



2014 ANNUAL REPORT

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

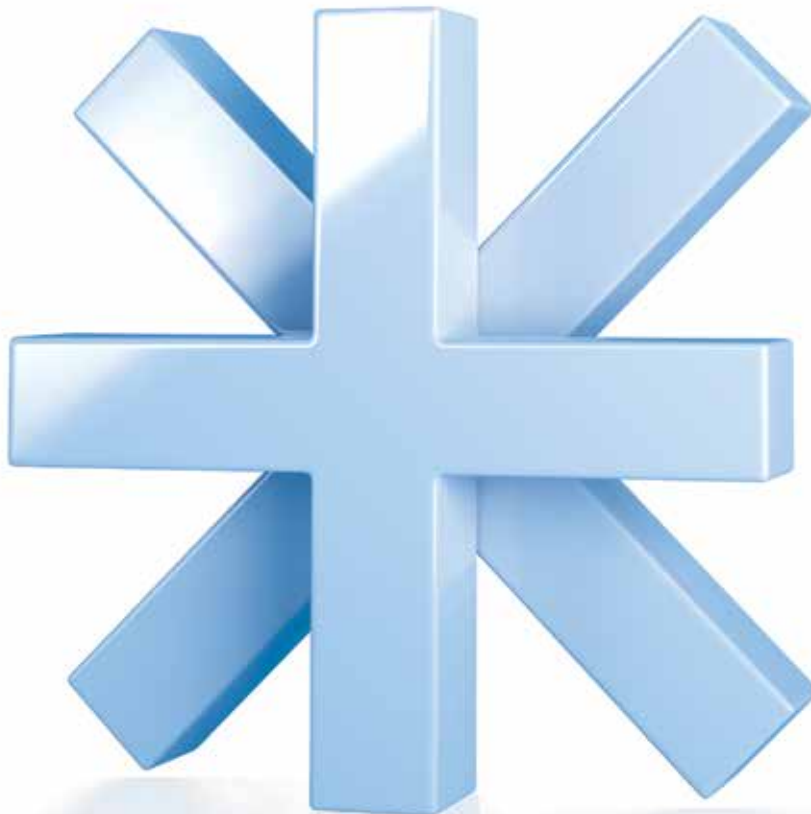
Our Values

Respect and Commitment

Being "Us"

Innovation

Leadership



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Message from the Chairman

We successfully ended a formidable year thanks to steps we have taken since mid-2012, our customer focused strategy, and expert "Finansçı" employees dedicated to our values.

Dear Shareholders,

The year 2014, quite eventful and challenging, is behind us.

The tender and volatile nature of the acceleration of global economic growth caused drastic falls in commodity prices and international freight index. The decrease in oil prices was unprecedented and is still influential. The negative impact of economic fluctuation and regional tensions continued to lead to social unrest. Particularly in southwestern neighbors of Turkey, political instability and non-state formations gained in strength.

In such a harsh international environment, two elections were held in Turkey in one year. Added to the economic hardship, the drought led to an increase in food prices and inflationist pressure.

A significant fall in current account deficit came about at the end of the year due to decreasing oil prices among other reasons. However, GDP growth

was somehow lower than projected. Turkey will end the year with a 3% growth rate.

The vigorous fluctuation in the financial market during the end of 2013 and first weeks of 2014 led to a negative start for the financial sector. The sizeable interest rate hike the Central Bank resorted to in order to stop TL depreciation, slowed loan growth with a negative impact on the profitability of the sector. Thanks also to the improvement of the global outlook in the remainder of the year, a more positive course, with the interest rate cuts, replaced the initial negative picture.

Another significant theme for the financial sector, besides interest rate movements, regulatory changes, which went into effect partially in mid-2013 and beginning of 2014. The changes were aimed at achieving balance in the current account deficit by supporting exports while curbing imports. Measures were taken to promote growth in SME and

corporate/commercial loans while curbing consumer loans and credit card expansion. Targeted ends were substantially met.

In 2014, the financial sector was focused on responding to such changes while maintaining rates of profitability. There arose novelties in competition areas due to the new regulations.

Under these circumstances, Finansbank was once again able to present its power for strategic positioning and making dynamic projections. We successfully ended a formidable year thanks to steps we have taken since mid-2012, our customer focused strategy, and expert "Finansçı" employees dedicated to our values.

In addition to robust growth in SME, corporate and commercial banking segments, we realized successfully the targets planned in line with our retail banking strategy.



We increased incessantly our earnings every quarter. Finansbank displayed a stronger growth than the sector in loans and deposits. We ended 2014 with a TL 877 million net profit in addition to a high degree of liquidity and a robust 17% capital adequacy ratio.

Global economic and geopolitical trends will continue to be unstable in 2015. Beginning mid-2015, the US Central Bank is expected to begin to raise interest rates while the European Central Bank is anticipated to be involved in more expansionist fiscal policies. Slowing of global growth will be detrimental to Turkey as well as other developing markets, but low commodity prices will be to their benefit. Above all, the determining economic factor in 2015 shall be how balance shall play out.

Under these circumstances, rigid policies aimed at decreasing current

account deficit and the inflation will continue to be pursued in the Turkish economy. According to estimates announced in October, the economy is expected to grow 4% in 2015 and 5% each in 2016 and 2017. In other respects, rigidity in regulations will continue to be influential.

Such economic outlook and regulations lay even more emphasis on the importance of a strategic approach in banking.

We will continue to grow in 2015 and beyond as a business partner reducing costs and risks of our clients and as Turkey's «Finansçı» by providing an experience well beyond the conventional understanding and products of banking.

Our strength lies in our prestige we built by the steps we have taken so far

as well as the drive and morals of our employees. This prestige is a common value for our clients, business partners, shareholders and all stakeholders as well as us «Finansçı»s. We will continue to boost this value and contribute to the economic development of our country.

On behalf of the Board, Shareholders of Finansbank and myself, I would like to thank once again all our employees, business partners and customers for their trust in us.

Ömer A. Aras
Chairman and Group CEO



Message from the General Manager

Despite all negative conditions, Finansbank's net profit for 2014 is TL 877 million, up by 20%.

Dear Shareholders and the Members of the Board,

2014 has been a year when economic and social environment was shaped, in Turkey as well as in the world as a whole, by uncertainty and limited growth. We met the year aware of the difficulties we would face and with the confidence of our prowess to overcome such hardship.

We proved right with our ability to evaluate macroeconomic and sectoral dynamics correctly and assume necessary strategic positions, and thus to be the player who manages change.

We are one step closer to our target of being among the first three players in fields of our choice by the year 2020. Our balance sheet results are sound proof to that effect.

Our assets reached TL 75 billion, up 14% from 2013 yearend values. We achieved a 46% growth in corporate loans. Because of practicing our selective strategy in retail loans, our loan growth realized at 17%, higher than the sector average.

Thanks to the trust of our clients in our Bank, customer deposits increased 10%, again above the sector average, and reached TL 41 billion. Shareholders' equity was TL 8.6 billion, up by 12%. Our net interest income was TL 3.1 billion, and our net fees and commissions equaled TL 1.3 billion.

Despite all the negative conditions in 2014, our net profit increased 20% and reached TL 877 million.

2014 has been a year of another significant future attainment for Finansbank. Finansbank's highest syndicated loan so far, in the amount of USD 845 million, with the participation of 26 banks from 15 countries, emphasizes international credibility and prestige of our Bank, and our success and prowess in the services we provide, as well as the accomplished performance of Turkey.

We maintain our robust growth in small and medium-sized enterprises. We are proud to be supporting the economy of our country by financial and advisory contribution we provide to the SMEs,

Turkey's most significant powerhouses. While sustaining significant advantages to SMEs, we moved our project, «Bosses of the Future» that we initiated last year, to a higher level.

In 2014, we put many innovative implementations into practice. We offered our clients the opportunity for low-cost loan applications without the need to go to a branch, on Enpara.com, the pioneering Internet bank of the sector. Besides, through our subsidiary eFinans, we are able to provide the first e-invoice service in the sector in addition to such cloud based services such as integration, service provision, archiving and e-book.

Finansbank's achievements continue to be appreciated in the international arena. "Basemap" project, within our strategies for 2015 and beyond, geared towards raising operational strength and service quality of our field personnel and managers, who will hold wide-ranging authority and responsibilities, was awarded second place in Sales Productivity Innovation category of European



Finance Management Association (EFMA), the most prestigious innovation competition in the financial sector worldwide.

In Corporate Internet Banking, "Instant Loan" (Anında Kredi) and "Turkcell Talk Loan" (Turkcell Konuşturana Kredi), both first-time products in the sector, were hits at the International Stevie Business Awards.

