	165,054	42,465	1,054	120,284
2.1. Mining and Quarrying	4,199	652	25	3,598
2.2. Production	160,543	41,713	1,027	116,511
2.3. Electricity, gas and water	312	100	2	175
3. Construction	113,974	36,442	932	94,182
4. Services	337,399	171,357	4,303	258,345
4.1. Wholesale and Retail Trade	229,235	102,611	2,683	170,641
4.2. Hotel, Food and Beverage Services	39,427	16,447	446	35,571
4.3. Transportation & Communication	48,108	24,628	539	35,768
4.4. Financial Institutions	6,596	2,191	61	5,982
4.5. Real Estate and Renting Services	400	11,345	230	267
4.6. Self-Employment Services	5,391	7,288	184	3,839
4.7. Educational Services	700	2,147	51	358
4.8. Health and Social Services	7,542	4,700	109	5,919
5. Other	1,876,133	1,003,999	34,163	1,647,660
6. Total	2,512,716	1,259,031	40,585	2,135,194

(*) Represents the distribution of cash loans.

(**) Information about impaired credits and past due excluded

Movements in value adjustments and provisions

Current Period	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments(*)	Closing Balance
1. Specific Provisions (**)	2,135,194	1,259,820	(386,043)	(551,843)	2,457,128
2. General Provisions	617,684	198,607	-	-	816,291

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Prior Period	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments(*)	Closing Balance
1. Specific Provisions (**)	1,446,137	951,457	(257,325)	(5,075)	2,135,194
2. General Provisions	400,441	217,243	-	-	617,684

(*)Represents the provision of loans written-off.

(**) Specific provision line does not include specific provision for lease receivables and factoring receivables.

III . Explanations Related to Consolidated Market Risk

The Group has established market risk operations and has taken the necessary measures in order to hedge market risk within its financial risk management purposes, in accordance with the Regulation on "Banks' Internal Control and Risk Management Systems" and the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

Based on the proposal of Risk Committee, the Board of Directors of the Parent Bank determines risk management strategies and policies for managing market risk and ensures periodic monitoring of the application of strategies. The Board of Directors of the Parent Bank determines the risk limits by considering the primary risk factors and those limits are revised as seen necessary. Additionally, the Board of Directors of the Parent Bank requires risk management group and the top management of the Group to take necessary actions in order to identify, measure, control and manage the risks that the Group is exposed to.

The market risk is measured by using an internal model developed with Value-at-Risk (VaR) methodology. VaR is calculated daily with historical simulation and parametric methods, whereas historical simulation is used for internal risk tracking and limit identification. Parametric VaR calculations are performed for comparison and tracking. 'Bank Risk Tolerance' is determined in order to manage the market risk efficiently and keep the market risk within the tolerable limits. Risk Management Group monitors the VaR balances daily for compliance with the Bank Risk Tolerance.

Periodic stress tests and scenario analysis are used to support results of VAR. Furthermore, conventional risk measurement methods such as cash flow projection, duration and variation analysis are also used.

The capital required for General Market Risk and Specific Risk is calculated and reported monthly in accordance with the Standard Method defined in the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

1. Information on consolidated market risk

	Current Period Amount	Prior Period Amount
(I) Capital Requirement against General Market Risk - Standard Method	27,165	20,900
(II) Capital Requirement against Specific Risks - Standard Method	6,593	20,539
Capital Requirement against Specific Risks of Securitization Positions - Standard Method	-	-
(III) Capital Requirement against Currency Risk - Standard Method	34,596	10,522
(IV) Capital Requirement against Commodity Risks - Standard Method	908	3,415
(V) Capital Requirement against Settlement Risks - Standard Method	-	-
(VI) Capital Requirement against Market Risks of Options - Standard Method	1,762	696
(VII) Capital Requirement against Counterparty Credit Risk - Standard Method	23,142	12,615
(VIII) Capital Requirement against Market Risks of Banks applying Risk Measurement Models	-	-
(IX) Total Capital Requirement against Market Risk (I+II+III+IV+V+VI+VII)	94,166	68,687
(X) Value-At-Market Risk (12,5 x VIII) or (12,5 x IX)	1,177,075	858,588

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

	Current Period			Prior Period		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	38,164	49,714	30,207	41,681	47,609	35,753
Common Share Risk	2,616	3,290	1,366	3,659	5,686	1,632
Currency Risk	19,888	34,596	11,700	9,666	10,522	8,809
Commodity Risk	1,464	3,947	94	5,477	7,538	3,415
Settlement Risk	-	-	-	-	-	-
Option Risk	1,024	1,762	631	5,904	11,111	696
Counterparty Credit Risk	18,454	23,142	12,151	9,685	12,615	6,755
Total Value at Risk^(*)	81,610	116,451	56,149	76,072	95,081	57,060

^(*)Total VaR is the sum of risk values, therefore total VaR values are not the maximum or minimum values of the relevant period. The maximum and minimum values of VaR for 2013 are 94,166 and 66,311 respectively. The maximum and minimum values of VaR for the last six months of 2012 were 83,454 and 68,687.

3. Quantitative information on counterparty risk^(*)

	Current Period	Prior Period
	Amount	Amount
Interest-Rate Contracts	3,536,949	2,002,705
Foreign-Exchange-Rate Contracts	99,983,614	64,398,386
Commodity Contracts	948,684	901,889
Equity-Shares Related Contracts	510	12,197
Other	385,188	206,009
Gross Positive Fair Values	1,187,949	409,748
Netting Benefits	762,885	244,412
Net Current Exposure Amount	425,064	165,336
Collaterals Received	153,107	35,374
Net Derivative Position	271,957	129,962

^(*)Includes only the counterparty risks arising from trading book and derivative instruments.

For derivative transactions, repurchase agreements' security and commodity lending, counterparty credit risk is calculated using the fair value methodology described in the Appendix-2, Section 3 of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks". According to this methodology, counterparty credit risk is calculated by adding potential credit risk amounts calculated by multiplying the contract amounts with the credit conversion factors set in the appendix of the regulation, to replacement costs calculated using the fair value amounts of contracts.

IV. Explanations Related to Operational Risk

Value at operational risk is calculated by the basic indicator approach by using the gross profits for the last three years (2011, 2010 and 2009) in line with the "Calculation of Value at Operational Risk" of the article 3 of "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" which was published in the Official Gazette No: 28337 dated June 28, 2012. As of December 31, 2013, the value at operational risk amounts to TL 5,682,100.

Current Period Basic Indicator Approach	2 PY Amount	1 PY Amount	CY Amount	Total/ No. of Years of Positive Gross	Rate (%)	Total
Gross Income	2,441,279	2,963,312	3,686,775	3,030,455	15	454,568
Value at Operational Risk (Total*12,5)						5,682,100

Prior Period Basic Indicator Approach	2 PY Amount	1 PY Amount	CY Amount	Total/ No. of Years of Positive Gross	Rate (%)	Total
Gross Income	2,406,565	2,441,278	2,963,312	2,603,718	15	390,558
Value at Operational Risk (Total*12,5)						4,881,972

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The annual gross income is composed of net interest income and net non-interest income after deducting realized gains/losses from the sale of securities available-for-sale and held-to-maturity, extraordinary income and income derived from insurance claims at year-end.

V. Explanations Related to Consolidated Foreign Currency Exchange Rate Risk

1. 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 Parent Bank sets limits for positions that are monitored daily

As of December 31, 2013, the net foreign currency exposure of the Group is TL 119,111 foreign currency short position (December 31, 2012 – TL 409,610 net foreign currency short) resulting from on balance sheet short position amounting to TL 5,744,613 TL (December 31, 2012 – TL 5,927,616 short) and off balance sheet long position amounting to TL 5,625,502 (December 31, 2012 – TL 5,518,006 long). The long off balance sheet position amounting to TL 5,074,126 (December 31, 2012 – TL 5,852,561) is related with the FC/TL swap transactions entered into with banks and customers. The Group makes these transactions to manage foreign currency liquidity risk and to hedge itself from interest rate risk.

The Group enters into foreign currency forward transactions to decrease foreign currency position risk. The Group also engages in foreign currency and Eurobond buy-sell option transactions.

Position limit related with currency risk is determined according to Foreign Currency Net Position Standard Ratio. Measurable and manageable risks are taken within legal limits.

Foreign Currency Exchange Rate Risk is monitored along with potential evaluation differences in foreign currency translations in accordance with "Regulations on Bank's Internal Control and Risk Management Systems". Standard method is used in measuring foreign currency exchange rate risk on a weekly basis.

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

The Group does not hedge foreign currency borrowings and net foreign currency investments by derivative instruments.

3. The Parent Bank's spot foreign exchange bid rates as of the balance sheet date and for each of the five days prior to that date

US Dollar purchase rate in the balance sheet date TL 2.1343
Euro purchase rate in the balance sheet date TL 2.9365

Date	US Dollar	Euro
December 31, 2013	2.1343	2.9365
December 30, 2013	2.1604	2.9844
December 27, 2013	2.0957	2.8693
December 26, 2013	2.0710	2.8353
December 25, 2013	2.0812	2.8466
December 24, 2013	2.0877	2.8573

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

The arithmetical average of the Parent Bank's US Dollar and Euro purchase rates for December 2013 are TL 2.0578 and TL 2.8180, respectively.

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5. Information on the consolidated foreign currency exchange rate risk

Current Period	EUR	USD	Other FC	Total
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	2,509,420	3,101,207	1,710,065	7,320,692
Due From Banks	179,395	250,741	40,031	470,167
Financial Assets at Fair Value through Profit/Loss ⁽⁴⁾	105,016	134,254	10,096	249,366
Money Market Placements	-	-	-	-
Investment Securities Available-for-Sale	120,908	952,901	-	1,073,809
Loans and Receivables ⁽²⁾	2,945,635	3,686,084	86,090	6,717,809
Investments in Assoc., Subsidiaries and Entities under Common Control	-	-	-	-
Investment Securities Held-to-Maturity	-	378,920	-	378,920
Derivative Financial Assets Hedging Purposes	-	61,426	-	61,426
Tangible Assets	-	-	63	63
Other Assets ⁽³⁾	954,251	374,421	2,220	1,330,892
Total Assets	6,814,625	8,939,954	1,848,565	17,603,144
Liabilities				
Bank Deposits	229,095	717,660	38,845	985,600
Foreign Currency Deposits	3,112,776	6,825,955	878,043	10,816,774
Money Market Borrowings	90,976	1,050,585	-	1,141,561
Funds Provided from Other Financial Institutions	2,268,714	3,957,536	3,379	6,229,629
Securities Issued	-	1,793,767	-	1,793,767
Sundry Creditors	1,366,585	662,489	2,889	2,031,963
Derivative Fin. Liabilities for Hedging Purposes	30,662	44,439	-	75,101
Other Liabilities ⁽⁵⁾	91,968	178,394	3,000	273,362
Total Liabilities	7,190,776	15,230,825	926,156	23,347,757
Net Balance Sheet Position	(376,151)	(6,290,871)	922,409	(5,744,613)
Net Off-Balance Sheet Position	632,637	5,873,795	(880,930)	5,625,502
Financial Derivative Assets	4,514,153	27,344,817	182,268	32,041,238
Financial Derivative Liabilities	3,881,516	21,471,022	1,063,198	26,415,736
Non-Cash Loans ⁽¹⁾	839,099	1,940,762	168,107	2,947,968
Prior Period				
Total Assets	4,265,517	5,999,238	1,325,468	11,590,223
Total Liabilities	4,678,932	12,248,013	590,894	17,517,839
Net Balance Sheet Position	(413,415)	(6,248,775)	734,574	(5,927,616)
Net Off-Balance Sheet Position	243,796	6,006,712	(732,502)	5,518,006
Financial Derivative Assets	2,003,509	19,706,843	166,420	21,876,772
Financial Derivative Liabilities	1,759,713	13,700,131	898,922	16,358,766
Non-Cash Loans ⁽¹⁾	752,944	1,769,661	157,041	2,679,646

(1) Has no effect on the net off balance sheet position.

(2) Includes foreign currency indexed loans amounting to TL 2,098,813 (December 31, 2012 - TL 1,339,570) that are classified as TL on the balance sheet.

(3) Does not include the prepaid expenses amounting to TL 2,338 (December 31, 2012 - TL 1,936) that are classified as FC on the balance sheet in accordance with the communiqué issued by BRSA and published in the Official Gazette No 26085 dated February 19, 2006, yet includes FC indexed factoring receivables amounting to TL 1,402 (December 31, 2012 - TL 983) includes foreign currency indexed factoring receivables amounting to TL 34,945 (December 31, 2012 - TL 32,401) that are classified as TL on the balance sheet.

(4) Does not include foreign exchange income accruals amounting to TL 4,132 (December 31, 2012 - TL 9,732) on derivative transactions.

(5) Foreign exchange expense accruals amounting to TL 1,245 (December 31, 2012 - TL 919) on derivative transactions and the general loan loss provisions amounting to TL 84,572 (December 31, 2012 - TL 51,993) computed for foreign currency loans and accounted as foreign currency amount in order to be in compliance with the Uniform Charts of Accounts are excluded.

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6. Foreign currency sensitivity

The Group is mainly exposed to EUR and USD currencies.

The following table details the Group's sensitivity to a 10% increase and decrease in USD and EUR. Other variables are assumed to be unchanged.

	Change in Currency Rate in %	Net Effect on Profit or Loss (After Tax)		Net Effect on Equity ^(*)	
		Current Period	Current Period	Prior Period	Prior Period
USD	10% increase	18,804	8,167	(2,087)	(4,226)
	10% decrease	(18,804)	(8,167)	2,087	4,226
EUR	10% increase	20,847	(21,134)	(4,088)	(4,245)
	10% decrease	(20,847)	21,134	4,088	4,245

^(*) Effect on equity also includes the effect of the change in foreign currency rates in the income statement.

VI. Explanations Related to Consolidated Interest Rate Risk

Interest rate risk that would arise from the changes in interest rates depending on the Parent Bank's position is managed by the Asset/Liability Committee of the Parent Bank.

Interest rate sensitivity of assets, liabilities and off balance sheet items is analyzed by top management in the Asset/Liability Committee meetings held every two weeks by taking the market developments into consideration.

The management of the Parent Bank follows the interest rates in the market on a daily basis and revises interest rates of the Parent Bank when necessary.

Besides customer deposits, the Parent Bank funds its long term fixed interest rate TL loan portfolio with long term floating interest rate foreign currency funds obtained from international markets. The Parent Bank changes the foreign currency liquidity obtained from the international markets to TL liquidity with long term swap transactions (fixed TL interest rate and floating FC interest rate). Therefore, the Parent Bank not only funds its long term fixed interest rate loans with TL but also hedges itself from interest rate and maturity risk.