We project that the Turkish economy will gain momentum in 2015 and grow around 4%. Within this outlook, we anticipate the continuation in 2015, albeit to a more limited manner, of the trend in loan growth composition witnessed in 2014.

Turkey, whose need for financial solutions has increased and became more sophisticated in the face of a growing economy, is going through a period when strategies in the business

world and the banking sector are shaped by monetary and fiscal policies focused on balance of payments equilibrium.

As Financiers of Turkey, we act with the sense of responsibility of contributing to economic growth and put into practice necessary strategies. We constantly renew our ways in order to meet customer expectations in the best manner possible.

We provide safe and innovative products to deposit holders for their savings. We convert such savings and foreign resources that are signs of trust in our Bank, into commercial loans geared towards production and employment, and into retail banking products such as home and consumer loans for realizing consumers' dreams.

In 2015 and the years to come, we will continue to beat the fierce competition

by providing the best customer experience at the preferred time and channel of our customers at the most favorable cost structure and increase the value we create for our country and our stakeholders.

We are willing and able to move forward in the road to success where we have taken energetic steps, backed by our vision as architect of every retail and commercial financial plan to carry Turkey to success and our distinguishing identity as Financier of Turkey. I offer my gratitude to all our employees, shareholders and business partners who have accompanied us in our endeavors.

Respectfully
Temel Güzeloğlu
General Manager





Financial Highlights and Ownership Structure

Revenues (TL million)					
	2010	2011	2012	2013	2014
Net Interest Income	2,254	2,225	2,877	3,163	3,088
Net Fee and Commission Income	594	801	1,029	1,032	1,334
Other Operating Expenses (-)	1,376	1,574	1,796	2,294	2,334
Operating Profit before Tax	1,134	1,120	1,170	938	1,142
Income Tax Provision (-)	219	272	266	203	265
Net Profit	915	848	904	734	877

Balance Sheet (TL million)					
	2010	2011	2012	2013	2014
Total Loans	25,836	30,838	36,793	42,910	50,344
Marketable Securities	7,504	6,949	7,310	8,731	9,165
Total Assets	38,087	46,199	54,402	66,010	75,206
Customer Deposits	23,552	28,989	31,874	36,980	40,652
Shareholders' Equity	5,208	5,696	7,290	7,648	8,574

Ownership Structure		
	Paid in Capital (TL thousand)	Share
National Bank of Greece S.A.	2,331,170	82.23%
NBG Finance (Dollar) PLC	274,411	9.68%
NBGI Holdings B.V.	223,965	7.90%
Publicly Traded	5,454	0.19%
Total	2,835,000	100.00%

The Report on Compliance of the Annual Report



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To the General Assembly of Shareholders of Finansbank A.Ş.:

We have audited the consistency and accuracy of the financial information included in the Annual Report of Finansbank A.Ş. ("The Bank") and its consolidated subsidiaries as of December 31, 2014 with the audited financial statements as of and for the year ended December 31, 2014. The Annual Report is the responsibility of the Bank's management. Our responsibility, as independent auditors, is to express an opinion on consistency of the financial information included in the annual report with audited financial statements included in our independent auditors' report dated February 05, 2015.

We have conducted our audit in accordance with principles and procedures on the preparation and issuance of annual report set out by the regulations, Banking Act No.5411, and with the Independent Auditing Standards which is a part of Turkish Auditing Standards promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA") and article 397 of Turkish Commercial Code No. 6102. Those regulations require us to plan and conduct the audit to obtain reasonable assurance whether the financial information included in the annual report is free from material misstatement. We believe that our audit provides a reasonable and sufficient basis for our opinion.

In our opinion, the financial information included in the accompanying Annual Report presents fairly, in all materials respects, the information regarding the financial position of Finansbank A.Ş. as at December 31, 2014 in accordance with the principles and procedures set out by the regulations in conformity with article 40 of the Banking Act No.5411 and includes a summary of the Board of Directors' report and independent auditor's report issued by us and is consistent with the audited financial statements.

Report on other responsibilities arising from regulatory requirements

In accordance with paragraph 3 of Article 402 of the Turkish Commercial Code 6102, within the framework of the Independent Auditing Standards 570 "Going Concern", no material uncertainty has come to our attention to be disclosed which causes us to believe that Finansbank A.Ş. will not be able to continue as a going concern in the foreseeable future.

GÜNEY BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK ANONİM ŞİRKETİ
A Member Firm Of ERNST & YOUNG GLOBAL LIMITED



Hatice Dilek Çilingir Köstem
Partner in charge, SMMM
March 10, 2015
Istanbul, Turkey

Retail Banking

As of end of December 2014 market share in consumer loans is 6.4%.

In line with its strategy, Finansbank consolidated 17 branches in 2014 and ended the year with 658 branches. Furthermore, 17 existing branches were moved to better locations. Finansbank's new branch model introduced in 2011 became active in 415 branches by the end of 2014.

Retail Loans

For retail loans, 2014 was a year when structural improvements were prioritized and new products were launched in order to serve urgent cash needs of customers in a quick and convenient way.

Similar to the previous year, Finansbank Retail Banking continued to make attractive credit offers to public employees, nurses and teachers. Finansbank's market share in consumer loans has reached 6.4% by the end of 2014.

Thanks to its pricing strategy, Finansbank maintained its competitive position in the home loans segment and captured a market share of 5.1% by the end of 2014. Proven as an important channel for new customer acquisition, "Real Estate Agency Loyalty Program", launched in 2008 to secure the loyalty of real estate agencies, continued throughout 2014. Moreover, central management of all operational

processes under "Housing Services Office" has minimized the time needed for approving a mortgage loan thus ensuring customer satisfaction.

Mass Banking

A school tuition payment system agreement covering the academic semesters September 2013-June 2017 has been made between Finansbank and Doğa College, the leading private school in Turkey. Our Bank has realized the largest customer acquisition with this project in the field of school tuition payment system and has become one of the leading banks in the sector.

Thanks to the recent developments in salary payments and sound synergies established with profit centers, there is a 10% increase in overall count of salary payment customers. A 10% increase was achieved in the number of companies making salary payments compared to 2013, while the total salary amount paid increased 15%.

In 2013, Finansbank launched a campaign targeting the retiree segment, thus becoming a pioneer in the banking sector. The campaign, which ended on September 30, 2014, awarded 200 TL cash prize to people who moved their retirement pensions to Finansbank.

Through this campaign, Finansbank reached 200,000 customers and increased its number of retiree customers approximately by 710% compared to March 2013.

After the completion of the integration project in 2013 between Finansbank, Sompo Japan A.Ş. and Cigna Finans Pension and Life for credit-linked and non-credit linked products, new products were launched and presented to customers in 2014. Some of these new products include Dental PA, Vision PA and Overdraft Extra Life Insurance.

Private Banking and High Income Segment

In line with the reorganization of the Bank, Private Banking serves customers with a 56 member sales team, 73 Branch Offices and 16 Regional Offices.

Deposit and Investment Products, Gold Banking

In 2014, Finansbank has continued to offer alternative products to its customers for valorising their savings with bank bonds, exchange market investment funds and stock certificates as well as products with demand and time deposit specifications and standard time deposit account products.

The retail demand deposit volume of Finansbank recorded 4.4% increase and reached TL 2.6 billion. "Double Yolk Account", which provides interest income while offering the comfort of a demand deposit account, has posted 35% increase in volume. "Payroll Account", which provides monthly income bracket to its customers, invests the monthly interest incomes of the customers to their accounts as a second salary. In 2014, Finansbank introduced a new long-term time deposit product called "Attractive Account", allowing money withdrawal without losing interest on the withdrawn amount. "Attractive Account" reached 7% of the all deposit customers as of the end of the year. In addition to time deposits, new products that provide customers saving opportunity were offered in 2014. The number of "Gold Saving Accounts", which enable customers to save gold even in small amounts, has increased

50%. In addition, "FX Savings Account", which allows for Euro/Dollar savings, reached around 5,000 customers.

Finansbank continued to offer "Gold Account" in 2014 for gold trading opportunities. In addition, "Gold Collection Days", which provide safekeeping of customers' gold, continues in 19 branches once every 2 weeks.

Affluent Segment

In 2014, Finansbank gave priority to projects and activities that would strengthen the relationship between the Affluent Segment customers and the bank.

The growth in number of customers has accelerated, thanks to projects and campaigns such as "Company Associates Project", which targets company owners who were turned over to retail profit centers. In addition, "Star Investor" project, targeting portfolio differentiation, continued successfully.

Finansbank also gives Affluent Segment customers privileges outside the banking environment with ClubFinans program. With prestigious services like Primeclass CIP service, private driver service, dry cleaning free of charge, "Motovale" and "ClubFinans Library", customer loyalty has been boosted in 2014.

In the last quarter of 2014, membership criteria increased to TL 100,000 from TL 50,000, in order to allow a more profitable and reliable management of high income customers.

Private Banking

Private Banking provides a wide range of products to Finansbank retail customers with cash assets in excess of TL 750,000. In line with the reorganization of the Bank, Private Banking serves customers with a 56 member sales team, 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 events.

In 2014 Finansbank Private Banking, having an understanding of changing the way banking services are perceived, started to present private customers TAV Passport Card, the card of privileges at the airport, as a gift.

SME and Agricultural Banking

In 2014, Finansbank's SME lending (according to BRSA definition) increased 46% reaching TL 18 billion, which carried the market share from 4.4% in 2013 to 5.3%

Finansbank SME and Agricultural Banking Department consists of 3 different business lines: Medium Size Enterprises, Small Size Enterprises (Micro) and Agricultural Banking. Companies with annual revenues up to TL 2 million are administered under the Small Size Enterprises Unit, while those between 2 to TL 20 million are under the Medium Size Enterprises' portfolio.

Finansbank SME and Agricultural Banking offers it services through 1,449 personnel, 612 branches and 16 Regional Offices. In 2014, an increase of above market average was achieved in SME loans, expanding Finansbank's continued support to the sector and the economy in general.

In 2014, Finansbank's SME lending (according to BRSA definition) increased 46% reaching TL 18 billion, which carried the market share from 4.4% in 2013 to 5.3%. SME loans comprise 35% of Finansbank's total loan portfolio at the end of 2014.

SME Banking

Finansbank has continued to support the growth of SMEs, while strengthening its position in the banking sector with the aim to contribute to national economy, despite the recession signals in the global economy. Finansbank embraced a concept of solution-oriented service tailored to SMEs, with its wide product array ranging from foreign trade services to loans, deposits and cash flow products.

The Bank served its customers depending on their loan repayment ability with a

rich range of products from short-term loans with installments that can foster the enterprises' need for working capital, to long-term commercial loans in large quantities, which are utilized for large-scale investments. In addition, as the first Turkish bank authorized to use the European Investment Fund (EIF) guarantee and offer collateral security to SMEs, Finansbank provides long-term financing to all types of small enterprises, including start-ups as well as expanding existing businesses. This source of funding, with its tailored repayment schedules and appealing interest rates allows Finansbank a competitive advantage. In addition, Finansbank offers advantageous funding opportunities to companies with turnover of up to TL 20 million, through the collateral of Credit Guarantee Fund (CGF).

Continuing to improve its infrastructure for easing the way customers make their transactions, Finansbank introduced "SME Cloud", the first SME call center. Small size enterprises can call 0850 222 1 900 to reach this service, and bypass the need to go to the branch to apply for loans and observe their POS and business card transactions as well as checks.

Aware of the fact that supporting SMEs means supporting the national economy, Finansbank will continue to focus on SMEs and provide them with transparent, trustworthy and fast services, and will continue to be an important player in the toughening competition.

Looking at Finansbank's 2014 SME Banking numbers separately as Small

Enterprises and Medium Enterprises;

SME Banking Small Enterprises cash loans reached TL 7.2 billion, growing 34%. Total demand deposits reached TL 1 billion and continued to bolster the Bank's deposit base.

SME Banking Medium Enterprises cash loans reached TL 7.6 billion, growing 44%. The total amount of demand deposits reached TL 756 million.

In 2014, Finansbank's premium production rose to TL 103.5 million as a result of special insurance products and insurance solutions to corporate banking customers. The 30% annual increase is owed to the efficient premium management of the SME Banking Insurance Management Unit.

Finansbank products and services that provide a competitive edge are summarized below:

- SME customers can apply for a commercial loan through "SME Internet Banking" quickly and easily with a single click, of up to a credit line of TL 150,000.
- "SME Money-in-the-Pocket" service enables small business owners to apply for a loan of up to TL 50,000 via SMS messages and learn the outcome on the same day.
- "KOBİ Plus" offers an extension of the maturity of customers' installment loan, while the monthly payments remain unchanged.

35% of total loans is allocated to SMEs at Finansbank.

- "Dynamic Loan" allows the customer to set their own limits on their 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, while 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" allows SMEs to make salary payments in the absence of sufficient funds in their accounts.

Taking an important step in support of entrepreneurs with "Bosses of the Future" competition, Finansbank has been bringing angel investors and entrepreneurs together in a highly specialized training platform since 2013, in addition to featured products and services offered to SMEs. The competition, which was organized for the second time in 2014, aims to deepen the investment pool and bring together the business world with new skills and ideas.

Another area Finansbank entered into in 2014 is the funding of individuals and/or companies for "Urban Transformation Projects" in specific regions in Istanbul. In order to meet the financial needs of these project-based construction firms with an accurate model and a rapid process, Finansbank headquarters and branch staff have been working around the clock.

"KOBI Center", a website with more than 10,000 subscribers, has been an important communication channel offering remarkable opportunities to bank customers offering a medium for establishing strategic partnerships. Through "KOBI Center", SMEs can promote their products on the Internet, find strategic partners to expand their businesses and get consulting services.

Agricultural Banking

Finansbank, believing in the strategic importance of the agricultural sector, completed its Agricultural Banking restructuring process in 2013 and now serving its agricultural customers with 141 branches and 168 customer representatives, most of whom are agricultural engineers. Agricultural Banking, while diversifying its services by product and region, serves with a wide variety of products. As a result, Finansbank was able to increase the amount of its agricultural loans over TL 1 billion at the end of 2014, posting a 100% growth annually.

Aimed at supporting the modernization of agricultural equipment and the optimization of the existing models of operation with the aim of reaching economies of scale, Finansbank offers favorable payment terms on investment loans and maturity option possibilities of up to 10 years. Finansbank also mediates international development project funds of IPARD, while leveraging European Investment Bank sources,

aimed at supporting working capital and mechanization needs of agro-businesses.

Aiming at creating long-term relationships with its customers, the Bank provides flexibility to agricultural customers with the innovative "Farmer's Cash", in order to pay their bills and make Bağkur payments immediately, and to let them determine the dates of their own loan installments.

Finansbank Agricultural Banking division also supports certified agricultural production, which provides consumers quality food. In this context, organic farming activities are supported with favorable credit rates and payment periods.

In 2015, Finansbank will continue to provide unique products and services, to contribute to the development of this strategic sector, to grow in line with its targets and channel resources.

Corporate and Commercial Banking

Corporate and Commercial Banking grew twice as fast as the sector by increasing its cash loans by 53% and total loans by 40% in 2014.

Finansbank Corporate Banking serves leading domestic conglomerates, holding companies and multinational companies operating in Turkey through a network of 4 corporate branches located in İstanbul and Ankara as well as regional representative offices in Bursa, İzmir, Antalya and Adana.

Finansbank Commercial Banking serves commercial firms through its 16 Regional Directorates and 61 branches including 250 account officers.

Corporate and Commercial Banking aims to be the primary bank of clients through its customer-oriented approach, tailor-made solutions, and long-lasting collaboration strategy.

In accordance with Finansbank's strategy of growing in the non-retail segment and its vision to help build individual and commercial financial plans that will catalyze Turkey's success, Corporate and Commercial Banking grew twice as fast as the sector by increasing its cash loans by 53% and total loans by 40% in 2014.

Corporate and Commercial Banking meets the banking needs other than loans of clients rapidly via its strong technological infrastructure, wide range of products, effective operations and qualified human resources. In addition, it creates value added for clients' supply chain servicing to partners, employees, branches and suppliers of customers by collaborating closely with the Bank's other business lines.

Project and Structured Finance

In 2014, Finansbank Project and Structured Finance Unit financed projects that contribute to the development of the Turkish economy. In addition, thanks to its extensive knowledge and experience in the sector and its current relationships, the Unit continued to take part in financing large-scale projects as the Lead Arranger in various Club and Syndication Loans with participation of local and international financial institutions. Finansbank financed high-volume projects in some of the most prominent sectors such as infrastructure, energy and real estate, and played an active role in the financing of Integrated Healthcare Campus Projects carried out under the Public-Private Partnership Model. Finansbank Project and Structured Finance Unit provides support to investors by its extensive technical and feasibility analysis, for completion of contracts and documentation of local/international transactions with international standards, and providing consultancy in the coordination of the funding for major projects.