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Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items

(Based on repricing 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 Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	13	-	-	-	-	8,208,469	8,208,482
Due from Banks	90,812	77,697	4,144	-	-	303,501	476,154
Financial Assets at Fair Value Through Profit/Loss ^(**)	2,965	153,499	47,243	29,547	151,514	3,219,594	3,604,362
Money Market Placements	3,433	-	-	-	-	-	3,433
Investment Securities Available for Sale	1,100,642	1,990,745	752,897	616,251	1,343,457	(61,007)	5,742,985
Loans and Receivables	9,474,287	4,610,988	12,621,186	11,295,599	3,353,664	1,315,581	42,671,305
Investment Securities Held to Maturity	-	726,128	1,461,877	426,414	183,148	28,212	2,825,779
Other Assets ^(*)	352,283	255,471	454,554	686,507	12,142	2,372,261	4,133,218
Total Assets	11,024,435	7,814,528	15,341,901	13,054,318	5,043,925	15,386,611	67,665,718
Liabilities							
Bank Deposits	891,681	407,569	16,286	-	-	25,957	1,341,493
Other Deposits	18,515,174	10,291,432	2,083,492	12,200	373	5,862,838	36,765,509
Money Market Borrowings	3,392,340	385,695	-	-	-	2,457	3,780,492
Sundry Creditors	1,984,510	-	-	-	-	1,465,217	3,449,727
Securities Issued	710,291	370,997	1,054,971	1,752,158	-	66,162	3,954,579
Funds Provided from Other Financial Institutions	723,982	997,749	4,489,359	519,124	18,035	23,421	6,771,670
Other Liabilities ^(*)	-	-	652	10,601	-	11,590,995	11,602,248
Total Liabilities	26,217,978	12,453,442	7,644,760	2,294,083	18,408	19,037,047	67,665,718
On Balance Sheet Long Position	-	-	7,697,141	10,760,235	5,025,517	-	23,482,893
On Balance Sheet Short Position	(15,193,543)	(4,638,914)	-	-	-	(3,650,436)	(23,482,893)
Off-Balance Sheet Long Position	3,427,681	9,295,931	-	-	-	-	12,723,612
Off-Balance Sheet Short Position	-	-	(2,125,543)	(8,387,856)	(1,831,338)	-	(12,344,737)
Total Position	(11,765,862)	4,657,017	5,571,598	2,372,379	3,194,179	(3,650,436)	378,875

^(*) Non-interest bearing column includes accruals.^(**) This line also includes hedging purpose derivatives amounting to TL 1,927,795.

Average interest rates applied to monetary financial instruments

Current Period	EUR %	USD %	JPY %	TL %
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	-
Due from Banks	1.46	0.21	-	8.73
Financial Assets at Fair Value Through Profit/Loss	3.33	4.15	-	8.35
Money Market Placements	-	-	-	7.07
Investment Securities Available for Sale	4.81	5.19	-	7.02
Loans and Receivables	5.54	4.58	5.26	14.90 ^(*)
Investment Securities Held for Trading	-	5.79	-	7.24
Liabilities				
Bank Deposits	2.14	2.29	-	8.37
Other Deposits	2.96	3.05	2.09	8.91
Money Market Borrowings	0.85	0.77	-	7.27
Sundry Creditors	0.12	0.08	-	-
Securities Issued	-	5.36	-	8.24
Funds Provided from Other Financial Institutions	1.16	2.89	-	8.40

^(*) The yield of loans is 12.62% excluding credit cards.

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Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items

(Based on repricing dates)

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Months	5 Years and Over	Non-Interest Bearing(*)	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	-	-	-	-	-	5,327,943	5,327,943
Due from Banks	1,150	93,266	-	-	-	110,821	205,237
Financial Assets at Fair Value Through Profit/Loss(**)	17,462	30,264	88,763	45,848	274,063	759,648	1,216,048
Money Market Placements	1,786,037	-	-	-	-	748	1,786,785
Investment Securities Available for Sale	1,154,949	2,305,071	1,515,258	412,921	1,090,141	687,608	7,165,948
Loans and Other Receivables	8,852,707	4,358,662	10,588,758	9,247,299	2,035,467	1,354,946	36,437,839
Inv. Securities Held to Maturity	-	-	-	-	-	-	-
Other Assets (**)	209,096	127,669	472,806	528,930	4,622	1,952,647	3,295,770
Total Assets	12,021,401	6,914,932	12,665,585	10,234,998	3,404,293	10,194,361	55,435,570
Liabilities							
Bank Deposits	836,890	125,829	57,506	-	-	27,349	1,047,574
Other Deposits	21,345,863	6,290,532	615,290	20,598	-	3,385,160	31,657,443
Money Market Borrowings	1,787,604	73	-	-	-	1,197	1,788,874
Sundry Creditors	-	-	-	-	-	1,293,367	1,293,367
Securities Issued	-	841,463	3,157,887	-	-	78,963	4,078,313
Funds Provided from Other Financial Institutions	931,013	837,467	3,080,786	197,962	17,476	104,694	5,169,398
Other Liabilities (**)	683	712	457	407	-	10,398,342	10,400,601
Total Liabilities	24,902,053	8,096,076	6,911,926	218,967	17,476	15,289,072	55,435,570
On Balance Sheet Long Position	-	-	5,753,659	10,016,033	3,386,817	-	19,156,507
On Balance Sheet Short Position	(12,880,651)	(1,181,145)	-	-	-	(5,094,713)	(19,156,507)
Off-Balance Sheet Long Position	2,035,618	5,679,422	-	-	-	7,729,743	15,444,783
Off-Balance Sheet Short Position	-	-	(983,546)	(6,696,837)	(950,507)	(8,643,802)	(17,274,692)
Total Position	(10,845,034)	4,498,278	4,770,113	3,319,194	2,436,310	(6,008,770)	(1,829,909)

(*) Non-interest bearing column includes accruals.

(**) This line also includes derivative financial assets for hedging purposes amounting to TL 240,486.

Average interest rates applied to monetary financial instruments

Prior Period	EUR %	USD %	JPY %	TL %
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the T.R. Central Bank	-	-	-	-
Due from Banks	0.51	-	-	5.88
Financial Assets at Fair Value Through Profit/Loss	3.89	3.06	-	5.54
Money Markets Placements	-	-	-	6.66
Investment Securities Available for Sale	4.81	5.37	-	8.24
Loans and Receivables	6.12	5.22	5.31	17.33 ^(*)
Investment Securities Held to Maturity	-	-	-	-
Liabilities				
Bank Deposits	2.44	2.28	-	7.67
Other Deposits	3.10	3.30	0.38	8.30
Money Market Borrowings	-	0.97	-	5.54
Sundry Creditors	-	-	-	-
Securities Issued	-	5.36	-	8.61
Funds Provided from Other Financial Institutions	2.06	3.61	-	8.40

(*) The yield of loans and receivables is 14.89% excluding credit cards

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Interest rate risk on banking book

The interest rate risk resulting from banking book comprises of maturity mismatch risk, yield-curve risk, base risk and option risk. Within the scope of the interest rate risk, the Bank analyzes all these risks periodically, and considering market conditions, manages all aspects of interest rate risk on banking book effectively in accordance with the bank strategy. In order to this, within the scope of "Asset Liability Management Policy" risks are measured, monitored and limited on a regular basis.

In the calculation of the interest rate risk on banking book, income approach and the economic value approach are applied. The analysis of economic value, duration and gap analysis are calculated on a weekly basis, analysis of the standard economic value approach is supported by different scenarios. In addition, the sensitivity of the net interest income is monitored, the rates of early repayment of loans in the direction of the interest rate risk are considered.

In customer deposits, core deposits analyses are performed regularly on profit center base and the rate of core deposits in demand deposits are considered in economic value, gap and duration analyses. The interest rate risk of uncertain due credits is determined considering the nature of the credit and added to calculations.

All these analyses are reported to Asset and Liability Committee and Risk Committee and by considering market conditions and the Parent Bank strategy, the interest rate risk on banking book is managed within specified limits parallel to the Bank's appetite of risk.

Available for sale securities included in banking book are daily monitored by being added to the scope of market risk. In this context, the risk level of this portfolio is managed considering the sensitivity of nominal, interest rate and VaR limits.

The interest rate risk on banking book is measured legally as per the "Regulation on Measurement and Evaluation of Interest Rate Risk Resulted from Banking Book as per Standard Shock Method" published in the Official Gazette No: 28034 dated August 23, 2011, and the legal limit as per this measurement is monitored and reported monthly to Asset and Liability Committee, the Risk Committee and the Board of Directors.

Type of Currency	Shocks Applied (+/- x basis points)	Gains/Losses	Gains/Equity- Losses/Equity
1. TL	(+) 500	(849,598)	(8.81%)
	(-) 400	836,386	8.67%
2. EUR	(+) 200	(44,205)	(0.46%)
	(-) 200	51,391	0.53%
3. USD	(+) 200	(23,929)	(0.25%)
	(-) 200	34,735	0.36%
Total (of negative shocks)		922,512	9.57%
Total (of positive shocks)		(917,732)	(9.52%)

VII. Explanations Related to Position Risk of Equity Securities

Equity Securities (shares)	Comparison		
	Carrying Value	Fair Value (**)	Market Value
1. Investment in Shares- grade A	9,691	-	9,691
Quoted Securities	9,691	-	9,691
2. Investment in Shares- grade B	2	-	2
Quoted Securities	2	-	2
3. Investment in Shares- grade C	-	-	-
Quoted Securities	-	-	-
4. Investment in Shares- grade Other^(*)	199,422	194,916^(**)	-

^(*)Associates, subsidiaries and entities under common control not quoted to BIST and not classified as investment in shares by CMB.

^(**)Refers to associates, subsidiaries and entities under common control accounted at fair value but not traded at the quoted markets.

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Portfolio	Gains/Losses in Current Period	Revaluation Surpluses		Unrealized Gains and Losses		
		Total	Amount under Supplementary Capital	Total	Amount under Core Capital	Amount under Supplementary Capital
1. Private Equity Investments	-	-	-	-	-	-
2. Quoted Shares	3,183	-	-	2,308	-	1,039
3. Other Shares	-	-	-	-	-	-
Total	3,183	-	-	2,308	-	1,039

VIII. Explanations Related to Consolidated Liquidity Risk

1. The sources of the current liquidity risk of the Group; whether the necessary precautions have been taken, whether the Board of Directors of the Parent Bank sets limits on the funds available to meet the urgent liquidity requirements and to be able to pay borrowings when they become due

Liquidity risk represents risk of not having sufficient cash or cash inflows to meet the cash outflows completely and on time, as a result of instable cash flows. Liquidity risk may also result from inability to penetrate to market and to close open positions quickly at suitable prices and with sufficient amounts due to market disruptions or barriers. To mitigate liquidity risk, the Group diversifies funding sources as customer deposits and funds borrowed from abroad and keep certain level of assets as cash and cash equivalents.

In order to limit the liquidity risk, the Parent Bank diversifies its funding sources. Besides, in order to secure short term liquidity requirements, Parent Bank heads for bond issuances and long term foreign borrowings.

The Parent Bank evaluates liquidity position on a daily basis. Cash flow projections and scenarios are analyzed every two weeks by the top management at Asset/Liability Committee meetings. Liquidity ratio, calculated monthly by the Market Risk Committee is used as preliminary indicator of the general liquidity position of the Group. List of available limits, instruments and securities which can be used as collateral to create liquidity in the event of a possible liquidity crisis is updated weekly. Alternative funding strategies to be followed in case of a liquidity problem are evaluated within the current limits and positions to be taken are determined. Moreover, in terms of "Liquidity Emergency Action Plan" early warning signals, stress levels correlated with the level of liquidity risk and actions to be taken at each stress level are defined.

List of available limits, instruments and securities which can be used as collateral to create liquidity in the event of a possible liquidity crisis is updated weekly. Alternative funding strategies to be followed in case of a liquidity problem are evaluated within the current limits and positions to be taken are determined. Moreover, in terms of "Liquidity Emergency Action Plan" early warning signals, stress levels correlated with the level of liquidity risk and actions to be taken at each stress level are defined.

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

Group's payments, assets and liabilities match with the interest rates.

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

In order to meet urgent liquidity needs 12% (December 31, 2012 - 10%) of the balance sheet is allocated as cash balances.

4. Evaluation of the Group's cash flows and their resources

Cash flows of the Group are mainly denominated in Turkish Lira, US Dollar and Euro.

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5. Presentation of assets and liabilities according to their remaining maturities

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Unallocated ^(*)	Total
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	1,800,643	6,407,839	-	-	-	-	-	8,208,482
Due from Banks	304,084	91,495	76,432	4,143	-	-	-	476,154
Financial Assets at Fair Value Through Profit/Loss ^(**)	-	71,506	155,934	795,556	2,090,298	491,068	-	3,604,362
Money Market Placements	-	3,433	-	-	-	-	-	3,433
Investment Securities Available for Sale	35,014	297	177,829	619,088	2,454,291	2,456,466	-	5,742,985
Loans and Receivables	-	9,700,888	4,501,399	12,351,625	12,135,837	3,472,831	508,725	42,671,305
Investment Securities Held to Maturity	-	-	-	-	894,271	1,931,508	-	2,825,779
Other Assets	16,570	1,356,345	234,011	464,307	867,864	12,167	1,181,954	4,133,218
Total Assets	2,156,311	17,631,803	5,145,605	14,234,719	18,442,561	8,364,040	1,690,679	67,665,718
Liabilities								
Bank Deposits	21,521	893,657	409,834	16,481	-	-	-	1,341,493
Other Deposits	5,683,752	18,624,444	10,336,704	2,107,868	12,361	380	-	36,765,509
Funds Provided from Other Financial Institutions	-	433,599	605,451	2,460,757	1,869,699	1,402,164	-	6,771,670
Money Market Borrowings	-	3,394,291	386,201	-	-	-	-	3,780,492
Securities Issued	-	725,829	375,466	1,059,573	1,793,711	-	-	3,954,579
Sundry Creditors	10,638	3,403,065	1,239	749	-	34,036	-	3,449,727
Other Liabilities ^(*)	3,000	1,173,974	175,874	447,342	565,008	182,329	9,054,721	11,602,248
Total Liabilities	5,718,911	28,648,859	12,290,769	6,092,770	4,240,779	1,618,909	9,054,721	67,665,718
Liquidity Gap	(3,562,600)	(11,017,056)	(7,145,164)	8,141,949	14,201,782	6,745,131	(7,364,042)	-
Prior Period								
Total Assets	1,924,101	16,187,060	4,535,801	11,941,813	13,557,624	5,814,329	1,474,842	55,435,570
Total Liabilities	3,416,830	26,494,425	7,823,498	4,717,556	2,692,798	1,839,075	8,451,388	55,435,570
Net Liquidity Gap	(1,492,729)	(10,307,365)	(3,287,697)	7,224,257	10,864,826	3,975,254	(6,976,546)	-

^(*) The assets which are necessary to provide banking services and could not be liquidated in the short-term, such as fixed assets, investments in subsidiaries and associates, common shares unquoted on stock exchange, office stationery, and prepaid expenses are classified under this column.

Unallocated other liabilities column includes shareholders' equity amounting to TL 7,863,461 unallocated provisions amounting to TL 1,081,622 and tax liability of TL 109,638.

^(**) This line also includes derivative financial assets for hedging purposes amounting to TL 1,927,795.

6. Analysis of financial liabilities by remaining contractual maturities

The table below shows the Group's maturity distribution of certain financial liabilities other than derivatives. The tables below are prepared by considering the future cash flows expected on the earliest cash flow dates. The total interest that will be paid for these liabilities is included in the table below.

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total	Carrying Amount
Bank deposits	21,521	893,593	413,105	16,891	-	-	1,345,110	1,341,493
Other deposits	5,683,752	18,883,466	10,483,143	2,125,988	3,500	-	37,179,849	36,765,509
Money market borrowings	-	3,395,138	386,550	-	-	-	3,781,688	3,780,492
Funds provided from other financial institutions	-	435,568	613,100	2,609,713	2,227,996	1,544,425	7,430,802	6,771,670
Securities issued	-	728,985	381,751	1,221,119	1,959,070	-	4,290,925	3,954,579

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Prior Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total	Carrying Amount
Bank deposits	21,529	842,770	127,381	59,541	-	-	1,051,221	1,047,574
Other deposits	3,385,162	21,604,280	6,349,522	631,693	21,211	-	31,991,868	31,657,443
Money market borrowings	-	1,789,537	73	-	-	-	1,789,610	1,788,874
Funds provided from other financial institutions	-	396,734	497,176	1,907,458	952,457	1,743,953	5,497,778	5,169,398
Securities issued	-	-	882,312	2,045,791	1,466,363	-	4,394,466	4,078,313

The table below shows the remaining maturities of derivative financial assets and liabilities.

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Forward Contracts Buy ^(*)	1,620,526	745,984	1,373,474	100,451	-	3,840,435
Forward Contracts Sell ^(*)	1,622,199	749,966	1,367,453	97,417	-	3,837,035
Swap Contracts Buy ^(*)	7,269,352	2,932,703	9,059,645	16,169,103	2,785,259	38,216,062
Swap Contracts Sell ^(*)	7,430,478	2,938,724	8,742,226	16,554,593	2,877,062	38,543,083
Futures Buy	255	17,832	3,404	-	-	21,491
Futures Sell	255	17,832	3,404	-	-	21,491
Options Buy	2,266,981	1,282,435	4,409,805	-	-	7,959,221
Options Sell	2,266,008	1,292,245	4,356,996	-	-	7,915,249
Total	22,476,054	9,977,721	29,316,407	32,921,564	5,662,321	100,354,067

^(*) This line also includes hedging purpose derivatives.^(*) This line also includes Forward Asset Purchase Commitments accounted for under Commitments.

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Forward Contracts Buy ^(*)	1,452,326	425,031	565,077	227,514	135,223	2,805,171
Forward Contracts Sell ^(*)	1,447,856	420,506	563,033	224,836	135,223	2,791,454
Swap Contracts Buy ^(*)	3,533,900	2,289,320	6,742,020	11,478,686	1,793,950	25,837,876
Swap Contracts Sell ^(*)	3,511,589	2,217,831	6,655,070	12,441,683	2,049,242	26,875,415
Futures Buy	-	117,353	3,572	-	-	120,925
Futures Sell	-	117,353	3,572	-	-	120,925
Options Buy	2,841,611	1,302,027	1,431,654	-	-	5,575,292
Options Sell	2,831,112	1,292,041	1,397,021	-	-	5,520,174
Total	15,618,394	8,181,462	17,361,019	24,372,719	4,113,638	69,647,232

^(*) This line also includes hedging purpose derivatives.^(*) This line also includes Forward Asset Purchase Commitments accounted for under Commitments.

IX. Explanations Related to Securitization Positions

As of December 31, 2013, the Bank has no securitization positions.

X. Explanations Related to Credit Risk Mitigation Techniques

The Group applies Comprehensive Financial Collateral Method with standard volatility adjustments in compliance with the Article 34 and 37 of the "Regulation on Credit Risk Mitigation Techniques". In this method, volatility of financial collateral and receivables adjustments are made with using the standard deduction rates in the Communiqué.

For mitigating the credit risk, cash and cash equivalents and high-credit-quality debt instruments are used.

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Exposure Categories (**)	Amount ^(*)	Financial Collaterals	Other/Physical Collaterals	Guaranties and Credit Derivatives
Conditional and unconditional exposures to central governments or central banks	15,602,002	-	-	-
Conditional and unconditional exposures to regional governments or local authorities	2,495	43	-	-
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	1,415	35	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-
Conditional and unconditional exposures to international organizations	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	4,234,362	1,516,508	-	-
Conditional and unconditional exposures to corporates	21,368,038	465,114	-	-
Conditional and unconditional retail exposures	36,082,354	263,013	-	-
Conditional and unconditional exposures secured by real estate property	12,418,477	-	-	-
Past due items	530,866	98	-	-
Items in regulatory high-risk categories	6,456,485	57,095	-	-
Exposures in the form of bonds secured by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-
Exposures in the form of collective investment undertakings	23,640	-	-	-
Other items	3,363,786	-	-	-
Total	100,083,920	2,301,906	-	-

(*) Includes total risk amounts before credit risk mitigation.

(**)The mortgages used during identification of the risk categories as per the article 6 of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks", are excluded.

XI. Explanations Related to Risk Management Objectives and Policies

The Group's risk strategy is approved by the Board of Directors and implementation of this strategy is under the responsibility of the Parent Bank's Risk Committee and senior management.

Besides the Group's risk principles and targets, the aim of the risk strategy is to describe the Group's current and targeted risk profile and appetite, risk management and organization and the Group's general approach as defined by principle risk management capacities. The scope of the risk strategy includes the Parent Bank and all of its subsidiaries in the financial sector.

The Risk Management's mission is to optimize the relationship between risk and returns, by taking into account the interests of customers and employees, creating value for shareholders in line with the Parent Bank's business strategy, consistent with both the best practices and the Bank's risk strategy in accordance with legal obligations.

The general objectives of the Group's Risk Management:

- In accordance with the Group's risk management policies, in order to maximize the potential benefits and acquire the opportunities that creates value addition for shareholders, comprise the basic standards for bank-wide risk management,
- In order to maintain the stability of the yields against unpredictable losses, to support Group's business strategy in the manner that control the risk by carrying out the business objectives,
- To improve the use and distribution of the capital and to increase the risk adjusted returns by adding risk to the measurement of the business performance,
- To support decision making process by providing the essential risk-related perspective,
- To comply with legal, qualitative and quantitative requirements and consistency with the best practices,
- Contribute to the continued position of ethics standards and strong corporate governance of the Group, which is one of the leading and reputable financial institutions in Turkey,
- To promote risk awareness and risk management culture throughout the Group.

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XII. Explanations Related to Presentation of Financial Assets and Liabilities at Their Fair Value

The fair value of the loans and lease receivables is determined based on discounted cash flows using the current market interest rates.

The estimated fair value of the demand deposits is the amount payable on demand. The fair values of the floating rate placements and overnight deposits are considered to approximate the carrying values due to short maturities. The estimated fair value of the deposits with fixed rates is determined by calculating discounted cash flows by using the market interest rates used for other liabilities with similar quality and maturities.

The fair value of funds provided from other financial institutions, is determined based on discounted cash flows using current market interest rates.

In the table below; the fair values and the carrying values of some of the financial assets and liabilities are presented.

	Carrying Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Financial Assets	44,974,337	39,772,982	44,320,456	39,920,299
Banks	476,154	205,237	476,154	205,237
Money Market Placements	3,433	1,786,785	3,433	1,786,785
Loans and Receivables	42,671,305	36,437,839	41,990,085	36,553,135
Factoring Receivables	520,657	366,767	520,657	366,767
Lease Receivables	1,302,788	976,354	1,330,127	1,008,375
Financial Liabilities	56,063,470	45,034,969	56,512,158	44,963,351
Bank Deposits	1,341,493	1,047,574	1,341,742	1,047,669
Other Deposits	36,765,509	31,657,443	36,784,491	31,664,129
Funds Provided from Other Financial Institutions	6,771,670	5,169,398	6,279,287	5,112,944
Money Market Borrowings	3,780,492	1,788,874	3,780,492	1,788,874
Securities Issued	3,954,579	4,078,313	3,918,667	4,056,368
Sundry Creditors	3,449,727	1,293,367	3,449,727	1,293,367

TFRS 7 sets classification of valuation techniques according to the inputs used in valuation techniques based on fair value calculations which are whether observable or not.

The classification of fair value calculation is as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities (market value);
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);
- Level 3: Inputs that are not observable for the asset and liability (Fair value calculations which are not observable).

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In the table below the fair value classification of the financial instruments that are recorded at fair value at the financial statements is presented:

Current Period	Level 1	Level 2	Level 3	Total
Financial Assets	5,939,184	3,223,089	185,074	9,347,347
Financial Assets at Fair Value through Profit/Loss	210,012	-	-	210,012
Assets on Trading Derivatives	489	1,280,992	-	1,281,481
Investment Securities Available for Sale	5,728,683	14,302	-	5,742,985
Loans and Receivables (*)	-	-	185,074	185,074
Subsidiaries, Associates and Entities Under Common Control	-	-	-	-
Derivative Financial Assets Hedging Purposes	-	1,927,795	-	1,927,795
	168	1,393,478	-	1,393,646
Financial Liabilities				
Liabilities on Trading Derivatives	168	1,310,729	-	1,310,897
Derivative Financial Liabilities for Hedging Purposes	-	82,749	-	82,749

(*) Loans and Receivables are presented in "Financial Assets at Fair Value through Profit/Loss".

Confirmation for fair value of financial assets under Level 3 is as below:

	Current Period	Prior Period
Opening Balance(*)	352,296	567,612
Change in total gain/loss	(19,163)	9,789
Accounted in income statement	(19,163)	9,789
Accounted in other comprehensive income	-	-
Purchases	-	-
Disposals	-	-
Matured Loans (e)	(148,059)	(225,105)
Sales from Level 3	-	-
Closing Balance	185,074	352,296

(*) Includes loans that are repaid before their maturity.

Prior Period	Level 1	Level 2	Level 3	Total
Financial Assets	7,278,386	751,314	352,296	8,381,996
Financial Assets at Fair Value through Profit/Loss	132,527	-	-	132,527
Assets on Trading Derivatives	6,112	484,627	-	490,739
Investment Securities Available for Sale	7,139,747	26,201	-	7,165,948
Loans and Receivables (*)	-	-	352,296	352,296
Subsidiaries, Associates and Entities Under Common Control	-	240,486	-	240,486
Derivative Financial Assets Hedging Purposes	-	-	-	-
	103	887,999	-	888,102
Financial Liabilities				
Liabilities on Trading Derivatives	103	475,128	-	475,231
Derivative Financial Liabilities for Hedging Purposes	-	412,871	-	412,871

(*) Loans and Receivables are presented in "Financial Assets at Fair Value through Profit/Loss".

XIII. Explanations Related to Transactions Carried on Behalf of Others and Fiduciary Transactions

The Parent Bank provides buying, selling and custody services and management and financial advisory services in the name of the third parties. The Parent Bank does not involve in fiduciary activities.

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SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND DISCLOSURES RELATED TO CONSOLIDATED ASSETS

1.a) Cash and balances with the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	633,575	413,150	439,800	212,819
T.R. Central Bank	253,764	6,906,881	584,776	4,090,086
Others	451	661	460	2
Total	887,790	7,320,692	1,025,036	4,302,907

b) Balances with the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	253,764	499,042	584,776	380,326
Unrestricted Time Deposits	-	-	-	-
Restricted Time Deposit	-	6,407,839	-	3,709,760
Total	253,764	6,906,881	584,776	4,090,086

As of December 31, 2013, the reserve rates for the reserve deposits at the Central Bank of Turkey for Turkish Lira are implemented within an interval from 5% to 11.5% depending on the maturity of the deposits (December 31, 2012 - 5% to 11%) and the reserve rates for the foreign currency liabilities are within an interval from 6% to 13% depending on the maturity of the deposits (December 31, 2012 - 6% to 11.5%).

2. Further information on financial assets at fair value through profit/loss (net amounts are expressed)

a) Trading securities given as collateral or blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	-	-	-	-
Bonds, Treasury Bills and Similar Marketable Securities (*)	103	-	9,105	-
Other	-	-	-	-
Total	103	-	9,105	-

(*) Government bonds given as collateral shown above are classified under Held-for-Trading Financial Assets in the financial statements.

b) Trading securities subject to repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds (*)	140,916	-	-	-
Treasury Bills (*)	-	-	1,684	-
Other Debt Securities	-	-	-	-
Bonds Issued or Guaranteed by Banks	4,818	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	145,734	-	1,684	-

(*) Government bonds and treasury bills subject to repurchase agreements shown above are classified under Held-for-Trading Financial Assets in the financial statements.

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c) Positive differences on trading derivative instruments

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	107,327	-	18,607	-
Swap Transactions	922,629	61,661	338,376	96,083
Futures Transactions	-	486	-	6,109
Options	-	189,378	749	30,815
Other	-	-	-	-
Total	1,029,956	251,525	357,732	133,007

3. a) Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	5,985	2,301	4,168	809
Foreign	2	302,327	91,242	109,018
Foreign Head Offices and Branches	-	165,539	-	-
Total	5,987	470,167	95,410	109,827

b) Information on foreign bank accounts

	Unrestricted Amount		Restricted Amount (**)	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	44,881	42,809	1,730	-
USA and Canada	233,566	60,881	1,528	778
OECD Countries (*)	17,147	2,873	-	-
Off-shore Banking Regions	165,538	91,241	-	-
Other	3,478	1,678	-	-
Total	464,610	199,482	3,258	778

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

(**)Includes blocked placements at foreign banks amounting to TL 3,258 (December 31, 2012 - TL 778) for the syndication and securitization loans received.

4. Information on receivables from reverse repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Domestic Transactions	3,433	-	1,786,785	-
T.R Central Bank	-	-	-	-
Banks	-	-	1,785,748	-
Intermediary Institutions	3,433	-	97	-
Other Financial Institutions and Organizations	-	-	-	-
Other Institutions and Organizations	-	-	940	-
Real Persons	-	-	-	-
Foreign Transactions	-	-	-	-
Central Banks	-	-	-	-
Banks	-	-	-	-
Intermediary Institutions	-	-	-	-
Other Financial Institutions	-	-	-	-
Other Institutions	-	-	-	-
Real Persons	-	-	-	-
Total	3,433	-	1,786,785	-

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5. Information on investment securities available for sale

a) Investment securities available-for-sale given as collateral or blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	-	-	-	-
Bond, Treasury Bill and Similar Marketable Securities	393,114	-	430,419	-
Other	-	-	-	-
Total	393,114	-	430,419	-

b) Investment securities available for sale subject to repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	1,290,612	973,547	859,279	1,125,471
Treasury Bills	-	-	-	-
Other Debt Securities	-	-	-	-
Bonds Issued or Guaranteed by Banks	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	1,290,612	973,547	859,279	1,125,471

c) Investment securities available for sale

	Current Period	Prior Period
Debt securities	5,444,796	6,978,832
Quoted on a stock exchange(*)	5,429,359	6,952,631
Unquoted on a stock exchange	15,437	26,201
Share certificates	512,730	190,353
Quoted on a stock exchange(**)	512,570	190,353
Unquoted on a stock exchange	160	-
Impairment provision(-)	(214,541)	(3,237)
Total	5,742,985	7,165,948

(*)The Eurobond Portfolio amounting to TL 851,341 (December 31, 2012 - TL 878,943) which is accounted for as investment securities available for sale was hedged under fair value hedge accounting starting from March and April 2009 and the government bonds portfolio amounting to TL 102,502 which is accounted for as investment securities available for sale was hedged under fair value hedge accounting starting from August 2011. The mentioned financial assets are accounted for as Investment Securities Available for Sale in order to be in line with balance sheet presentation.

(**) Share certificates that are quoted on a stock exchange include "exchange traded mutual funds" amounting to TL 505,309 (December 31, 2012 - TL 181,995).

6. Information related to loans

a) 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	-	32,895	-	29,498
Corporate Shareholders	-	32,895	-	29,498
Individual Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees(*)	71,031	-	58,761	-
Total	71,031	32,895	58,761	29,498

(*)Included advances also given to the personnel.

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b) Information on the first and second group loans and other receivables including rescheduled or restructured loans

Cash Loans ^(*)	Standard Loans and Other Receivables			Loans and Other Receivables Under Close Monitoring		
	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms		Loans and Other Receivables	Loans and Receivables with Revised Contract Terms	
		Extension of Repayment Plan	Other		Extension of Repayment Plan	Other
Non-specialized Loans	38,723,072	1,237,400	-	1,676,855	652,827	-
Discount Notes	600,115	-	-	4,558	-	-
Export Loans	681,213	-	-	127,637	-	-
Import Loans	282	-	-	-	-	-
Loans Given to Financial Sector	527,335	-	-	-	-	-
Retail Loans	11,856,266	233,707	-	636,366	305,136	-
Credit Cards	9,957,589	621,078	-	234,999	187,621	-
Other	15,100,272	382,615	-	673,295	160,070	-
Specialized Loans	-	-	-	-	-	-
Other Receivables	57,500	-	-	-	-	-
Total	38,780,572	1,237,400	-	1,676,855	652,827	-

(*)The loans and other receivables amounting to TL185,074 (December 31, 2012 - TL 352,296) are disclosed as "Loans at Fair Value through Profit/Loss" in the financial statements.