Finansbank Project and Structured Finance Unit differentiates itself by its specialized team who continuously follows the dynamics and needs of various sectors, its experience based on technical, financial and legal analysis and the support, solutions and consultancy services it provides both during and after investment.

In 2014, Finansbank Commercial and Corporate Banking granted USD 2.1 billion of loans for 33 projects, particularly in real estate, energy, infrastructure and Public-Private Partnership sectors. With the expansion of its professional staff in 2013, the Project and Structured Finance Unit started to provide services in three sub-groups in 2014; "Real Estate, Infrastructure, M&A Finance", "Energy, PPP, Privatization Finance" and "Commercial Banking Project Finance". The Project Finance Unit alone underwrote 18 projects with a total commitment of approximately USD 0.5 billion.

Energy Projects:

In 2014, by participating in base load power plant investments and renewable energy projects, Finansbank has continued to play an active role in supporting the energy sector, a key sector for sustainable economic improvement. In this context, the Bank transferred EURO 50 million under the MidSEFF program from EIB (European Investment Bank) for the financing of ecofriendly wind and hydroelectric energy projects. Finansbank's position was underlined further by its commitment of more than USD 850 million of loans for the energy sector within one year.

Infrastructure Projects:

Infrastructure projects continued to be of significance in 2014. The same consortium completed the second phase of Gebze-İzmir Motorway Project in 2014, which started to be financed in 2013. Acting as Mandated Lead Arranger in both phases,

Project Finance Unit underwrote 18 projects with a total commitment of approximately USD 0.5 billion.

Finansbank's participation in the project has reached USD 250 million. Gebze-Izmir Motorway has been awarded the "Best Transport Infrastructure Deal in Central and Eastern Europe" in 2014 by the leading finance magazine EMEA Finance.

Public-Private Partnership Projects:

Since the beginning of the tender process, Finansbank worked closely with both public representatives and private clients in PPP Projects that bring a new dimension to the healthcare sector, and played an active role in the structuring and documentation of these investments. Moreover, Finansbank acted as Coordinator Bank, Facility and Security Agent in the Kayseri Integrated Health Campus Project, which has a bed capacity of 1,583 with an investment amount of approximately EUR 415 million.

Finansbank, in line with the development project targets of the Turkish economy, will continue to follow closely the infrastructure, construction, real estate and energy sectors, including the ones to be carried out under the PPP model. Finansbank aims to provide timely, effective and sophisticated solutions to its customers and to become the most preferred Bank in Turkey in Project Finance.

Cash Management and Trade Finance

Finansbank Cash Management and Trade Finance Unit continues to operate as one of the strongest players in the field by creating solutions to meet all types of payment and collection needs

of customers, with strong technological infrastructure and expert staff.

The number of dealers using the Direct Debit System (DBS) increased 72%, while cheque volumes rose by 37% on the collection side with the market share reaching 4.8%. The volume of payment cheques has grown by 29% with market share increasing to 7.2%.

Within the scope of bill collection and legal payments, services are provided through branches and alternative distribution channels in all provinces across Turkey. Corporate system integration and reconciliation processes have been achieved in a fast and accurate way, enabling Finansbank to work with close to 500 institutions via online and offline systems.

One of the key areas where significant progress was made in 2014 is trade finance, which will also be a point of focus in 2015. Finansbank recorded a noteworthy achievement, especially in the export operations and increased its export volume by 48%, while the amount of trade volume grew 28%.

The Department of Cash Management and Trade Finance has identified its main strategy as offering faster, high quality and efficient services to the customers by developing integrated solutions with e-invoice service provided by our subsidiary, eFinans, established in 2013. In this context, Finansbank has added e-invoice guaranteed loans to its product

line and became the first in the market by providing easy financing to the e-invoice obliged firms.

"Finans Star", formed as web-based platform in 2014, enables firms to send payment requests to Finansbank and to integrate the outcome easily to their own systems. With the integration of e-invoice, a complete cash flow portal was presented for use of customers.

Cash Management and Trade Finance, with the target of becoming customers' main bank through standard solutions and customer specific projects, will continue fund commercial activities with high value-added products and services in 2015.

Enpara.com

Enpara.com reached almost TL 250 million loan volume in just 4 months, while its deposits exceeded TL 3.7 billion.

Launched by Finansbank in October 2012 as the first direct-only banking model in Turkey, Enpara.com offers retail banking services through digital channels only (Internet, mobile, call center and ATMs), without utilizing physical bank branches as a service channel. In 2014, Enpara.com continued its fast growth and innovation leadership while strengthening its position in the minds of target consumers as the top "branchless/digital bank" brand.

Enpara.com has an attractive and sustainable business model where the cost advantages of being branchless is shared with customers through good rates and feeless banking. By effectively

addressing the growing demand in the market for low-cost digital banking, Enpara.com has reached more than 230,000 customers by the end of 2014.

Maintaining the high-quality service with increased number of customers, Enpara.com customer satisfaction levels soared to 99.7%. With its field team visiting first-time customers all around Turkey, contact center team answering calls in less than 30 seconds, relentless focus on flawless user experience and customer friendly practices, Enpara.com received numerous "thank you" notes from its customers and continued to raise the bar for customer service of the entire industry.

Its innovative general purpose loan product launched in September 2014 was a "first" in the market. By offering its customers a fully online consumer loan within minutes, and without having to visit a physical branch, Enpara.com has reached almost TL 250 million loan volume in just 4 months, while its deposits exceeded TL 3.7 billion by yearend 2014.

Payment Systems

CardFinans ranked among the top five brands in the Turkish credit card market with more than 5 million cards issued and a total turnover of around TL 40 billion.

CardFinans

CardFinans ranked among the top five brands in the Turkish credit card market in 2014. With more than 5 million cards issued, total turnover reached around TL 40 billion. In terms of credit card receivables, CardFinans market share was at 10.1% with a loan balance of TL 8.4 billion. S-posta service, launched in 2013, enabling cardholders to reach their statement details over the phone, reached over 200,000 customers at the end of 2014.

Gift Money

The program, which was launched in June 2014, enables CardFinans credit card holders to make free purchases in member stores from TL 150 up to TL 1,500. With the spending commitment made by cardholders in exchange for the amount of Gift Money used, customers are secured to use CardFinans in their purchases for a 12 to 18 month timeframe. Including leading brands in various sectors and makes unprecedented offers, it has been adopted and appreciated by CardFinans users in a short period.

Fix Card

Fix Card, which combines credit card, debit card and contactless payment capabilities in a single card, continued growing significantly in 2014. Fix Card is one of the first examples in the Turkish market of a card without an annual fee.

CardFinans Retiree

Customers whose retirement payroll accounts are in Finansbank, are offered a new credit card product in 2014, which

offers them discounts and advantages in drug and food stores. This new product, which offers various specialized advantages to retired customers, has become highly favored in this segment, with a fast growing portfolio.

ClubFinans & ClubFinans Xclusive

In 2014, ClubFinans continued to offer exclusive services and privileges to credit card owners. Among these privileges there are, ClubFinans Library, Assistance, Car Valet, Dry Cleaning, Chauffeur Service, Car Rental, Installments for Shopping Abroad and Duty Free Purchases and discounts on safe deposits.

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, penetrated 50% of the sector.

Nurse Card

Finansbank launched Nurse Card in March 2013, which is offered to nurses, midwives and medical assistants, as a first in Turkey. Nurse Card combines credit card, debit card and paypass features in one card, offering ease of payment. Nurse Card, which provides privileged services to nurses, penetrated 25% of the sector at yearend 2014.

CardFinans Cash

CardFinans Cash ranked ninth in the Turkish debit card market in 2014, capturing a 5.4% market share in terms of turnover with 4.9 million cards issued.

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

First Card Program

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. Product and spending limits are imposed on cards of owners within the program. This card program offers many options according to customers' needs via SMS, e-mail and other communication channels. Limits on card of owners are lifted upon active use of the card and timely payment of debts.

POS

In line with growth strategy, the number of POS machines used in our merchant network increased to 241,556 by the end of 2014. POS acquisition market share reached 6% with 192,981 Finansbank merchants.

CardFinans Commercial Cards

CardFinans commercial credit card, designed for enhancing business life and supporting cash management of business owners, is ranked second commercial card brands in the market in 2014, with 489,182 cards issued. CardFinans VadeKart introduced to the Turkish commercial card market for the first time features such as Payment postponement, after sales installment, statement postponement and instant loan, offering the possibility of earning while buying.