No. of Extensions	Performing Loans and Other Receivables ^(*)	Loans and Other Receivables under Follow-up ^(*)
1 or 2 times	1,237,217	648,029
3, 4 or 5 times	183	3,682
Over 5 times	-	1,116

Extension Periods	Performing Loans and Other Receivables ^(*)	Loans and Other Receivables under Follow-up ^(*)
0 - 6 months	285,655	46,723
6 -12 months	88,929	48,177
1 - 2 years	411,293	177,340
2 - 5 years	293,836	298,552
5 years and over	157,687	82,035

(*) The credit balances are based on fourth article, a and b clauses, fourth paragraph of the "Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside" dated May 28, 2011 published in the Official Gazette No: 2794

c) Loans according to their maturity structure

Cash Loans ^(*)	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Short-term Loans	19,229,769	-	234,999	187,621
Non-specialized Loans	19,172,269	-	234,999	187,621
Specialized Loans	-	-	-	-
Other Receivables	57,500	-	-	-
Medium and Long-term Loans	19,550,803	1,237,400	1,441,856	465,206
Non-specialized Loans	19,550,803	1,237,400	1,441,856	465,206
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	38,780,572	1,237,400	1,676,855	652,827

(*)The loans and other receivables amounting to TL 185,074 (December 31, 2012 - TL 352,296) are disclosed as "Loans at Fair Value through Profit/Loss" in the financial statements.

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d) Information on consumer loans, individual credit cards, personnel loans and personnel credit cards

	Short Term	Medium and Long Term	Total	Interest and Income Accruals
Consumer Loans-TL	190,802	11,629,159	11,819,961	185,872
Housing Loans	3,323	6,401,505	6,404,828	133,530
Automobile Loans	1,312	70,819	72,131	585
Personal Need Loans	181,560	5,156,835	5,338,395	51,757
Other	4,607	-	4,607	-
Consumer Loans-FC Indexed	-	60,081	60,081	48,287
Housing Loans	-	58,111	58,111	46,510
Automobile Loans	-	-	-	-
Personal Need Loans	-	1,970	1,970	1,777
Other	-	-	-	-
Consumer Loans-FC	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Individual Credit Cards-TL	9,156,351	738,032	9,894,383	86,433
Installment	4,880,692	738,032	5,618,724	49,076
Non- Installment	4,275,659	-	4,275,659	37,357
Individual Credit Cards-FC	3,806	-	3,806	22
Installment	-	-	-	-
Non- Installment	3,806	-	3,806	22
Personnel Loans-TL	3,681	30,740	34,421	188
Housing Loans	-	422	422	2
Automobile Loans	-	117	117	1
Personal Need Loans	3,681	30,201	33,882	185
Other	-	-	-	-
Personnel Loans-FC Indexed	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Personnel Loans-FC	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Personnel Credit Cards-TL	32,198	-	32,198	-
Installment	17,488	-	17,488	-
Non-Installment	14,710	-	14,710	-
Personnel Credit Cards-FC	33	-	33	-
Installment	-	-	-	-
Non-Installment	33	-	33	-
Overdraft Accounts-TL (Real Persons)	836,328	-	836,328	46,337
Overdraft Accounts-FC (Real Persons)	-	-	-	-
Total	10,223,199	12,458,012	22,681,211	367,139

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e) Information on commercial loans with installments and corporate credit cards

	Short Term	Medium and Long Term	Total	Interest and Income Accruals
Commercial Loans with Installment Facility - TL	747,163	5,914,839	6,662,002	70,738
Real Estate Loans	528	129,440	129,968	1,461
Automobile Loans	7,217	307,910	315,127	4,293
Personal Need Loans	739,418	5,477,489	6,216,907	64,984
Other	-	-	-	-
Commercial Loans with Installment Facility - FC Indexed	54,766	746,873	801,639	152,241
Real Estate Loans	-	32,121	32,121	4,767
Automobile Loans	310	67,754	68,064	14,471
Personal Need Loans	54,456	646,998	701,454	133,003
Other	-	-	-	-
Commercial Loans with Installment Facility - FC	-	-	-	-
Real Estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Corporate Credit Cards -TL	972,558	2,880	975,438	8,493
Installment	441,934	2,880	444,814	3,873
Non-Installment	530,624	-	530,624	4,620
Corporate Credit Cards -FC	478	-	478	3
Installment	-	-	-	-
Non-Installment	478	-	478	3
Overdraft Accounts-TL (Legal Entities)	550,213	-	550,213	387
Overdraft Accounts-FC (Legal Entities)	-	-	-	-
Total	2,325,178	6,664,592	8,989,770	231,862

f) Loans according to borrowers (*)

	Current Period	Prior Period
Public	150,108	125,458
Private	42,197,546	36,287,155
Total	42,347,654	36,412,613

(*) The loans and other receivables amounting to TL 185,074 (December 31, 2012 - TL 352,296) are presented in "Loans at Fair Value through Profit/Loss" in the financial statements.

g) Domestic and foreign loans (*)

	Current Period	Prior Period
Domestic Loans	42,155,909	36,243,882
Foreign Loans	191,745	168,731
Total	42,347,654	36,412,613

(*) The loans and other receivables amounting to TL 185,074 (December 31, 2012 - TL 352,296) are presented in "Loans at Fair Value through Profit/Loss" in the financial statements.

h) Loans granted to subsidiaries and associates

Loans granted to subsidiaries and associates are eliminated reciprocally in the accompanying consolidated financial statements.

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i) Specific provisions for loans

	Current Period	Prior Period
Specific Provisions		
Loans and Receivables with Limited Collectability	167,353	217,150
Loans and Receivables with Doubtful Collectability	483,952	340,379
Uncollectible Loans and Receivables	1,805,823	1,577,665
Total	2,457,128	2,135,194

j) Non-performing loans (NPLs) (Net)

j.1) Non-performing loans and other receivables restructured or rescheduled

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period			
(Gross Amounts Before the Specific Provisions)	221	1,700	159,808
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	221	1,700	159,808
Prior Period			
(Gross Amounts Before the Specific Provisions)	8,516	3,171	58,461
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	8,516	3,171	58,461

j.2) Movement of non-performing loans

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Prior Period End Balance	440,683	494,368	1,577,665
Additions (+)	1,439,804	101,590	85,317
Transfers from Other Categories of Non-Performing Loans (+)	-	1,297,877	969,043
Transfers to Other Categories of Non-Performing Loans (-)	1,297,877	969,043	-
Collections (-)	163,515	183,857	274,359
Write-offs (-) (**)	-	-	551,843
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	108,353
Credit Cards	-	-	394,329
Others	-	-	49,161
Current Period End Balance	419,095	740,935	1,805,823
Specific Provision (-) (*)	167,353	483,952	1,805,823
Net Balances on Balance Sheet	251,742	256,983	-

(*) Based on the "Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside", the Bank provided specific provisions in the prior period using the minimum provision ratios specified in the regulation for its non-performing consumer and commercial loans, whereas again in accordance with the regulation in the current period the Bank provided specific provision for its 3rd and 4th group consumer loans with 100% provision rate and for its 3rd group commercial loans with 50% provision rate. After the stated change, the provision amount increased by TL 24,625 in the current period as compared to the provisioning method used in the prior period.

(**) In the current period, non-performing loans amounting to TL 542,337 and provisioned by 100% were, sold at a price of TL 100,100 in cash.

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j.3) Information on foreign currency non-performing loans and other receivables

None (December 31, 2012 - None).

j.4) Information regarding gross and net amounts of non-performing loans with respect to user groups

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period (Net)	251,742	256,983	-
Loans to Real Persons and Legal Entities (Gross)	419,095	740,935	1,804,591
Specific provision (-)	(167,353)	(483,952)	(1,804,591)
Loans to Real Persons and Legal Entities (Net)	251,742	256,983	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	1,232
Specific provision (-)	-	-	(1,232)
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	223,533	153,989	-
Loans to Real Persons and Legal Entities (Gross)	440,683	494,368	1,568,817
Specific provision (-)	(217,150)	(340,379)	(1,568,817)
Loans to Real Persons and Legal Entities (Net)	223,533	153,989	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	8,848
Specific provision (-)	-	-	(8,848)
Other Loans and Receivables (Net)	-	-	-

k) Liquidation policies for uncollectible loans and other receivables

For the unrecoverable non-performing loans under legal follow up, the loan quality, collateral quality, bona fide of the debtor and assessment of the emergency of legal follow up are considered, before applying the best practice for unrecoverable non-performing loans under legal follow up. The Parent Bank prefers to liquidate the risk through negotiations with the debtors. If this cannot be possible, then the Parent Bank starts the legal procedures for the liquidation of the risk. Ongoing legal follow up procedures do not prevent negotiations with the debtors. An agreement is made with the debtor at all stage of the negotiations for the liquidation of the risk.

l) Explanations on write-off policy

Unrecoverable non-performing loans under legal follow-up, for which 100% provision is provided in compliance with the "Provisioning Decree" and with no collateral that are deemed as uncollectible are written off by the Board of Directors' decision, in accordance with the laws and regulations.

7. Information on factoring receivables

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	512,851	7,806	364,145	2,622
Medium and Long-Term	-	-	-	-
Total	512,851	7,806	364,145	2,622

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As of December 31, 2013 and 2012, changes in provision for non-performing factoring receivables are as follows:

	Current Period	Prior Period
End of Prior Period	2,936	4,060
Provided Provision / (reversal), Net	4,924	5,052
Collections	(740)	(106)
Written off	-	(6,070)
Provision at the end of the period	7,120	2,936

8. Information on investment securities held-to-maturity

a) Information on financial assets held as collateral/blocked held-to-maturity

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	-	-	-	-
Bond, Treasury Bill and Similar Marketable Securities	126,049	-	-	-
Other	-	-	-	-
Total	126,049	-	-	-

b) Information on financial assets held-to-maturity subject to repurchase agreements

As of the balance sheet date, the Bank has financial assets held-to-maturity subject to repurchase agreements amounting to TL 1,425,091. (December 31, 2012: None).

c) Information on financial government debt securities held-to-maturity

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bond	2,446,859	20,820	-	-
Treasury Bill	-	-	-	-
Other Debt Securities	-	-	-	-
Total	2,446,859	20,820	-	-

d) Information on investment securities held-to-maturity

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt Securities	2,446,859	378,920	-	-
Publicly-traded	2,446,859	378,920	-	-
Non-publicly traded	-	-	-	-
Provision for losses (-)	-	-	-	-
Total	2,446,859	378,920	-	-

e) Movement of held-to-maturity investments

	Current Period	Prior Period
Value at the beginning of the period	-	-
Exchange differences on monetary assets	-	-
Acquisitions during the year ^(*)	2,825,779	-
Disposals through sales and redemptions	-	-
Provision for losses (-)	-	-
The sum of end of the period	2,825,779	-

^(*) Debt securities with the nominal value of TL 1,307,569 reclassified to held-to-maturity investments from available for sale financial assets on June 21, 2013 are presented under "acquisitions during the year" in the table above.

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9. Information on investments in associates (Net)

9.1. Information on investments in associates

Description	Address (City/ Country)	Bank's Share-If Different, Voting Rights (%)	Bank's Risk Group Share (%)
Banklararası Kart Merkezi (BKM)	Istanbul/Turkey	9.23%	9.23%

Total Assets	Shareholder's Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
35,583	22,322	19,770	511	-	2,644	1,247	-

9.2. Movements of investments in associates

	Current Period	Prior Period
Balance at the Beginning of Period	7,977	6,769
Movements During the Period	(4,211)	1,208
Acquisitions	-	1,211 ^(*)
Bonus Shares Received	-	-
Dividends From Current Year Profit	-	-
Sales	-	(3) ^(**)
Reclassifications	(4,211) ^(***)	-
Increase/Decrease in Market Values	-	-
Currency Differences on Foreign Associates	-	-
Impairment Losses (-)	-	-
Balance at the End of the Period	3,766	7,977

Capital Commitments	-	-
Share Percentage at the End of the Period (%) (%)	-	-

^(*)The amount represents the share capital increase amounting to TL 1,000 in Kredi Garanti Fonu A.Ş and distribution of shares to shareholder banks amounting to TL 211 due to the fact that shares of Fortis Bank transferred to TEB infringe the joint venture principle.

^(**)The amount represents the Bank's share in the capital decrease of Gelişen Bilgi Teknolojileri A.Ş.

^(***)The amount represents the reclassification of Kredi Garanti Fonu A.Ş shares amounting to TL 4,211 to investment securities available for sale.

9.3. Sectoral distribution and the related carrying amounts on associates

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Associates	3,766	7,977
Total	3,766	7,977

9.4. Quoted associates

None (December 31, 2012 – None).

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9.5. Valuation of investments in associates

	Current Period	Prior Period
Valued at Cost	3,766	7,977
Valued at Fair Value	-	-
Valued at Equity Method	-	-
Total	3,766	7,977

9.6. Investments in associates sold during the current period

None (December 31, 2012-None).

9.7. Investments in associates acquired during the current period

None (December 31, 2012 - None).

10. Investments in subsidiaries (Net)

a) Information on the Parent Bank's unconsolidated subsidiaries

	Title		Address (City/Country)		Bank's Share - If Different, Voting Rights (%)		Bank's Risk Group Share (%)	
1	Ibtech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek San. ve Tic. A.Ş.		Istanbul/ Turkey		99.91%		99.91%	
2	EFINANS Elektronik Ticaret ve Bilişim Hizmetleri A.Ş.		Istanbul/ Turkey		51.00%		51.00%	
	Total Assets	Shareholders' Equity	Total Fixed Asset	Interest Income	Securities Income	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
1	23,859	19,928	19,020	-	-	3,782	(2,253)	-
2 ^(*)	6,000	6,000	-	-	-	-	-	-

^(*)Represents the investment for the foundation of EFINANS Elektronik Ticaret ve Bilişim Hizmetleri A.Ş. amounting to TL 3,060. In the Board of Directors meeting held on August 22, 2013, it has been decided that the Bank shall participate with 51% share and TL 3,060 capital in the foundation of EFINANS Elektronik Ticaret ve Bilişim Hizmetleri Anonim Şirketi which is located in Istanbul and is founded with a total of TL 6,000 capital. The foundation of the Company has been announced in Commercial Registry Gazette, dated September 16, 2013 and numbered-8405.

b) Information on the consolidated subsidiaries

b.1) Information on the consolidated subsidiaries

	Subsidiary	Address (City/Country)	Bank's Share - If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1.	Finans Yatırım Menkul Değerler A.Ş.	Istanbul/Turkey	99.60	99.74
2.	Finans Finansal Kiralama A.Ş.	Istanbul/Turkey	51.06	69.01
3.	Finans Yatırım Ortaklığı A.Ş.	Istanbul/Turkey	76.06 ^(*)	76.10
4.	Finans Portföy Yönetimi A.Ş.	Istanbul/Turkey	0.01	99.71
5.	Finans Faktoring Hizmetleri A.Ş.	Istanbul/Turkey	99.99	100.00

^(*)The share of the Parent Bank is 10.01% whereas the remaining 66.05% shareholding represents the purchases of publicly traded shares on the BIST.

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Information on subsidiaries in the order presented in the table above:

	Total Assets	Shareholder's Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value (**)
1. (*)	261,934	157,316	12,065	9,333	1,068	1,570	10,231	-
2. (*)	1,673,217	509,564	807	16,233	-	41,496	46,984	557,750
3. (*)	19,888	19,640	3	62	881	(2,101)	3,352	23,220
4. (*)	14,010	12,723	799	919	9	991	1,050	-
5. (*)	535,448	28,422	722	37,410	-	1,612	3,521	-

(*)Current period information represents December 31, 2013 figures, and prior period profit/loss amounts represent December 31, 2012 figures as per the financial statements prepared in accordance with BRSA regulations.

(**)Fair values of publicly traded subsidiaries reflect their values announced at the stock exchange as of the balance sheet date.

b.2) Movement of investments in consolidated subsidiaries

	Current Period	Prior Period
Balance at the Beginning of the Period	476,617	397,409
Movements during the period	(71,447)	79,208
Purchases	-	5,902 ⁽¹⁾
Bonus Shares Received	-	-
Dividends from Current Year Profit	-	-
Disposals	(1,069)	(27,950) ⁽²⁾
Changes due to Reclassification	-	(22,050) ⁽³⁾
Revaluation Increase	(70,378)	123,306
Impairment Provision	-	-
Balance at the End of the Period	405,170	476,617
Capital Commitments	-	-
Share Percentage at the end of the Period (%)	-	-

⁽¹⁾ Purchases in the prior period include the participation to the capital of Bank's subsidiary Finans Yatırım Ortaklığı A.Ş. amounting to TL 5,902.⁽²⁾ Disposals in the prior period include the disposal of 51% shares of Finans Emeklilik ve Hayat A.Ş. to Cigna Nederland Gamma B.V. amounting to TL 22,950 and disposal of Finans Tüketici Finansmanı A.Ş. amounting to TL 5,000.⁽³⁾ Changes due to reclassification in the prior period include the transfer of the book value of Finans Emeklilik ve Hayat A.Ş. from consolidated subsidiaries to the entities under common control.

b.3) Sectoral distribution of the consolidated subsidiaries

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	20,000	20,000
Leasing Companies	284,787	357,012
Finance Companies	-	-
Other Subsidiaries	100,383	99,605
Total	405,170	476,617

The balances of the subsidiaries have been eliminated as part of the consolidation principles.

b.4) Quoted subsidiaries within the context of consolidation

	Current Period	Prior Period
Quoted on Domestic Stock Exchanges	302,448	373,896
Quoted on International Stock Exchanges	-	-
Total	302,448	373,896

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b.5) Explanation to capital adequacy of major subsidiaries

The Parent Bank does not have any major subsidiaries.

11. Investments in entities under common control

	The Parent Bank's Share	The Group's Share	Current Assets	Fixed Assets	Long Tern Debt	Current Period Profit/Loss	Prior Period Profit/Loss
Cigna Finans Emeklilik ve Hayat A.Ş. (*)	49.00%	49.00%	588,762	7,756	63,565	11,762	29,031
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. (*)	33.33%	33.33%	12,442	9,803	342	3,018	2,145

(*) Current period information represents December 31, 2013 figures.

12. Information on financial lease receivables (Net)

12.1. Maturity analysis of financial lease receivables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	629,447	543,853	503,606	436,353
Between 1-4 years	797,021	706,442	579,471	512,100
Over 4 years	56,266	52,493	31,708	27,901
Total	1,482,734	1,302,788	1,114,785	976,354

Financial lease receivables include non performing financial lease receivables amounting to TL 133,655 (December 31, 2012 - TL 110,833) and specific provisions amounting to TL 83,006 (December 31, 2012 - TL 64,549).

Changes in non-performing financial lease receivables provision as of December 31, 2013 and 2012 are as follows:

	Current Period	Prior Period
End of prior period	64,549	69,348
Provided provision / (reversed), Net	23,831	11,896
Collections	(5,374)	(4,119)
Written off (*)	-	(12,576)
Provision at the end of the period	83,006	64,549

(*) On November 30, 2012, Finans Finansal Kiralama A.Ş., transferred financial lease receivables amounting to TL 17,630 as of sales date total of TL 550 in cash. TL 4,678 of mentioned receivables comprises of receivables previously written-off. The remaining amount of TL 12,952 which is non-performing leases receivables and TL 12,576 which is provision for non-performing lease receivables are written-off.

12.2. Information on net investments in financial leases

	Current Period	Prior Period
Gross Financial Lease Investments	1,482,734	1,114,785
Unearned Finance Income (-)	(179,946)	(138,431)
Cancelled Leasing Agreements (-)	-	-
Net Investment on Leases	1,302,788	976,354

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12.3. Information of financial lease contracts of the Parent Bank

The leasing balances between the Parent Bank and the subsidiaries have been eliminated as part of the consolidation principles.

13. Information on hedging purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge (*)	1,487,743	61,426	202,567	37,919
Cash Flow Hedge	378,626	-	-	-
Hedge of Net Investment in Foreign Operations	-	-	-	-
Total	1,866,369	61,426	202,567	37,919

(*) Derivative financial instruments designated for the fair value hedge purposes comprise of swaps. TL 84,918 (December 31, 2012 - TL 37,919) represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in securities and TL 1,464,251 (December 31, 2012 - TL 202,567) represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in loans as of December 31, 2013.

14. Explanations on tangible assets

	Land and Buildings	Fixed Assets under Finance Lease	Vehicles	Other Fixed Assets	Total
Prior Period End					
Cost	64,462	326,700	2,471	752,805	1,146,438
Accumulated Depreciation (-)	7,159	242,179	1,335	460,797	711,470
Net Book Value	57,303	84,521	1,136	292,008	434,968
Current Period End					
Cost at the Beginning of the Period	64,462	326,700	2,471	752,805	1,146,438
Additions	4,023	3,786	2	200,271	208,082
Disposals (-)	-	15	226	459	700
Impairment (-) / (increase)	706	-	-	-	706
Current Period Cost	67,779	330,471	2,247	952,617	1,353,114
Accumulated Depreciation at the Beginning of the Period	7,159	242,179	1,335	460,797	711,470
Disposals (-)	-	15	35	297	347
Depreciation amount	1,425	7,216	298	99,006	107,945
Accumulated Depreciation at the End of the Period (-)	8,584	249,380	1,598	559,506	819,068
Net Book Value at the End of the Period	59,195	81,091	649	393,111	534,046

- a) **If impairment on individual asset recorded or reversed in the current period is material for the overall financial statements: Events and conditions for recording or reversing impairment and amount of recorded or reversed impairment in the financial statements:**

The fair values of the buildings are determined by the licensed expertise companies and as a result of the changes in the fair value of these buildings, the impairment loss of TL 705 has been booked. (December 31, 2012 - TL 1,651 impairment loss has been reversed).

- b) **The impairment provision set or cancelled in the current period according to the asset groups not individually significant but materially affecting the overall financial statements, and the reason and conditions for this:**

None (December 31, 2012 - None)

- c) **Pledges, mortgages and other restrictions (if any) on the tangible fixed assets, expenses arising from the construction for tangible fixed assets, commitments given for the purchases of tangible fixed assets:**

None (December 31, 2012 - None)

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

15. Explanations on intangible assets

	Rights	Goodwill	Total
Prior Period End			
Cost	381,561	19,209	400,770
Accumulated Amortization (-)	209,919	10,229	220,148
Net Book Value	171,642	8,980	180,622
Current Period End			
Cost at the Beginning of the Period	381,561	19,209	400,770
Additions	91,780	-	91,780
Disposals (-)	-	-	-
Current Period Cost	473,341	19,209	492,550
Acc. Amort. at the Beginning of the Period	209,919	10,229	220,148
Disposals (-)	-	-	-
Amortization charge	62,635	-	62,635
Current Period Accumulated Amortization (-)	272,554	10,229	282,783
Net Book Value-End of the Period	200,787	8,980	209,767

- a) **Disclosures for book value, description and remaining life to be amortized for a specific intangible fixed asset that is material to the financial statements:** None (December 31, 2012 - None).
- b) **Disclosure for intangible fixed assets acquired through government grants and accounted for at fair value at initial recognition:** None (December 31, 2012 - None).
- c) **The method of subsequent measurement for intangible fixed assets that are acquired through government incentives and recorded at fair value at the initial recognition:** None (December 31, 2012 - None).
- d) **The book value of intangible fixed assets that are pledged or restricted for use:** None (December 31, 2012 - None).
- e) **Amount of purchase commitments for intangible fixed assets:** None (December 31, 2012 - None).
- f) **Information on revalued intangible assets according to their types:** None (December 31, 2012 - None).
- g) **Amount of total research and development expenses recorded in income statement within the period if any:**
Amount of total research expenses recorded in income statement within the period is TL 4,525 (December 31, 2012 - TL 4,981).
- h) **Positive or negative consolidation goodwill on entity basis:**
The goodwill amounting to TL 8,969 recorded to the accompanying consolidated financial statements for the Parent Bank purchasing its subsidiary Finans Finansal Kiralama A.Ş. (December 31, 2012 - TL 8,969).
- i) **Information on book value of goodwill at the beginning of the period, end of the period and movement for the period:**
The details have been disclosed at explanations and disclosures related to asset section, at disclosure 15.

16. Explanations on investment property

None (December 31, 2012 - None).

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FINANSBANK ANONİM ŞİRKETİ

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17. Explanations on tax asset

The Group does not have any current tax asset calculated in line with related regulations (December 31, 2012 – None). The Group has deferred tax asset of TL 107,583 (December 31, 2012 – TL 10,215). The information about current and deferred tax is presented in the disclosures and explanations about liability accounts in footnote number 10.1 and 10.2.

18. Explanations on assets held for sale and discontinued operations

None (December 31, 2012 – None).

19. Information on other assets

19.1. Information on prepaid expense, tax and similar items

	Current Period	Prior Period
Advances Given	307,905	4,972
Other Prepaid Expenses	299,361	224,223
Cheques Receivables from Other Banks	188,161	254,500
Assets Held for Resale (Net)	159,080	158,966
Collateral Given for Derivative Transactions	109,767	249,618
Sundry Debtors	83,362	79,171
Prepaid Rent Expenses	30,352	25,318
Prepaid Agency Commissions	3,643	6,671
Given for Financial Leasing Purposes	-	28,210
Other	77,324	69,679
Total	1,258,955	1,101,328

19.2. If other assets exceed 10% of total assets excluding the off-balance sheet items, the names and the amount of the subaccounts which create at least 20% of them are:

Details of the other assets are described in note 19.1 section of disclosure.

20. Information on accrued interest and income

The details of accrued interest and income allocated to the related items on the assets side of the balance sheet are as follows.

	Current Period		Prior Period	
	TL	FC	TL	FC
Assets on Trading Derivatives	1,029,956	251,525	357,732	133,007
Derivative Financial Instruments Held for Hedging Purposes	1,866,369	61,426	202,567	37,919
Loans and Receivables	632,960	73,137	447,956	49,012
Investment Securities Available for Sale	95,011	11,539	328,828	161,758
Lease Receivables	4,135	6,869	2,853	4,353
Investment Securities Held for Trading	(1,164)	37	2,178	90
Banks	143	-	614	25
Factoring Receivables	-	-	542	62
Money Market Receivables	-	-	748	-
Other Accruals	1,418	105	16,008	-
Total	3,652,164	409,514	1,360,026	386,226

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II. EXPLANATIONS AND DISCLOSURES RELATED TO CONSOLIDATED LIABILITIES

1. Information on maturity structure of deposits

Current Period

	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	1,633,745	-	1,986,642	10,796,200	979,428	436,045	312,848	5,859	16,150,767
Foreign Currency Deposits	1,531,397	-	781,342	6,221,329	644,676	461,652	351,038	5,695	9,997,129
Residents in Turkey	1,483,341	-	768,882	6,120,438	597,287	441,805	283,983	5,695	9,701,431
Residents Abroad	48,056	-	12,460	100,891	47,389	19,847	67,055	-	295,698
Public Sector Deposits	304,915	-	607	49,520	254	1,352,508	-	-	1,707,804
Commercial Deposits	1,457,168	-	1,748,841	3,706,500	209,984	123,627	52,502	-	7,298,622
Other Ins. Deposits	22,666	-	149,047	511,418	104,932	45,464	613	-	834,140
Precious Metal Deposits	734,417	-	24,330	11,191	6,948	161	-	-	777,047
Bank Deposits	21,521	-	893,646	409,845	11,499	4,982	-	-	1,341,493
T.R. Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	2,101	-	-	48,672	4,103	2,045	-	-	56,921
Foreign Banks	19,419	-	893,646	361,173	7,396	2,937	-	-	1,284,571
Participation Banks	1	-	-	-	-	-	-	-	1
Other	-	-	-	-	-	-	-	-	-
Total	5,705,829	-	5,584,455	21,706,003	1,957,721	2,424,439	717,001	11,554	38,107,002

Prior Period

	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	867,610	-	1,665,278	9,925,707	609,492	273,809	15,616	15,286	13,372,798
Foreign Currency Deposits	891,467	-	1,362,776	5,839,836	593,895	210,169	2,620	5,130	8,905,893
Residents in Turkey	853,468	-	1,341,600	5,739,827	560,225	120,732	2,620	5,130	8,623,602
Residents Abroad	37,999	-	21,176	100,009	33,670	89,437	-	-	282,291
Public Sector Deposits	162,871	-	2,687	837,007	1,464	61	-	-	1,004,090
Commercial Deposits	982,592	-	1,679,869	3,921,557	527,438	63,520	98	-	7,175,074
Other Ins. Deposits	18,476	-	32,675	572,391	54,064	710	-	-	678,316
Precious Metal Deposits	462,149	-	-	-	-	58,985	138	-	521,272
Bank Deposits	21,529	-	841,828	126,173	49,607	8,437	-	-	1,047,574
T.R. Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	1,492	-	216,197	2,020	4,202	4,114	-	-	228,025
Foreign Banks	18,858	-	625,631	124,153	45,405	4,323	-	-	818,370
Participation Banks	1,179	-	-	-	-	-	-	-	1,179
Other	-	-	-	-	-	-	-	-	-
Total	3,406,694	-	5,585,113	21,222,671	1,835,960	615,691	18,472	20,416	32,705,017

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

	Covered by		Exceeding the	
	Deposit Insurance Fund		Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	7,860,834	4,488,992	8,280,585	8,882,423
Foreign Currency Savings Deposits	1,653,084	909,501	5,382,496	4,809,767
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	9,513,918	5,398,493	13,663,081	13,692,190

1.2. Savings deposits in Turkey are not covered under insurance in another country since the headquarters of the Group is not located abroad.

1.3. Savings deposits that are not covered under the guarantee of deposit insurance fund

	Current Period	Prior Period
Deposits and accounts in branches abroad	-	-
Deposits of ultimate shareholders and their close family members	-	-
Deposits of chairman and members of the Board of Directors and their close family members	32,736	28,062
Deposits obtained through illegal acts defined in the 282 nd Article of the 5237 numbered Turkish Criminal Code dated September 26, 2004	-	-
Saving deposits in banks established in Turkey exclusively for off-shore banking activities	32,652	2,027
Total	65,388	30,089

2. Information on trading purpose derivatives

a) Negative value of trading purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forwards	108,202	-	13,473	-
Swaps	1,004,649	62,406	355,115	84,465
Futures	-	168	-	100
Options	-	135,472	1	22,077
Other	-	-	-	-
Total	1,112,851	198,046	368,589	106,642

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3. a) Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank Loans	-	-	-	-
Domestic Bank and Institutions	391,541	313,408	227,540	145,058
Foreign Bank, Institutions and Funds	150,500	3,965,502	73,644	3,093,566
Total	542,041	4,278,910	301,184	3,238,624

b) Maturity information on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	461,350	2,553,062	301,184	1,722,249
Medium and Long-Term	80,691	1,725,848	-	1,516,375
Total	542,041	4,278,910	301,184	3,238,624

In accordance with the diversified payment rights program, the Parent Bank obtained securitization loans amounting to USD 75 million and EUR 10 million with five years maturity and amounting to EUR 50 million with twelve years maturity on December 20, 2012.

The Parent Bank signed a syndicated loan agreement on November 28, 2013 amounting to EUR 264.5 million and on November 27, 2013 amounting to USD 167 million with one year maturity in line with the Board of Director's decision no:261 dated September 17, 2013.

c) Additional information on concentrations of the Group's liabilities

As of December 31, 2012, the Group's liabilities comprise; 56% deposits (December 31, 2012 - 59%), 10% funds borrowed (December 31, 2012 - 9%) and 5% funds provided under repurchase agreements (December 31, 2012 - 3%).