Information Technology (IB Tech), Operations, Channels and Business Development

Finansbank Information Technology completed 266 IT related projects requested by Finansbank and its subsidiaries.

Information Technology

In 2014, new functions were added to Finansbank's core banking system's (CORE Finans) branch front-end, credit cards backbone and alternative delivery channel applications for more user friendly and efficient functioning.

Information Technology Department completed 266 IT related projects requested by Finansbank and its subsidiaries. IT spent 71,753 person-days on these projects with an average effort per project exceeding 270 person-days. IT also responded to 3,534 small scale inquiries regarding software updates, with an effort of less than 40 man-days per project.

Projects have been implemented due to the regulation changes in 2014. Projects related to the new legislation for the account, loan, credit card charges/ commissions and pricing management were completed.

New projects were undertaken for efficiency and process improvement. In this context, improvements have been made regarding document circulation; Incoming fax documents can be processed in the Erzurum Operations Center or bank branches, which resulted in significant labor saving. Potential customers, activities, amenities, customer interview notes, branch visit screens and promotion features were launched in the new in-house CRM application "Pusula" (Compass).

In addition, new projects were developed in order to achieve process diversity in Alternative Distribution Channels. A new CORE Finans application was developed for Windows 8-based tablets. Other projects include "Gift Money" for Finansbank credit card holders (depending on the amount of their spendings), installment loans to retail customers through Enpara.com, mobile banking web application other than the apps for iPhone and Android phones, consumer loan application via alternative distribution channels, sale of credit through dealers' channels and visual and functional improvements on the mobile banking application's main page used on iOS and Android platforms. Another improvement involved the enabling of login with a Turkish ID number (TCKN) or credit card number.

Recycle type ATMs are installed in order to reduce money loading cost (Recycle type ATM enables the customer to withdraw using cash of a recent deposit). The telephone banking application technology was renewed with a customer, sales and efficiency oriented telephone-banking model.

Direct Banking/Internet Banking

Finansbank continued to commit its energy to Direct Banking in 2014, in order to increase customer satisfaction, ease the workload in branches, and decrease service costs. Accordingly, Direct Banking Portfolio Management Team continued to conduct campaigns and marketing

activities in order to bring Finansbank customers to channels such as ATM, online branch, mobile branch, and "My Card Transactions"; and improved the services provided through these channels.

Direct Banking Strategy and Product Development Unit continued its work under Business Development and Strategy Office Alternative Distribution Channels Department, to improve the Direct Banking channels with new investments, aiming to respond to changing customer needs and expectations rapidly.

Android and iOS applications for mobile banking were renewed to offer customers more availability for banking transactions. Blackberry & Windows Phone Applications were launched and mobile version of "My Card Transactions" was integrated in all existing Applications. These new applications offer new features on top of the existing ones.

In parallel with the increasing usage of mobile devices, mobile advertisements were intensified in 2014 and mobile website projects were launched for Finansbank's existing corporate websites.

SME and Corporate Internet Banking sites were consolidated under the name of SME Internet Banking and revised to include new features for easier and enhanced digital banking experience for customers. In order to facilitate customers' sign-in experience, sign-in with Turkish ID number, instead of customer number, was enabled for Internet and mobile

The Bank's ATM network totaled 2,955, of which 1,608 are at non-branch locations.

channels. Finansbank.com.tr front page was completely, and Clubfinans.com.tr, cardfinans.com.tr and cardfinansticari.com.tr websites were partially renewed to facilitate better user experience. More application forms were added to increase the frequency of online product and campaign applications.

The Bank's ATM network totaled 2,955, of which 1,608 are at non-branch locations. The transaction volume is increased while ATM inventory expanded by 10%.

As a result of the Recycling ATMs Project, 25% of non-branch ATMs are replaced by Recycling ones, resulting in operational cost-cutting.

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. It was ensured that commercials on the

YouTube channel would reach a wider audience, encouraging them to apply for products and services. Social media channels are used for performance. Furthermore, with increasing intensity of content management, these channels are used further for brand communication efforts in 2014. In addition, complaints and suggestions sent via Facebook and Twitter were followed around the clock and were responded to instantly for ensuring customer satisfaction.

Credits

Credit underwritings and monitoring activities are carried out in close cooperation with the field staff, Head Office and 16 separate credit-underwriting regions in line with the Bank's principle of decentralization in management.

Retail and Corporate Credit Department aims to manage the credit portfolio quality by expert teams in compliance with credits policies set by the Bank while increasing credit decision quality in every stage of credit processes with developed models, systems and designed workflows.

Experienced teams carry out Credits Department operations in all stages beginning with loan application and underwriting to close monitoring and legal proceedings. This structure is also supported by strong analytical and portfolio management organization.

Credit underwritings and monitoring activities are carried out, in close cooperation with the field staff, by Head Office and 16 separate credit-underwriting regions in line with the Bank's principle of decentralization in management.

Credit policies, written credit applications, and credit rule sets enable the Bank both to make efficient risk management and to preserve all credit applications and processes written in the corporate memory" of the Bank.

Retail Credit (Consumer and Small Business Segments)

Credit policies and strategies are determined according to rationalist and analysis-driven methods. Credit evaluation and intelligence processes are resolved using high technology in an efficient and highly automated manner to ensure customer satisfaction. To reach

targeted portfolio quality, Efficient portfolio management is implemented for reaching the targeted quality by using discriminating application and behavioural scorecards.

The Bank aims to provide appropriate limits to right customers using information resources obtained from the Credit Bureau, the Risk Centre integrated in the Bank's Retail Credit Assessment System, and other public authorities.

Collection processes are managed quickly and efficiently with different strategies and sources (internal-external agent calls, sending letters, IVN, SMS, etc.) aimed at various customer segments.

Experienced law firms located countrywide follow collection of loans transferred to prosecution. Analytical methods are used to determine and monitor targets and realizations of early delay and collections of legal prosecution.

Corporate Credit

Corporate Credit Management is carried out in line with the segment division (Corporate, Commercial, and Medium Size Enterprises, and project and syndication) by underwriting, monitoring, and legal prosecution teams who are experts in their respective fields.

In order to support credit assessment process, in-house credit rating model for medium size enterprises and the Moody's risk assessment model, differentiated for

five different sectors, for corporate and commercial segment are used.

All customers in corporate segments are monitored closely through central information sources such as Risk Centre and Credit Bureau, early warning systems and behavioural scoring models. All early warning signals are evaluated on time and necessary actions are taken accordingly. In a similar way, the credit decision framework supported by up-to-date financials sustains underwriting and monitoring functions in an appropriate manner.

Teams with expertise in their respective fields evaluate project financing and syndication loan proposals. These teams determine specific requirements of each project, develop the most appropriate financing model, and monitor these projects. In this context, Finansbank is involved in many projects in our country.

Treasury

The Treasury Sales Desk, with its tailor-made approach to customers' diverse requirements, targets continuous increase in customer base and deal volume, while contributing to Finansbank's leading position in the capital markets.

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 in line with the Balance Sheet evolution, growth expectations and business strategies. The 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 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 determined by the Asset and Liability Committee (ALCO). The

Desk uses hedging instruments such as interest rate swaps and cross-currency swaps for the purpose of risk aversion.

The Trading Desk carries out fixed income securities, foreign exchange and derivative trading related transactions. Trading limits, limit usage and profitability is closely monitored. The Trading Desk successfully managed the turmoil in the FX and bond markets in 2014 by analyzing the market risks to take actions that profit 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 currency, interest rate and equity index based derivatives in both international and domestic markets within closely

monitored limits in line with pre-defined risk parameters.

The Treasury Sales Desk, with its tailor-made approach to customers' diverse requirements, targets 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 as diverse from conventional products, ranging from risk management ideas to investment products including capital protected investment alternatives.

The Treasury Department plays an active role in providing liquidity, creation-redemption processes and underlying asset pricing for fiveexchange traded funds (ETFs) listed on the the İstanbul Stock Exchange.

International Banking

In 2014, Finansbank significantly increased the amount of its previous syndication by obtaining a one-year term syndicated loan from international financial markets at an amount of USD 397 million and EUR 356 million with the participation of 26 correspondent banks.

Correspondent Banking and Structured Finance

By maintaining its wide network of correspondent banks, Correspondent Banking and Structured Finance Unit 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 2014.

Finansbank established its first Medium Term Note (MTN) program in February 2014. Under the program, which has a borrowing limit of USD 1.5 billion, 7 bonds with a total amount of USD 86 million have been issued during 2014.

A USD 500 million Eurobond with 5-year maturity was issued in April. The facilitators of this Eurobond, 3rd of its kind, were Citigroup, HSBC, Morgan Stanley and Standard Chartered.