4. Information on funds provided under repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
From domestic transactions	2,518,556	-	846,251	-
Financial institutions and organizations	2,470,009	-	834,084	-
Other institutions and organizations	32,319	-	4,239	-
Real persons	16,228	-	7,928	-
From foreign transactions	8,165	1,141,561	4,542	878,081
Financial institutions and organizations	-	1,141,561	-	878,081
Other institutions and organizations	8,165	-	4,542	-
Real persons	-	-	-	-
Total	2,526,721	1,141,561	850,793	878,081

5. Information on securities issued (Net)

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bonds	2,057,078	-	2,789,390	-
Bills	103,734	1,793,767	-	1,288,923
Total	2,160,812	1,793,767	2,789,390	1,288,923

The Bank issued bonds with TL 750,000 nominal value, 91 days maturity and 9.45% interest rate on October 11, 2013, and issued bonds with TL 150,000 nominal value, 96 days maturity and 9.55% interest rate on October 31, 2013 and issued bonds with TL 244,585 nominal value, 101 days maturity and 9.02% interest rate on November 26, 2013 and issued bonds with TL 899,136 nominal value, 120 days maturity and 8.69% interest rate on December 12, 2013 and issued bonds with TL 116,190 nominal value, 115 days maturity and 8.97% interest rate on December 24, 2013 and issued bonds with TL 124,188 nominal value, 1 year maturity on April 19, 2013.

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6. If other liabilities account exceeds 10% of total liabilities excluding the off-balance sheet items, information given about components of other liabilities account that exceed 20% of the individual liability item in the consolidated balance sheet

Other liabilities account does not exceed 10% of total liabilities excluding the off-balance sheet items (December 31, 2012 – does not exceed).

7. Criteria used in the determination of lease installments in the financial lease contracts, renewal and purchase options, restrictions, and significant burdens imposed on the bank on such contracts

Interest rate and cash flows of the Group are the main criteria which are taken into consideration for the determination of payment plans in the leasing contracts.

7.1. Explanations on changes in agreements and further commitments arising

No changes have been made to the leasing agreements in the current period (December 31, 2012 – None).

7.2. Explanations on financial lease payables

The leasing balances between the Parent Bank and the subsidiaries have been eliminated as part of the consolidation principles.

7.3. Explanations and footnotes on operational lease

Operational lease payments are recognized as an expense in the income statement on a straight-line basis over the lease terms.

7.4. Explanations on "Sale -and- lease back" agreements

The Group does not have any sale and lease back transactions in the current period (December 31, 2012 – None).

8. Information on liabilities arising from hedging purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge (*)	-	75,101	257,139	121,330
Cash Flow Hedge(**)	7,648	-	34,402	-
Net Investment Hedge	-	-	-	-
Total	7,648	75,101	291,541	121,330

(*)Derivative financial instruments for hedging purposes include swaps. As of December 31, 2013, TL 20,901 (December 31, 2012 – TL 247,656) represents the fair value of derivatives which are the hedging instruments of hedged loan portfolio. TL 54,200 (December 31, 2012 – TL 130,813) represents the fair value of loans which are the hedging instruments of hedged investment securities available for sale portfolio.

(**) Represents the fair value of derivatives which are the hedging instruments of deposits' cash flow risk.

9. Explanations on provisions

9.1. Information on general provisions

	Current Period	Prior Period
Provisions for Loans and Receivables in Group I	608,997	441,173
-Additional Provision for Loans and Receivables with Extended Maturities	56,116	29,599
Provisions for Loans and Receivables in Group II	88,573	79,834
-Additional Provision for Loans and Receivables with Extended Maturities	30,920	34,740
Provisions for Non - Cash Loans	63,599	60,135
Other	55,122	36,542
Total	816,291	617,684

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9.2. Provision for currency exchange gain/loss on foreign currency indexed loans

	Current Period	Prior Period
Foreign Exchange Provision for Foreign Currency Indexed Loans (*)	146	6,906

(*) The foreign exchange provision for foreign currency indexed loans netted against "Loans and Receivables" in asset.

9.3. Specific provisions for non-cash loans that are not indemnified and converted into cash

The specific provision for non-cash loans which are related with the non-performing cash loans in arrears or the loans which were written off from balance sheet is TL 53,760 (December 31, 2012 - TL 47,989).

9.4 Information on employee termination benefits and unused vacation accrual

The Group has calculated reserve for employee termination benefits by using actuarial valuations as set out in TAS 19 and reflected these accompanying financial statements.

As of December 31, 2013, TL 90,390 (December 31, 2012 - TL 85,243) reserve for employee termination benefits was provided in the accompanying financial statements.

As of December 31, 2013, the Group accrued TL 30,354 (December 31, 2012 - TL 21,351) for the unused vacations under reserve for employee benefits account in the accompanying financial statements.

As of December 31, 2013, TL 99,584 (December 31, 2012 - TL 97,310) bonus and premium provisions have been provided under reserve for employee benefits account in the accompanying financial statements.

9.4.1 Movement of employee termination benefits

	Current Period 01.01-31.12.2013	Previous Period 01.01-31.12.2012
As of January 1	85,243	53,745
Service cost	13,845	8,468
Interest cost	6,298	4,880
Settlement/ curtailment/ termination loss	5,558	8,564
Actuarial differences	(5,443)	26,578
Paid during the period	(15,111)	(16,992)
Total	90,390	85,243

9.5. Information on other provisions

9.5.1. Information on free reserves for possible loan losses

	Current Period	Prior Period
Free Reserves for Possible Loan Losses	102,025	99,747

As of December 31, 2013 the Group has provided TL 102,025 provision (December 31, 2012 - TL 99,747) for possible losses that could arise for loans in the watch list, considering their recovery rates.

9.5.2 Information on other provisions

Apart from the information provided in 9.3 and 9.5.1, other provisions are presented as follows:

	Current Period	Prior Period
Provision for Promotion Expenses of Credit Cards	20,138	16,187
Other Provisions	79,258	35,796
Total	99,396	51,983

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10. Information on tax liability

10.1. Information on current tax liability

10.1.1. Information on tax provision

As of December 31, 2013, the Group has current tax liability of TL 319,023 (December 31, 2012 - TL 382,188) and advance taxes of TL 210,715 (December 31, 2012 - TL 283,153).

The current tax liability and the advance taxes of the consolidated subsidiaries have been offset separately in their financial statements. As of December 31, 2013, after the offsetting, the current tax liability amounting TL 108,308 (December 31, 2012 - TL 99,035) is disclosed. The Group does not have current tax asset (December 31, 2012 - None).

10.1.2. Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	103,500	99,035
Banking and Insurance Transaction Tax (BITT)	32,349	33,110
Taxation on Securities Income	33,750	36,055
Taxation on Real Estates Income	1,803	1,522
Other	18,403	18,856
Total	189,805	188,578

10.1.3. Information on premiums

	Current Period	Prior Period
Social Security Premiums - Employee Share	7,336	5,590
Social Security Premiums - Employer Share	7,881	5,762
Unemployment Insurance - Employee Share	517	394
Unemployment Insurance - Employer Share	1,032	786
Other	11	-
Total	16,777	12,532

10.2. Information on deferred tax liabilities

According to TAS 12, the deferred tax assets and liabilities of the consolidated subsidiaries are netted off separately in their financial statements.

Deferred tax asset is TL 107,583 (December 31, 2012 - TL 10,215) and deferred tax liability is TL 1,330 (December 31, 2012- TL 15,067) after deferred tax asset and liability balances in the financial statements of the consolidated subsidiaries are netted off separately.

In cases whereby such differences are related with certain items under the shareholders' equity accounts, the deferred tax benefits/charges are netted under these accounts. The deferred tax assets amounting to TL 28,697 are netted under equity. (December 31, 2012 - TL 48,460 deferred tax liability).

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	Temporary Differences		Deferred Tax Asset/(Liability)	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Reserve for employee benefits	220,328	204,075	44,066	40,815
The differences between carrying and taxable amounts of financial assets	457,250	191,770	91,450	38,354
Unused investment incentive certificates	-	2,968	-	6
Other	392,946	353,813	78,590	70,763
Deferred Tax Assets			214,106	149,938
The differences between carrying and taxable amounts of tangible assets	(144,882)	(120,173)	(28,976)	(24,035)
The differences between carrying and taxable amounts of financial assets	(145,362)	(557,890)	(29,072)	(111,578)
Other	(249,018)	(95,887)	(49,805)	(19,177)
Deferred Tax Liability			(107,853)	(154,790)
Deferred Tax Asset/(Liability), Net			106,253	(4,852)

	Current Period	Prior Period
Deferred Tax Asset/(Liability) as of January 1 (Net)	(4,852)	(662)
Deferred Tax (Charge)/Benefit	33,948	105,170
Deferred Tax Accounted for under the Equity	77,157	(109,360)
Deferred Tax Asset/(Liability) as of December 31 (Net)	106,253	(4,852)

11. Information on payables related to assets held for sale

None (December 31, 2012 – None).

12. Information on subordinated loans

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	1,950,719	-	1,629,590
From Other Foreign Institutions	-	-	-	-
Total	-	1,950,719	-	1,629,590

The Parent Bank received USD 650 million of subordinated loans during 2008 and USD 325 million of subordinated loans during 2009 from its main shareholder, National Bank of Greece S.A. The maturity of the loan is 10 years with semi-annual interest payments and principle payment at maturity. There is a re-payment option at the end of the 5th year. In addition, interest is paid every six months and principal payment will be realized at maturity. The loan amounting to USD 325 million which was received in 2008 is closed in 2011 to be used in capital increase. In addition, the Parent Bank received USD 260 million of subordinated loans in 2011 from National Bank of Greece S.A.

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13. Information on shareholder's equity

13.1. Paid-in capital

	Current Period	Prior Period
Common Stock	2,700,000	2,565,000
Preferred Stock	-	-

13.2. 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

Capital System	Paid-in Capital	Ceiling
Registered Capital System	2,700,000	6,000,000

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

Date of Increase	Amount of Increase	Cash	Profit Reserves Subject to Increase	Capital Reserves Subject to Increase
June 25, 2013	135,000	-	128,250	6,750

13.4. Information on share capital increases from revaluation funds

None (December 31, 2012 - None).

13.5. Capital commitments in the last fiscal year and at the end of the following period, the general purpose of these commitments and projected resources required to meet these commitments

The Group does not have any capital commitment; the capital is fully paid-in.

13.6. Prior periods' indicators related with the Parent Bank's income, profit and liquidity and the possible effects of the uncertainties in these indicators on the Parent Bank's equity

None (December 31, 2012 - None).

13.7. Information on the privileges given to stocks representing the capital

The Parent Bank has 100 founder shares stated in the Articles of Association. The profit distribution of the Parent Bank is calculated in accordance with prevailing statutory regulations and its Article of Association. According to these regulations, after deducting the statutory and fiscal obligations of the Parent Bank, 5% of the remaining net income is appropriated as legal reserves, 5% of the paid in capital might be distributed to shareholders as first dividend and 10% of the remaining net profit might be distributed to founder shares. Moreover, additional 10% legal reserve is provided from the dividends distributed to founder shares.

14. Common stock issue premiums, shares and equity instruments

	Current Period	Prior Period
Number of Stocks (Thousands)	27,000,000	25,650,000
Preferred Capital Stock	-	-
Common Stock Issue Premiums (*)	714	714
Common Stock Withdrawal Profits	-	-

(*) Due to the Parent Bank's prior year's capital increase, common stock issue premiums accounted amounting to TL 714, respectively

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15. Information on marketable securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, Subsidiaries and Entities under Common Control	-	-	-	-
Valuation Difference	-	-	-	-
Foreign Exchange Rate Difference	-	-	-	-
Securities Available-for-Sale	(85,632)	(136,568)	168,496	28,059
Valuation Difference	(85,632)	(136,568)	168,496	28,059
Foreign Exchange Rate Difference	-	-	-	-
Total	(85,632)	(136,568)	168,496	28,059

The Parent Bank transferred a portion of its securities from "investment securities available-for sale" portfolio, with a nominal value of TL 1,307,569, to the "investment securities held to maturity" portfolio due to change in the intention of the holding of the securities, effective from 21 June 2013. The valuation differences amounting to TL 67,974 under equity will be amortized and recycled to profit/loss until the maturities of these securities. As of the balance sheet date, the recycled amount is TL 7,636.

16. Information on accrued interest and expenses

The details of accrued interest and expenses allocated to the related items on the liabilities side of the balance sheet are as follows:

	Current Period		Prior Period	
	TL	FC	TL	FC
Deposits	157,980	25,541	114,732	17,784
Derivative Financial Liabilities Held for Trading	1,112,851	198,046	368,589	106,642
Funds Borrowed	6,281	31,700	3,432	21,181
Money Market Borrowings	821	1,660	1,197	1,276
Derivative Financial Liabilities for Hedging Purposes	7,648	75,101	291,541	121,330
Other Accruals	27,734	41,583	25,325	44,535
Total	1,313,315	373,631	804,816	312,748

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III. EXPLANATIONS AND DISCLOSURES RELATED TO CONSOLIDATED OFF-BALANCE SHEET ITEMS

1. Information related to consolidated off-balance sheet contingencies

1.1. Type and amount of irrevocable commitments

	Current Period	Prior Period
Letters of Guarantee in FC	1,777,802	1,533,101
Letters of Guarantee in TL	4,162,774	3,677,256
Letters of Credit	548,606	579,351
Bank Loans	609,831	545,914
Other Guarantees	19,399	24,055
Total	7,118,412	6,359,677

1.2. Type and amount of possible losses from off-balance sheet items included below

Specific provision is provided for the non-cash loans amounting to TL 53,760 (December 31, 2012 - TL 47,989) followed in the off-balance sheet accounts that are not indemnified and not liquidated yet.

1.3. Final guarantees, provisional guarantees, sureties and similar transactions

	Current Period	Prior Period
Provisional Letters of Guarantee	290,037	401,258
Final Letters of Guarantee	3,640,553	3,396,832
Advance Letters of Guarantee	191,920	179,659
Letters of Guarantee Given to Customs Offices	198,665	186,504
Other Letters of Guarantee	1,619,401	1,046,104
Total	5,940,576	5,210,357

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans granted for Obtaining Cash Loans	317,804	306,450
Less Than or Equal to One Year with Original Maturity	14,451	23,503
More Than One Year with Original Maturity	303,353	282,947
Other Non-Cash Loans	6,800,608	6,053,227
Total	7,118,412	6,359,677

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3. Information on risk concentration in sector terms in non-cash loans

	Current Period				Prior Period			
	TL	%	FC	%	TL	%	FC	%
Agricultural	16,207	0.39	2,362	0.08	16,824	0.46	2,708	0.10
Farming and Raising Livestock	13,627	0.33	2,033	0.07	14,758	0.40	668	0.03
Forestry	1,440	0.03	-	-	740	0.02	-	-
Fishing	1,140	0.03	329	0.01	1,326	0.04	2,040	0.08
Manufacturing	882,213	21.15	1,523,356	52.02	644,791	17.52	1,289,546	48.56
Mining and Quarrying	25,599	0.61	771	0.03	21,904	0.60	1,736	0.07
Production	554,277	13.29	1,213,207	41.43	551,677	14.99	1,157,579	43.59
Electricity, gas and water	302,337	7.25	309,378	10.56	71,210	1.94	130,231	4.90
Construction	932,925	22.37	369,150	12.61	925,880	25.16	407,535	15.35
Services	2,256,615	54.11	1,016,629	34.71	2,037,904	55.38	934,644	35.20
Wholesale and Retail Trade	1,289,108	30.91	504,487	17.23	1,118,337	30.39	522,299	19.67
Hotel, Food and Beverage Services	36,356	0.87	13,353	0.46	45,221	1.23	15,262	0.57
Transportation & Communication	94,292	2.26	97,140	3.32	98,881	2.69	110,684	4.17
Financial Institutions	491,441	11.78	301,735	10.3	468,212	12.72	259,148	9.76
Self-Employment Services	155,682	3.73	84,051	2.87	119,674	3.25	17,883	0.06
Real Estate and Renting Services	2,684	0.06	1,868	0.06	6,363	0.17	1,552	0.67
Educational Services	4,044	0.1	9	-	1,467	0.04	7	-
Health and Social Services	183,008	4.39	13,986	0.48	179,749	4.88	7,809	0.29
Other (*)	82,485	1.98	17,071	0.58	54,632	1.48	21,158	0.80
Total	4,170,445	100.00	2,928,568	100.00	3,680,031	100.00	2,655,591	100.00

(*) Does not include "Other Guarantees" amounting to TL 19,399 (December 31, 2012 - TL 24,055).