Finansbank received its first funding of EUR 25 million from The European Fund for Southeast Europe S.A. SICAV-SIF (EFSE) in December 2014. Half of this 5-year non-collateralized loan will be utilized to finance the capex requirements of SMEs located in priority regions for development. It marks the first cooperative effort between Finansbank and EFSE.

Again, in December 2014, a EUR 50 million facility was obtained from European Bank for Reconstruction and Development (EBRD) for the purpose of supporting

women entrepreneurs in Turkey. The 5-year facility will be allocated to SMEs that are managed by women.

Finansbank continued to offer funding to SMEs and micro businesses through its facilities provided by European Investment Bank (EIB) and European Investment Fund (EIF).

In 2014, Finansbank significantly increased the amount of its previous syndication by obtaining a one-year term syndicated loan from international financial markets at an amount of USD 397 million and EUR 356 million with the participation of 26 correspondent banks. The facility, which will be used to finance the foreign trade operations of the Bank's clients, has an all-in cost of Libor/Euribor plus 1%.

Financial Institutions Credit Management

The Financial Institutions Credit Management Unit assesses the risks of all domestic and international banks and allocates limits in line with the Bank's credit and risk policies. The Unit 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

The International Business Development Unit contributed to the Bank's performance by supporting relationships with existing customers and exploring

business opportunities with Turkish subsidiaries and associated firms of companies operating in the countries where NBG Group companies are located.

Investor Relations

The Investor Relations Unit represented the Bank in 2 investor conferences and at 64 meetings with research analysts, investors and rating agencies in 2014. Investor Relations met 211 investors during these meetings and responded to about 300 inquiries coming from shareholders in an accurate and timely manner.

Human Resources

While Finansbank ranked 8th with a preferability rate of 4.8% among banks in 2009, it ranked third among banks and 13th among all companies with a rate of 17.9% in 2014.

Human Resources Policies

Aware of the fact that its most valuable asset is the human resource, Finansbank positioned its human resources policy in such a way as to increase bank's performance; thus, it is possible to contribute to the Bank's sustainable development by ensuring the acquisition of, developing and retaining new talents. Within this scope, four different fields of Human Resources policies are as follows:

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

Accordingly, Finansbank human resources practices concentrate on the below.

Talent Acquisition and Recruitment

Finansbank Human Resources researches career choices of university students, since more than 90% of its new employees consist of new graduates.

University and social media activities are organized according to the results of such research. According to the research carried out by Realta Danışmanlık in 2014 concerning the university students; Finans Up Career Club, which is the most-widely known career activity in Turkey, helps young people shape their career.

Contribution of talent acquisition activities to the brand image is measured in the most favorite companies research made by Realta Company. While Finansbank ranked eighth with a preferability rate of 4.8% among banks in 2009, it ranked third among banks and 13th among all companies with a rate of 17.9% in 2014.

Performance Management

Finansbank performance management process is a management tool that encourages development with a continuous feedback culture and that aims at guiding "Finansçı"s in their development, in order to make them deliver high and sustainable performance, develop themselves personally and increase corporate performance.

With the semi-annual performance measurements;

- potentials that affect outstanding performance and the bank's performance, and contribute/can contribute to target achievement, are identified,
- development points are identified and a road map is created in order to determine and follow up the actions.

The results are shared with "Finansçı"s transparently and individual performance is evaluated with concrete and measurable criteria, in order to increase employee loyalty through an equitable and transparent system.

Employee Loyalty

The employee engagement survey is conducted every year since 2007, in order to make a net analysis for Finansbank and evaluate effects of the satisfaction factors shaping employee engagement. With the participation of senior management, survey results are examined based on the division, relevant analysis is conducted and actions to be taken in each division are identified individually.

Career and Talent Management

Finansbank aims at training managers internally and each Finansçı makes his/her own career way; "Career Architecture" and "Career Bulletin" give employees this chance and with "Career Consulting", one-to-one interviews take place concerning career objectives of employees. Within the scope of Development Architecture aiming at selecting Branch Managers internally, measurement-evaluation center application and personal development applications are utilized.

360 degrees Feedback and Development Inventory is applied in order to focus on strengths and development opportunities of the employees and thus to increase their personal awareness.

Finansbank ended 2014 with 12.830 employees.

The Coaching and Mentorship process is applied in order to strengthen managerial and leadership skills of the management team, sustain development and guide employees in their actions towards their strengths and development opportunities. Within this scope, it is necessary to support competency development of the employees in the Manager Candidate Pool through coaching and mentorship processes.

Training and Development Management

At the initial stage, Finansbank includes employees in the development process lying ahead of during their career journey. "Finansçı"s who are new in the Bank or who have just been reassigned, attend the "Certificate Programs" that are integrated with career management and performance management systems. Apart from the certificate programs, employees can benefit from different development tools in the training portal. The focus of 2014 were the "Leadership Development Programs", organized for the managers, in order to create a manager profile that understands the Y generation, is in tune with the changing business world and has a good command of different dynamics of performance management. Reflections of investment activities toward development in the business results (Return on Investment) were followed closely. The average training hours were 39.2 hours per employee in 2014 and training activities utilization rate of employees was 91%.

Remuneration Management

The objective of remuneration management in Finansbank is to gain new talents and increase employee loyalty, satisfaction, motivation and synergy. Accordingly, a fair and transparent compensation methodology that is in compliance with the bank's ethical values and internal balances is implemented, rewarding that prevents excessive risk taking in the ratio of the value added created and that focuses on individual and holistic target-performance is encouraged, and in this way strategic targets of the bank are supported and productivity is increased. Within the scope of the Bank's premium and bonus models, each employee was paid an amount equal to approximately two months' salary in 2014, based on performance. Employees have many benefits in various fields like health, leave of absence, transportation, meal, communication and technological opportunities, aid packages and employee support services.

"+1" appreciation and recognition program, created to appreciate the employees who act in compliance with the values of the Bank and to encourage such acts, continued.

Internal Communications Management

In 2014, 36,128 Finansbankers came together in 342 activities organized in different provinces by Internal Communications Management that helps "Finansçı"s to get a good balance between work and life, contributes

to employee engagement and satisfaction and makes them enjoy the privilege of being Finansbankers. According to the results of Internal Communications Inventory taken every year that helps shape activities of Internal Communications, in 2014, 72% of employees stated their satisfaction with the internal communication activities.

Call Center and Telemarketing

Expansion of Finansbank Call Center in Erzurum accelerated in 2014, with the number of customer service representatives reaching 499.

In 2014, Finansbank Call Center responded to 46.5 million calls, of which 66% ended up at the IVR (Interactive Voice Response) system or were terminated.

Expansion of Finansbank Call Center in Erzurum accelerated in 2014, with the number of customer service

representatives reaching 499. The Call Center also continued to provide the Bank with well-qualified human resources during the year. 48 customer service representatives were transferred from the Call Center to the branches and other departments.

Finansbank's call center and telesales teams completed 258,000 CardFinans and 496,000 automatic payment order sales from both internal and external sources in 2014. Outbound calls by the call center, telesales and Outsource teams reached 13 million customers.

Legal Counseling

In 2014, Legal Counseling responded to more than 80,000 legal inquiries received via the "Legal Inquiry Application" system, following due examination within the framework of relevant legislation and precedent decisions.

In order to comply with the decrees of the consumer protection law entered into force on 28.05.2014, 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. Secondary legislation regarding the mentioned law are being integrated to the existing

regulations. Also, integration of the new Capital Markets Law that was drafted and entered into force in 2014 continues with the supervision of the Legal.

Following the legislation of law regarding the regulation of online trade, efforts regarding expediting the process for obtaining necessary permissions in order to send marketing material to

clients, has been supported. In 2014, Legal Counseling responded to more than 80,000 legal inquiries received via the "Legal Inquiry Application" system, after due examination within the framework of relevant legislation and precedent decisions. In addition, legal training on latest laws and regulations was provided to the head office business units.

Subsidiaries

In 2014, while the Life and Personal Accident market shrank by 4% among Life and Pension Companies, Cigna Finans achieved a 4% growth.

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

Cigna Finans Pension and Life, operates as a pension and life insurance company, has been established in 2007 as a subsidiary of Finansbank A.Ş. with 99,9% participation under the title Finans Emeklilik ve Hayat A.Ş.

In 2012, Cigna, one of the world's biggest health and life insurance companies, entered into a partnership agreement with Finansbank A.Ş. in order to grow its operations in Turkey and became official in November 9th, 2012 acquiring a 51% stake in Finans Pension and Life

Proceeding on its path by growing stronger as a result of the merger of Cigna, one of the global leaders, and Finansbank, one of the biggest banks of Turkey, Cigna Finans Emeklilik offers its customers rich insurance solutions with respect to their savings and protection needs. These services are also in line with its core strategies of a customer-centric approach, channel and product development, excellence in IT and

operational processes and the philosophy of investing in human beings.

While the Life and Personal Accident market shrank by 4% within Life and Pension Companies, according to Insurance Association of Turkey (TSB) data, Cigna Finans is ranked 7th based on life insurance premium production by achieving 5.9% market share with TL 170,762,638 premium production in life insurances branch. Cigna Finans ranks 5th in Personal Accident Insurance by achieving 8.1% market share with TL 18,918,591 premium production. We have achieved 27% annual growth in the funds amount of the participants in pension branch and ranked 13th in the sector with a fund size of TL 421,172,656 in pension branch based on official data of Pension Monitoring Center (EGM) released on December 26, 2014.

Finans Leasing (Finans Finansal Kiralama A.Ş.)

Finans Leasing is one of the very first companies established in the sector.

Since its establishment in 1990, Finans Leasing has been playing an active role in financing investments. As one of the leading companies in the sector, its strategy has always been implementing a customer-oriented approach and offering tailor-made models designed especially to suit customer needs. It also is one of the leading companies in terms of its branch network in Anatolia, which reached 13 (1 in Free Trade Zone) in 2014.

Finans Leasing managed to increase its business volume by 32%, while growing its market share to 6.2% from 5.1% in 2013. As of yearend, leasing receivables reached TL 1,535 million. In line with the current strategy, Finans Leasing focused on SMEs and commercial segment clients and boosted the number of active customers by 18%. Main areas that were funded were construction, textile and manufacturing. In line with the sector, Finans Leasing focused on sale and leaseback transactions, thereby increasing the share of real estate in its portfolio.

Finans Leasing managed to increase its business volume by 32%, while growing its market share to 6.2% from 5.1% in 2013. As of yearend leasing receivables reached TL 1,535 million.

Finans Factoring (Finans Faktoring A.Ş.)

Finans Faktoring A.Ş. has been operating since 01.10.2009, with a Head Office in İstanbul and 8 branches, which are located in Ankara, Antalya, İzmir, Adana, Gebze, Merter, DES and Kiraç.

Finansbank A.Ş. is the main shareholder with 100% stake. The transaction volume reached TL 1.7 billion, while factoring receivables reached TL 447 million at the end of 2014.

In line with the new strategy, the share of small and medium-sized companies in the portfolio increased in 2014, and the number of customers increased by 30% to 1,352. In 2015, Finans Factoring targets being among the top 10 companies in the sector.

FinansInvest (Finans Yatırım Menkul Değerler A.Ş.)

FinansInvest 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 6 branch offices and Finansbank branches, FinansInvest offers services such as equity trading, portfolio management, corporate finance, margin trading, short selling, share loans, investment consultancy, custodian service, derivative trading, leveraged trading and international investments. Furthermore, FinansInvest customers can perform all brokerage operations over finansonline.com in a fast and secure manner.

As of 2014, FinansInvest is ranked ninth among the brokerage houses in Turkey in terms of equity transaction volume, with a market share of 3.6%.

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

Founded on 08.09.2000, main shareholder of the Finans Asset Management is FinansInvest (100%). 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 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 1.4% and its assets under Management reached TL 1.2 billion by the end of 2014.

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

eFinans Elektronik Ticaret ve Bilişim Hizmetleri A.Ş. (eFinans) was established in 10.09.2013 with Finansbank as the majority shareholder. Its success is evident by the operational profit in its first full financial year financials. In just 15 months of operation, it has acquired 3 licenses for e-Invoicing, e-Bookkeeping and e-Archive products and will add a fourth new product to its line with the addition of Registered e-Mail (KEP) services within the first month of 2015.

eFinans has also achieved the status of the first and only Turkish service

provider to be accepted a member of the prestigious European E-invoice Service Providers Association (EESPA).

With the KEP license eFinans shall become the single e-invoice service provider in its field that is able to offer four e-government applications to businesses seeking services in this newly forming market.

At yearend, eFinans has achieved 12% market share in the e-invoice market comprising approximately 20,000 obligatory system users, estimated to grow 100% in the coming two years. eFinans continuously increases its market share with its ERP-independent structure and its connector solutions able to integrate online with 60 different ERP systems. eFinans has emerged repeatedly as the market leader in numerous market surveys. It has become a choice brand in the field favored by taxpayers, especially thanks to the Finansbank's status as shareholder.

With Finansbank's infrastructure integrated to eFinans services, the first-ever e-invoice loan facility in Turkey is being offered by Finansbank. With its structure collateralized by e-invoices the facility is also seen as a first in worldwide e-invoice funding operations.

The "Finans Star" cloud application owned by Finansbank which caters to taxpayers payment operations can also be integrated to eFinans infrastructure to offer Direct Debit System transactions and is able to offer the Bank's clients limitless ease in cash management.

Board of Directors

Dr. Ömer A. Aras

Chairman of the Board of Directors and Group CEO

Dr. 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 Executive Vice President 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. Since April 2010, Dr. Aras serves as the Chairman and Group CEO.

Ali Teoman Kerman

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

Mr. Kerman received his undergraduate degree in Economics from Hacettepe University in 1980 and obtained his masters 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 UnderSecretary responsible from Regulation of Banking, Non-banking sector, Foreign Exchange, Insurance and Department of Administration. In 2000, he was appointed 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.

Prof. Dr. Mustafa Aysan

Member of the Board of Directors

After receiving his bachelor's degree from Istanbul University, Faculty of Economics, Prof. 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 resigned from his position as Head of the Audit Committee at Finansbank effective as of April 24, 2014 and is currently a Member of the Board of Directors.

Sinan Şahinbaş

Vice Chairman of the Board of Directors

Mr. Şahinbaş earned a bachelor's degree in civil engineering from Istanbul Technical University, Faculty of Engineering in 1988. Mr. Şahinbaş 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 (Netherlands) NV in Turkey. In 1997, he was appointed Executive Vice President of Garanti Bank (Netherlands) NV. A year later, Mr. Şahinbaş moved back to Finansbank (Netherlands) 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.

Paul Mylonas

Member of the Board of Directors and Audit Committee Member

Mr. 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. Having joined the NBG Group in 2010, Mr. Mylonas currently 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. Pantzopoulos graduated from Istanbul University with a bachelor's degree in Economics and Commercial Sciences. After working for Chapman&Newberry as a Chartered Accountant for five years, Mr. Pantzopoulos worked with Arthur Andersen in Athens for 33 years; he served for 23 years 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, and Member of the Board of Directors for the two largest subsidiaries of Alpha Bank, namely Don & Low and Hilton Hotel & 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. Kurulu Üyesi olarak atanmıştır.

Ioannis Vagionitis**Member of the Board of Directors and Audit Committee Member**

Mr. 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, and 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 a Member of the Board of Directors of Finansbank in 2013 and as a Member of the Audit Committee in 2014.

Temel Güzeloğlu**Member of the Board of Directors and General Manager**

Mr. 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.

Paula Hadjisotiriou**Member of the Board of Directors**

Ms. Hadjisotiriou 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 the Group CFO of NBG in 2013 and as a Board member of Finansbank in October 2013.

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 has served as a Member of the Board of Directors at various companies since 2010 and joined Finansbank in the same capacity in February 2011.

Mustafa Hamdi Gürtin**Member of the Board of Directors**

After receiving bachelor's degrees in Statistics and Economics at Middle East Technical University, Mr. Gürtin earned a master's degree in Economics from Vanderbilt University. 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.

Georgios Koutsoudakis**Member of the Board of Directors**

Mr. Koutsoudakis graduated from University of London Queen Mary College in Economics with honors degree and started his career at Alpha Finance S.A as an analyst. From 1992 to 1993 for 7 months he was a special advisor to the Deputy Minister of Finance, responsible for various privatization projects. From 1994 to 1997, he was responsible for various M&A advisory projects at Alpha Bank Group. In 1997, he moved to National Bank of Greece Group as a Senior Management Advisor and he was mainly in charge of M&A advisory activities. From 2002 to 2007, he started working for Geniki Bank, as a Deputy General Manager for 2 years and as a General Manager, head of Corporate&Investment Banking for 3 years. Between 2007-2013 he moved to Emporiki Bank ; during the last 3 years he served as the general manager and responsible for enterprises, investment and private banking. Since the beginning of the 2014, Mr. Koutsoudakis has been the assistant General Manager of Corporate Banking at NBG and he was appointed as a Finansbank board member in March 2014.