4. Information on non-cash loans classified in first and second groups (*)

	I. Group		II. Group	
	TL	FC	TL	FC
Letters of Guarantee	3,969,871	1,676,732	162,256	77,957
Bills of Exchange and Acceptances	7,668	592,933	-	9,230
Letters of Credit	3	546,224	-	2,379
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	-	19,399	-	-
Non-cash Loans	3,977,542	2,835,288	162,256	89,566

(*) Does not include non-cash loans amounting to TL 53,760 for which provision is provided, but that are not indemnified and not liquidated yet.

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5. Information related to derivative financial instruments

	Current Period	Prior Period
Types of trading transactions		
Foreign Currency Related Derivative Transactions (I)	67,641,092	45,690,221
Forward transactions (*)	7,677,470	5,596,626
Swap transactions	44,046,170	28,774,885
Futures transactions	42,982	225,260
Option transactions	15,874,470	11,093,450
Interest Related Derivative Transactions (II)	8,707,332	5,875,840
Forward rate transactions	-	-
Interest rate swap transactions	8,707,332	5,857,234
Interest option transactions	-	-
Futures interest transactions	-	16,590
Securities sales/purchases option transactions	-	2,016
Other trading derivative transactions (III)	-	-
A. Total Trading Derivative Transactions (I+II+III)	76,348,424	51,566,061
Types of hedging transactions	24,005,643	18,081,171
Fair value hedges	17,234,950	17,540,286
Cash flow hedges	6,770,693	540,885
Net investment hedges	-	-
B. Total Hedging Related Derivatives	24,005,643	18,081,171
Total Derivative Transactions (A+B)	100,354,067	69,647,232

(*)This line also includes Forward Asset Purchase Commitments accounted for under Commitments.

5.1 Fair value hedge accounting

a) Loans

The Bank enters into swap transactions in order to hedge itself from the changes in the fair value due to the changes in market interest rates of a certain portion of its long-term loans and applies fair value hedge accounting as per TAS 39. As of December 31, 2013; the mortgage loans amounting to TL 5,098,190 (December 31, 2012 - TL 5,777,912) were subject to hedge accounting by swaps with the nominal values of TL 6,557,217 (December 31, 2012 - TL 7,711,610). The net market valuation difference losses amounting to TL 13,721 gain (December 31, 2012 - TL 3,787 gain) due to the losses from loans amounting to TL 523,221 (December 31, 2012 - TL 218,951 gain) and gains from swaps amounting to TL 536,942 (December 31, 2012 - TL 215,164 loss) is accounted for under "gains / (losses) from financial derivatives transactions" line in the accompanying financial statements.

As of the balance sheet date, the project finance loan amounting to TL 164,290 (December 31, 2012 - None) were subject to hedge accounting using swaps with the nominal values of TL 159,732 (December 31, 2012 - None). The net market valuation gains amounting to TL 956, which results from the losses from swaps amounting to TL 16,536 (December 31, 2012 - None) and gain from loans amounting to TL 17,493 (December 31, 2012 - None) is accounted for under "gains / (losses) from financial derivatives transactions" line in the accompanying financial statements.

When the fair value hedge accounting cannot be effectively continued as stated in TAS 39, the fair value hedge accounting is ceased. The fair value differences of the hedged loans are amortized through income statement until the maturity of the hedged loans. The Bank has booked the valuation effect amounting to TL 52,638 (December 31, 2012 - 61,360) related to the loans that are ineffective for hedge accounting under "gains / (losses) from financial derivatives transactions" as loss during the current period.

b) Investment securities available for sale

The Bank applies fair value hedge accounting to hedge the changes in the interest rates related to long term foreign currency Eurobonds with fixed coupon held by the Bank using swaps as hedging instruments. As at the balance sheet date; Eurobonds with

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the nominal values of USD 333 million and EUR 26 million (December 31, 2012 - USD 322 million and EUR 26 million) were subject to hedge accounting by interest rate swaps with the same nominal value. The net market valuation difference loss amounting to TL 226 (December 31, 2012 - TL 142 gain) due to losses from Eurobonds amounting to TL 100,381 (December 31, 2012 - TL 5,789 loss) and gains from swaps amounting to TL 100,155 (December 31, 2012 - TL 5,931 gain) is accounted for under "gains / (losses) from financial derivatives transactions" line in the accompanying financial statements.

The Bank applies fair value hedge accounting to hedge the changes in the interest rates related to long term TL government bonds with fixed coupon held by the Bank using swaps as hedging instruments. As at the balance sheet date; government bonds with the nominal values of TL 198,305 (December 31, 2012 - TL 198,305) were subject to hedge accounting by swaps with the same nominal value. The net market valuation difference gains amounting to TL 1,253 (December 31, 2012 - TL 907 loss) due to loss from government bonds amounting to TL 12,760 (December 31, 2012 - TL 10,688 gains) and gains from swaps amounting to TL 14,013 (December 31, 2012- TL 11,595 loss) is accounted for under "securities trading gains/losses" line in the accompanying financial statements.

c) Bonds issued

The Bank applies fair value hedge accounting to hedge the changes in the interest rates related to foreign currency bonds issued by the Bank using interest rate swaps as hedging instruments. As at the balance sheet date; bonds with the nominal values of USD 367 million (December 31, 2012 - USD 367 million) were subject to hedge accounting by swaps with the same nominal value. Net market valuation difference loss amounting to TL 10 (December 31, 2012 - TL 1 loss) due to gains from government bonds amounting to TL 7,034 (December 31, 2012 - TL 6,004 gain) and losses from swaps amounting to TL 7,044 (December 31, 2012 - TL 6,005 loss) is accounted for under "securities trading gains/losses" line in the accompanying financial statements.

5.2 Cash flow hedge accounting

a) Deposit

The Bank applies cash flow hedge accounting using interest rate swaps in order to hedge the interest rate changes of deposits that have an average maturity of 1 month. The Bank implements efficiency tests at the balance sheet dates for hedging purposes; the effective portions are accounting for under equity "Hedging Funds", whereas the amount concerning ineffective portions are accounted for at income statement as defined in TAS 39. Swaps amounting to TL 169,642 (December 31, 2012 - TL 270,442) are subject to hedge accounting as hedging instruments. As a result of the mentioned hedge accounting, fair value loss before taxes amounting to TL 15,383 (December 31, 2012 - TL 8,273 gain) are accounted for under equity during the current period. The losses amounting to TL 5 (December 31, 2012 - TL 97 loss) concerning for the ineffective portions are accounted for at the income statement.

As at the balance sheet date, swaps amounting to USD 1,470 million are subject to hedge accounting as hedging instruments (December 31, 2012 - None). As a result of the mentioned hedge accounting, fair value gain before taxes amounting to TL 112,448 are accounted for under equity during the current period (December 31, 2012 - None). The gains amounting to TL 164 (December 31, 2012 - None) concerning for the ineffective portions are accounted for at the income statement.

When the fair value hedge accounting cannot be effectively continued as stated in TAS 39, the fair value hedge accounting is ceased. Effective parts classified under equity due to hedge accounting are amortized through income statement until the maturity of swaps in case of ineffectiveness. The Bank transferred loss amounting to TL 4,684 from equity to income statement due to swaps that are matured or whose effectiveness is deteriorated during the current period (December 31, 2012 - TL 3,692 loss).

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As of December 31, 2013 breakdown of the Group's foreign currency forward and interest rate swap transactions based on currencies are disclosed below in their TL equivalents:

	Forward Buy ^(**)	Forward Sell ^(**)	Swap Buy ^(*)	Swap Sell ^(*)	Option Buy	Option Sell	Future Buy	Future Sell
Current Period								
TL	1,564,585	1,786,489	13,399,384	18,547,585	3,031,745	3,225,306	255	255
USD	1,379,951	1,493,252	23,467,275	17,336,298	2,476,355	2,961,723	21,236	21,236
EURO	852,426	533,866	1,326,918	1,653,592	2,334,809	1,694,057	-	-
Other	43,473	23,428	22,485	1,005,608	116,312	34,163	-	-
Total	3,840,435	3,837,035	38,216,062	38,543,083	7,959,221	7,915,249	21,491	21,491

(*) This column also includes hedging purpose derivatives.

(**) This column also includes Forward Asset Purchase Commitments accounted for under Commitments.

	Forward Buy ^(**)	Forward Sell ^(**)	Swap Buy ^(*)	Swap Sell ^(*)	Option Buy	Option Sell	Future Buy	Future Sell
Prior Period								
TL	1,219,391	888,393	8,619,195	15,375,623	2,466,724	2,385,395	4,134	4,134
USD	711,151	1,276,449	16,549,012	10,068,256	2,348,440	2,399,794	116,067	116,067
EURO	773,666	560,830	624,192	598,397	740,150	734,985	724	724
Other	100,963	65,782	45,477	833,139	19,978	-	-	-
Total	2,805,171	2,791,454	25,837,876	26,875,415	5,575,292	5,520,174	120,925	120,925

(*) This column also includes hedging purpose derivatives.

(**) This column also includes Forward Asset Purchase Commitments accounted for under Commitments.

As of December 31, 2013, the Group has no derivatives transactions for hedge of net investment.

6. Credit derivatives and risk exposures on credit derivatives

As of 31 December 2013, other irrevocable commitments include commitments for "credit linked notes" with a nominal of USD 15,345,550 (31 December 2012: USD 13,494,490).

As of 31 December 2013, the Bank has no other derivative financial instruments include "credit default swaps" (31 December 2012: USD 100,000,000). The Parent Bank is the protection buyer in these transactions.

7. Information on contingent liabilities and assets

None (December 31, 2012 - None).

8. Information on the services in the name and account of third parties

The Parent Bank acts as an investment agent for banking transactions on behalf of its customers and provides custody services. Such transactions are followed under off-balance sheet accounts.

9. Information on the Parent Bank's rating by international rating institutions

MOODY'S December 2013		FITCH April 2013		CI February 2013	
Long-Term Deposit Rating (FC)	Ba2	Long-Term Foreign Curr.	BBB-	Long-Term Foreign Curr.	BB+
Long-Term Deposit Rating (TL)	Ba2	Short-Term Foreign Curr.	F3	Short-Term Foreign Curr.	B
Short-Term Deposit Rating (TL)	NP	Long-Term TL	BBB-	Financial Strength	BBB+
Financial Strength	E+	Short-Term TL	F3	Support	3
		Long-Term National	AAA(tur)		
		Support	3		
		Viability	bbb-		

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IV. EXPLANATIONS AND DISCLOSURES RELATED TO CONSOLIDATED INCOME STATEMENT

1. a) Information on interest income received from loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on loans				
Short-Term Loans	2,493,761	38,922	2,844,868	58,388
Medium and Long-Term Loans	2,355,921	162,136	1,855,576	128,132
Non-Performing Loans	108,943	-	97,535	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	4,958,625	201,058	4,797,979	186,520

b) Information on interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank	-	-	-	229
Domestic Banks	525	8	9,435	10
Foreign Banks	2,144	1,797	3,512	255
Foreign Headquarters and Branches	-	-	-	-
Total	2,669	1,805	12,947	494

c) Information on interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Held-for-Trading Financial Assets	13,166	175	17,812	466
Financial Assets at FVTPL	9	-	11	-
Investment Securities Available for Sale	343,729	62,329	503,054	50,762
Investment Securities Held to Maturity	76,789	6,796	-	-
Total	433,693	69,300	520,877	51,228

d) Information on interest income received from associates and subsidiaries

None (December 31, 2012 – None).

2. a) Information on interest expense related to funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
T.R. Central Bank	-	-	-	-
Domestic Banks	19,073	8,509	14,847	3,041
Foreign Banks	9,989	168,814	9,889	150,320
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	-	-	-
Total	29,062	177,323	24,736	153,361

b) Information on interest expense paid to associates and subsidiaries

None (December 31, 2012 – None).

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c) Information on interest expense paid to securities issued

The bonds issued by the Bank in September 14, 2012, with TL 400,000 nominal value, in November 15, 2012 TL 750,000 nominal value, in December 14, 2012, with TL 650,000 nominal value, in December 28, 2012 TL 600,000 nominal value, in March 20, 2013, with TL 400,000 nominal value, in April 4, 2013 with TL 475,812 nominal value, in June 26, 2013, with TL 525,418 nominal value, in July 11, 2013, with TL 125,435, in July 18, 2013, with TL 105,000 nominal value, in July 25, 2013 with TL 265,562 nominal value and in November 29, 2013 with TL 578,000 has matured during the current period. In addition, the Bank has issued TL 750,000 nominal value with 9.45% interest rate on October 11, 2013 and issued bonds with TL 150,000 nominal value with 9.55% interest rate on October 31, 2013 and issued bonds with TL 244,585 nominal value with 9.02% interest rate on November 26, 2013 and issued bonds with TL 899,136 nominal value with 8.69% interest rate on December 12, 2013 and issued bonds with TL 116,190 nominal value with 8.97% interest rate on December 24, 2013 and issued bonds with TL 124,188 nominal value on April 19, 2013. As of December 31, 2013, interest expense amounting to TL 252,784 is accounted for the bonds issued. (December 31, 2012 - TL 140,315).

d) Information on maturity structure of interest expenses on deposits (Current Period)

Account Name	Demand Deposits	Time Deposits					Accumulated Deposit Account	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
Turkish Lira								
Bank Deposits	-	2,057	13,445	7,028	269	269	-	23,068
Saving Deposits	9	142,805	692,559	133,170	94,624	7,930	149	1,071,246
Public Sector Deposits	-	129	2,598	93	45,904	3	-	48,727
Commercial Deposits	-	125,494	259,797	48,066	11,808	2,215	-	447,380
Other Deposits	-	3,457	36,581	21,315	52,512	41	-	113,906
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	9	273,942	1,004,980	209,672	205,117	10,458	149	1,704,327
Foreign Currency								
Foreign Currency Deposits	-	23,384	171,242	31,844	15,605	7,193	117	249,385
Bank Deposits	27	904	16,076	919	92	44	-	18,062
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	212	153	18	4	-	-	387
Total	27	24,500	187,471	32,781	15,701	7,237	117	267,834
Grand Total	36	298,442	1,192,451	242,453	220,818	17,695	266	1,972,161

Information on maturity structure of interest expense on deposits (Prior Period)

Account Name	Demand Deposits	Time Deposits					Accumulated Deposit Account	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
Turkish Lira								
Bank Deposits	-	2,274	6,438	14,477	292	748	-	24,229
Saving Deposits	2	149,645	1,046,214	196,943	25,772	1,790	1,752	1,422,118
Public Sector Deposits	-	1,003	4,167	331	9	-	-	5,510
Commercial Deposits	1	109,240	263,300	72,404	12,937	4,168	-	462,050
Other Deposits	-	2,096	71,149	21,497	157	434	-	95,333
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	3	264,258	1,391,268	305,652	39,167	7,140	1,752	2,009,240
Foreign Currency								
Foreign Currency Deposits	-	34,042	192,347	29,467	10,486	282	552	267,176
Bank Deposits	124	1,983	8,149	1,131	401	-	-	11,788
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	778	2	-	780
Total	124	36,025	200,496	30,598	11,665	284	552	279,744
Grand Total	127	300,283	1,591,764	336,250	50,832	7,424	2,304	2,288,984

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e) Information on interest expenses on repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expenses on Repurchase Agreements ^(*)	93,486	6,498	97,477	7,206

^(*) Disclosed in "Interest on Money Market Transactions".

f) Information on finance lease expenses

None (December 31, 2012 – None).

g) Information on interest expenses on factoring payables

None (December 31, 2012 – None).

3. Information on dividend income

	Current Period	Prior Period
Financial Assets Held for Trading	140	62
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets Available for Sale	7	186
Other	-	-
Total	147	248

4. Information on trading income/loss

	Current Period	Prior Period
Trading Income	8,941,514	5,122,117
Gains on Capital Market Operations	275,775	144,820
Derivative Financial Instruments	2,582,412	1,952,427
Foreign Exchange Gains	6,083,327	3,024,870
Trading Loss (-)	(9,146,968)	(5,470,767)
Losses on Capital Market Operations	113,415	(57,429)
Derivative Financial Instruments	2,853,402	(2,384,436)
Foreign Exchange Losses	6,180,151	(3,028,902)
Net Trading Income/Loss	(205,454)	(348,650)

5. Information on other operating income

The Group recorded the current year collections from loans written off in the previous periods, portfolio management fees and commissions and expense accruals in "Other Operating Income" account.

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

6. Provision for losses on loans and other receivables

	Current Period	Prior Period
Specific Provisions For Loans and Other Receivables	873,777	694,132
Loans and Receivables in Group III	(49,797)	151,005
Loans and Receivables in Group IV	143,573	193,226
Loans and Receivables in Group V	780,001	349,901
Doubtful Fee, Commission and Other Receivables	-	-
General Provisions	198,607	217,243
Provision Expenses for Possible Losses	2,278	36,045
Impairment Losses on Securities	103	-
Financial assets at fair value through profit or loss	-	-
Investment securities available for sale	103	-
Impairment Losses on Associates, Subsidiaries and Investment Securities Held-to-Maturity	-	-
Associates	-	-
Subsidiaries	-	-
Entities under common control	-	-
Investment securities held-to-maturity	-	-
Other	28,626	30,734
Total	1,103,391	978,154

7. Information on other operating expenses

	Current Period	Prior Period
Personnel costs	959,234	818,567
Reserve for employee termination benefits	10,590	4,920
Provision for pension fund deficits	-	-
Impairment losses on tangible assets	705	1,651
Depreciation charge of tangible assets	104,429	93,175
Impairment losses of intangible assets	-	-
Impairment losses of goodwill	-	-
Amortization charge of intangible assets	63,034	56,415
Impairment losses on investments under equity method of accounting	-	-
Impairment losses on assets to be disposed	1,048	2,000
Depreciation on assets to be disposed	5,470	2,247
Impairment charge of assets held for sale and discontinued operations	-	-
Other operating expenses	838,870	676,688
Operational lease related expenses	175,785	142,009
Repair and maintenance expenses	63,714	53,705
Advertisement expenses	105,271	87,378
Other expenses	494,100	393,595
Losses on sales of assets	334	1,497
Other	399,131	256,756
Total	2,382,845	1,913,916

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

For the period ended December 31, 2013, net interest income of TL 3,268,967 (December 31, 2012 – TL 2,999,119), net fees and commission income of TL 1,086,758 (December 31, 2012 – TL 1,114,569) and other operating income of TL 321,674 (December 31, 2012 – TL 531,571) constitute an important part of the income.

9. Explanations on tax provision for continued and discontinued operations

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

As of December 31, 2013, the Group recorded tax charge of TL 250,376 (December 31, 2012 – TL 395,527) and a deferred tax income of TL 33,948 (December 31, 2012 – TL 105,170 benefit).

	Current Period	Prior Period
Current Tax Provision	(250,376)	(395,527)
Deferred Tax Income Income/(Expense)	33,948	105,170
Total	(216,428)	(290,357)

9.2. Explanations on operating profit/loss after taxes

None (December 31, 2012 – None).

10. Explanations on net profit/(loss) from continued and discontinued operations

In the current period, there is no profit of the Group from discontinued operations (December 31, 2012 – TL - None), whereas the net profit of the Group from continued operations is TL 758,090 (December 31, 2012 – TL 1,118,165).

11. Explanations on net income/loss for the period

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

None (December 31, 2012 – None).

11.2. There is no material effect of changes in accounting estimates by the Group on income statement for the current and, for subsequent periods.

11.3. Profit or loss attributable to minority shares

	Current Period	Prior Period
Profit / Loss Attributable to Minority Shares	11,939	16,333

11.4. There are no changes in the accounting estimates, which have a material effect on current period or expected to have a material effect on subsequent periods.

12. Information on the components of other items in the income statement exceeding 10% of the total, or items that comprise at least 20% of the income statement

Fees and commissions from credit cards, transfers and insurance intermediaries are recorded in the "Others" line under "Fees and Commissions Received" account and fees and commissions given to credit cards are recorded to the "Others" line under "Fees and Commissions Paid" account by the Parent Bank.

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V. EXPLANATIONS AND DISCLOSURES RELATED TO STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

1. Changes resulting from valuation of available for sale securities

Net decrease of TL 418,755 (December 31, 2012 – TL 450,271 net increase) after tax effect resulting from valuation of available for sale securities at fair values is included in "Securities Value Increase Fund" account under shareholders' equity.

2. Explanations on foreign exchange differences

None.

3. Explanations on dividend

3.1. Dividends declared subsequent to the balance sheet date, but before the announcement of the financial statements

There is no announcement of dividend distribution before the release of the accompanying financial statements. At the General Assembly dated March 28, 2013, it was decided to distribute the 2012 profit as follow:

2012 profit distribution table:	
Current year profit	902,346
A - I. Legal Reserve (Turkish Commercial Code 466/1) at 5%	(45,117)
B - The First Dividend for Shareholders ^(*)	(128,250)
C - Profit from Disposal of Associates	-
D II. Legal Reserves	-
E- Gains on Real Estate Sales Fund	(130,187)
F- Extraordinary Reserves	(598,792)
^(*) Distributed as bonus shares.	

3.2. Dividends per share proposed subsequent to the balance sheet date

No decision is taken concerning the profit distribution by the General Assembly, as of the balance sheet date (December 31, 2012 - Profit distribution for 2012 is detailed in footnote 3.1).

3.3. Transfers to legal reserves

	Current Period	Prior Period
Amount Transferred to Reserves from Retained Earnings	49,380	44,314

4. Information on issuance of share certificates

4.1. The rights, priorities and restrictions regarding the share capital including distribution of income and repayment of the capital

None (December 31, 2012 - None).

5. Information on the other capital increase items in the statement of changes in shareholders' equity

Capital increase amounting to TL 135,000 presented in the Statement of Changes in Shareholder's Equity in 2013 is entirely provided from extraordinary reserves. TL 125,000 of the total capital increase presented in the Statement of Changes in Shareholder's Equity in 2012 has been provided in from extraordinary reserves.

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VI. EXPLANATIONS AND DISCLOSURES RELATED TO CONSOLIDATED CASH FLOWS STATEMENT

1. The effects of the other items stated in the cash flow statement and the changes in foreign currency exchange rates on cash and cash equivalents

"Other items" amounting to TL 964,651 (December 31, 2012 - TL 281,954) in "Operating profit before changes in operating assets and liabilities" consist of commissions paid amounting to TL 144,917 (December 31, 2012 - TL 185,584), net trading income/loss amounting to TL 281,632 (December 31, 2012 - TL 161,010 net trading income/loss) and other operating expenses amounting to TL 538,102 (December 31, 2012 - TL 257,379).

"Other items" in changes in operating assets amounting to TL 316,887 (December 31, 2012 - TL 702,562) consist of the decrease in collaterals given amounting to TL 139,851 (December 31, 2012 - TL 180,548 increase), the increase in lease receivables amounting to TL 3,798 (December 31, 2012 - TL 22,402 decrease), the increase in factoring receivables amounting to TL 2,614 (December 31, 2012 - TL 110,936 decrease) and the decrease in other assets amounting to TL 183,448 (December 31, 2012 - TL 749,772 decrease).

"Other items" in changes in operating liabilities amounting to TL 4,252,421 (December 31, 2012 - TL 511,813) consist of the increase in money market borrowings by TL 1,991,618 (December 31, 2012 - TL 253,309 increase) and the increase in sundry debtors and other liabilities by TL 2,260,803 (December 31, 2012 - TL 258,504 increase).

"Other items" in changes in net cash provided from banking operations amounting to TL 388,432 (December 31, 2012 - TL 90,719) consists of the increase in intangible assets by TL 91,780 and advances given amounting to TL 296,652 (December 31, 2012 - None).

2. Information regarding the balances of cash and cash equivalents at the beginning of the period

	Current Period	Prior Period
	January 1, 2013	January 1, 2012
Cash	653,081	524,265
Cash	439,800	320,914
Cash in Foreign Currencies	212,819	184,674
Other	462	18,677
Cash Equivalents	2,955,737	2,493,964
Balances with the T.R. Central Bank	965,102	480,213
Banks and Other Financial Institutions	205,237	932,227
Money Market Placements	1,786,785	1,093,505
Less: Placements with Banks with Maturities Longer than 3 Months	-	(10,428)
Less: Accruals	(1,387)	(1,553)
Cash and Cash Equivalents	3,608,818	3,018,229

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3. Information regarding the balances of cash and cash equivalents at the end of the period

	Current Period	Prior Period
	December 31, 2013	December 31, 2012
Cash	1,047,250	653,081
Cash	633,575	439,800
Cash in Foreign Currencies	413,150	212,819
Other	525	462
Cash Equivalents	1,224,848	2,955,737
Balances with the T.R. Central Bank	752,806	965,102
Banks and Other Financial Institutions	472,895	205,237
Money Market Placements	3,433	1,786,785
Less: Placements with Banks with Maturities Longer than 3 Months		-
Less: Accruals	(4,286)	(1,387)
Cash and Cash Equivalents	2,272,098	3,608,818

4. Restricted cash and cash equivalents due to legal requirements or other reasons

Foreign bank balances include TL 3,259 (December 31, 2012 - TL 778) of cash blocked at foreign banks held for transactions made for foreign money markets and capital markets and borrowings from foreign markets.

5. Additional information

5.1. Restrictions on the Parent Bank's potential borrowings that can be used for ordinary operations or capital commitment

None (December 31, 2012 - None).

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VII. EXPLANATIONS AND DISCLOSURES RELATED TO THE PARENT BANK'S RISK GROUP

1. Information on the volume of transactions with the Parent Bank's risk group, lending and deposits outstanding at period end and income and expenses in the current period

- 1.1. As of December 31, 2013, the Parent Bank's risk group has deposits and non-cash loans at the Bank amounting to TL 180,605 (December 31, 2012 - TL 213,416), TL 32,895 (December 31, 2012 - TL 29,498) respectively. The Parent Bank's risk group does not have cash loan at the bank as of balance sheet date (December 31, 2012- TL None)

Current Period

Parent Bank's Risk Group	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	-	29,498	-	-
Balance at the End of the Period	-	-	-	32,895	-	-
Interest and Commission Income	-	-	1	-	-	-

Prior Period

Parent Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	-	3,072	34,873	2
Balance at the End of the Period	-	-	-	29,498	-	-
Interest and Commission Income	-	-	5	20	2,195	1

(*) As described in the Article 49 of Banking Law No 5411.

1.2. Information on deposits held by the Parent Bank's risk group

Parent Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at the Beginning of the Period	186,538	58,340	18,692	31,009	8,186	2,116
Balance at the End of the Period	145,235	186,538	18,776	18,692	16,594	8,186
Balance at the Beginning of the Period	229	906	-	-	395	-

(*) As described in the Article 49 of Banking Law No 5411.

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1.3. Information on forward and option agreements and similar agreements made with the Parent Bank's risk group

Parent Bank's Risk Group ^(*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Legal and Real Persons in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions for Trading Purposes						
Beginning of the Period	-	15,581	393,221	34,165	4,711	28,702
End of the Period	-	25,869	130,397	393,221	177,748	4,711
Total Income/Loss ^(**)	-	-	22,706	4,918	1,367	3,137
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Income/Loss ^(**)	-	-	-	-	-	-

(*) As described in the Article 49 of Banking Law No 5411.

(**) Profit and loss amounts of transactions for trading purposes made with own Group cannot be differentiated in total profit and loss accounts.

1.4. As of December 31, 2013 the total amount of remuneration and bonuses paid to the top management of the Group is TL 47,104 (December 31, 2012 – TL 43,129).

2. Disclosures of transactions with the Parent Bank's risk group

2.1. Relations with entities in the risk group of / or controlled by the Parent Bank regardless of the nature of relationship among the parties

Transactions with the risk group are made on an arms-length basis; terms are set according to the market conditions and in compliance with the Banking Law.

2.2. In addition to the structure of the relationship, type of transaction, amount, and share in total transaction volume, amount of significant items, and share in all items, pricing policy and other

The pricing of transactions with the risk group companies is set in compliance with the market prices. As of December 31, 2013, the risk group does not have cash loans at the Bank (December 31, 2012 – None.), the deposits represented 0.5% of the Parent Bank's total deposits (December 31, 2012 – 0.7%) and derivative transactions with the risk group represented 0.3% of the Parent Bank's total derivative transactions (December 31, 2012 – 1.6%).

2.3. Explanations on purchase and sale of real estate and other assets, sales and purchases of services, agent contracts, financial lease agreements, transfer of data obtained from research and development, licensing agreements, financing (including loans and cash and in-kind capital support), guarantees and promissory notes, and management contracts

The Parent Bank enters into finance lease agreements with Finans Finansal Kiralama A.Ş.

The Parent Bank places certain amount of its funds from time to time to Finans Portföy Yönetimi A.Ş.

The Parent Bank has signed an agreement with Ibtch Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek Sanayi ve Ticaret A.Ş. regarding research, development, advisory and improvement services.

Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş., in which the Parent Bank participated with 33.33% shareholding, provides cash transfer services to the Parent Bank.

Information about the Parent Bank's subordinated loans obtained from NBS S.A. is explained under Section 5, Part II, Footnote 12.

The Bank provides agency services to Finans Emeklilik ve Hayat A.Ş., which is a jointly controlled entity with 49.00% shares held by the Bank.

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VIII. EXPLANATIONS ON THE PARENT BANK'S DOMESTIC, FOREIGN AND OFF-SHORE BANKING BRANCHES AND FOREIGN REPRESENTATIVES OF THE GROUP**1. Information relating to the Parent Bank's domestic and foreign branch and representatives**

	Number	Employees			
Domestic Branch	673	13,960			
			Country		
Foreign Representation	-	-	1-		
			2-		
			3-		
				Total Assets	Capital
Foreign Branch	-	-	1-	-	-
			2-		
			3-		
Off-shore Banking and Region Branches	1	7	1- Bahrain	8,430,434	

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SECTION SIX

OTHER EXPLANATIONS AND DISCLOSURES

I. OTHER EXPLANATIONS RELATED TO THE GROUP'S OPERATIONS

1. Disclosure related to subsequent events and transactions that have not been finalized yet, and their impact on the financial statements

In the meeting of the Board of Directors dated February 27, 2014, the Parent Bank decided to hold the ordinary general assembly meeting on March 27, 2014.

2. Information about effects of significant changes in foreign exchange rates after balance sheet date that would affect decision making process of users and foreign operations of the Group

There are no significant fluctuations in the currency exchange rates after the balance sheet date that would affect the analysis and decision making process of the readers of the financial statements.

3. Other matters

None.

SECTION SEVEN

INDEPENDENT AUDITOR'S REPORT

I. EXPLANATIONS ON THE INDEPENDENT AUDITOR'S REPORT

The consolidated financial statements of the Group have been audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu Limited) and the independent auditor's report dated February 27, 2014 is presented preceding the financial statements.

II. EXPLANATIONS ON THE NOTES PREPARED BY INDEPENDENT AUDITOR

None. (December 31, 2012 – None)

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