Senior Management



Adnan Menderes Yayla
Executive Vice President

Mr. 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; as 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.



Ahmet Erzengin
Head of Internal Control and Compliance

After graduating from Middle East Technical University, Department of Public Administration, Mr. Erzengin worked at Pamukbank from 1988 to 1993. He joined Finansbank in 1993 as Banking Regulations Manager. In 1996, Mr. Erzengin 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. Erzengin assisted in the establishment of the Compliance Department and was appointed Head of Compliance. In September 2012, Mr. Erzengin was appointed Head of Internal Control and Compliance.



Bülent Yurdalan
Head of Internal Systems

Having graduated from the Faculty of Management Sciences of Eskişehir Economic and Commercial Sciences Academy in 1980, Mr. 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 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.



Emine Özlem Cinemre
Executive Vice President

Mrs. 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 Credit Management.



Erkin Aydın
Executive Vice President

Mr. 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. In May 2011, he was appointed Executive Vice President in charge of Retail Banking and Executive Vice President in charge of Retail Banking and Payment Systems in October 2013.



Ersin Emir
Head of Internal Audit

Mr. 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 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. 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. 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 at Garanti Bank between 1991 and 1997 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. 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 has been serving as the Executive Vice President responsible for Retail and Commercial Credits.



Hasan Murat Şakar
Executive Vice President

Mr. 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.



Köksal Çoban
Executive Vice President

Mr. 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.



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. Since October 2010, Mr. Demirkol has been working at Finansbank as Executive Vice President in charge of Information Technologies, ADC and Business Development.



Metin Karabiber
Executive Vice President

Mr. 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.



Osman Ömür Tan
Executive Vice President

Mr. 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.



Şebnem Karaduman
Executive Vice President

Mrs. Karaduman received a bachelor's degree in Law from Istanbul University. She started her career as a Lawyer in the Legal Department at Finansbank in 1998. Mrs. Karaduman was appointed 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 the Legal Advisor of Finansbank in 2010 and appointed Executive Vice President in charge of Legal in 2012.



Zeynep Aydın Demirkıran
Head of Risk Management

Mrs. 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; 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; making necessary preliminary evaluations required for the selection of the independent auditors and rating, valuation and support service institutions by the Board of Directors; regularly monitoring the activities of the institutions selected and contracted; and ensuring that the internal audit activities of subsidiaries subject to consolidation are carried out on a consolidated basis and in coordination with internal audit activities of the Bank.

Members of the Audit Committee are as follows:

- A. Teoman Kerman: Member of the Board of Directors and Chairman of the Audit Committee
- Paul Mylonas: Member of the Board of Directors
- Ioannis Vagionitis: Member of the Board of Directors

Board 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 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
- Ioannis Vagionitis: Member of the Board of Directors and Audit Committee
- Paul Mylonas: Member of the Board of Directors and Audit Committee

Corporate Governance Committee

Corporate Governance Committee is responsible for strengthening the Bank's corporate governance policies, 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:

- Sinan Şahinbaş: Vice Chairman of the Board of Directors
- A. Teoman Kerman: Member of the Board and Chairman of the Audit Committee
- Prof. Dr. Mustafa A. Aysan: Member of the Board of Directors
- Christos Alexis Komninos: Member of the Board of Directors
- Mustafa Hamdi Gürtin: Member of the Board of Directors
- Fikret Şehsuvar Aladağ: Division Manager, Investor Relations

Credit Committee

The Credit Committee examines, evaluates and approves the loan limits falling 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, takes part in, and manages the approval 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
- Ioannis Vagionitis: Member of the Board of Directors and Audit Committee
- Temel Güzeloğlu: General Manager and Member of the Board of Directors

Remuneration Committee

The Remuneration Committee defines the remuneration and incentive policies for Board Members and senior managers, 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: Member of the Board of Directors and Audit Committee

Other Executive Committees

Corporate Credit Policies Committee

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

Members of the Corporate Credit Policies Committee are as follows:

- Sinan Şahinbaş: Vice Chairman of the Board of Directors
- Ioannis Vagionitis: Member of the Board of Directors and Audit Committee
- Temel Güzeloğlu: General Manager and Member of the Board of Directors
- Filiz Sonat: Executive Vice President, Corporate Credit
- Halim Bilgici: Executive Vice President, Retail and Commercial Credit
- Ömür Tan: Executive Vice President, Corporate and Commercial Banking

Retail Credit Policies Committee

The Retail Credit Policies Committee is responsible for defining policies and strategies regarding the Bank's retail loan portfolio and approving amendments to these strategies. It is responsible for measuring, evaluating and monitoring the performance of all retail credit risks and ensuring that the Bank's retail loan

practices comply with legal regulations and the principles of the NBG Group.

Members of the Retail Credit Policies Committee are as follows:

- Ioannis Vagionitis: Member of the Board of Directors and Audit Committee
- Temel Güzeloğlu: General Manager and Member of the Board of Directors
- Erkin Aydın: Executive Vice President, Retail Banking and Payment Systems
- Metin Karabiber: Executive Vice President, SME and Agricultural Banking
- Halim Bilgici: Executive Vice President, Retail and Commercial Credit

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.

Members of the Operational Risk Management Committee are as follows:

- Zeynep Aydın Demirkıran: Head of Risk Management,
- Ahmet Erzengin: Head of Internal Control and Compliance,
- Mehmet Kürşad Demirkol: Executive Vice President, IT, Operations, Channels and Business Development
- Erkin Aydın: Executive Vice President, Retail Banking and Payment Systems
- Metin Karabiber: Executive Vice President, SME and Agricultural Banking

Argun Derviş: IBTECH Board Member/CISO
İsmail Akin: Division Manager, Operational Risk and Business Continuity

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 Board of Directors. The Committee evaluates biweekly reports submitted by Risk Management and determines critical issues regarding risk.

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: General Manager and Member of the Board of Directors
- Adnan M. Yayla: Executive Vice President, Financial Control and Planning
- Köksal Çoban: Executive Vice President, Treasury
- İlker Kayseri: Director of Asset and Liability Management

Information regarding Attendance of Members of the Board of Directors and Committees to Meetings

In 2014 the Board of Directors, in line with quorum stated in relevant legislation and Finansbank Articles of Association, held 27 meetings and other than in exceptional circumstances all members were present at all meetings.

In 2014, Audit Committee held 12 meetings and other than in exceptional circumstances all members were present at all meetings.

In 2014, Credit Committee held meetings every Thursday and other than in exceptional circumstances all members were present at all meetings.

In 2014, Corporate Governance Committee held 9 meetings and other than in exceptional circumstances all members were present at all meetings.

In 2014, Remuneration Committee held 3 meetings and other than in exceptional circumstances all members were present at all meetings.

Summary Board Report Submitted to the General Assembly

Dear Shareholders,

Welcome to the 2014 Ordinary General Assembly Meeting of Finansbank.

While presenting for your examination and approval the Board Report, Auditors Report and Profit and Loss Statement for fiscal year 2014, we respectfully welcome our shareholders, their representatives and our guests who have honored this meeting with their presence.

2014, quite eventful and challenging, is behind us. The tender and volatile nature of the acceleration of global economic growth caused drastic falls in commodity prices and international freight index. The decrease in oil prices was unprecedented and is still influential. The negative impact of economic fluctuation and regional tensions continued to lead to social unrest. Particularly in southwestern neighbors of Turkey, political instability and non-state formations gained in strength.

In such a harsh international environment, two elections were held in Turkey in one year. Added to the economic hardship, the drought led to an increase in food prices and a inflationist pressure.

The vigorous fluctuation in the financial market during the end of 2013 and first weeks of 2014 led to a negative start for the financial sector. The sizeable interest

rate hike the Central Bank resorted to in order to stop exchange mobility, slowed loan growth with a negative impact on the profitability of the sector. Thanks also to the improvement of the global outlook in the remainder of the year, a more positive course, with the interest rate cuts, replaced the initial negative picture.

Under these circumstances, upon examining 2014 financial results of Turkish banking sector; it can be seen that total assets increased 15.1% compared to the previous year, and reached TL 1,994.2 billion as of December 2014. Total loans rose 18.5% and amounted to TL 1,240.7 billion, up TL 193.3 billion. As of December 2014, the sector's capital adequacy ratio stood at 16.3%. Shareholders' equity increased 19.8% and totaled TL 232.1 billion. Profitability of the sector in 2014 amounted to TL 24.7 billion.

In light of all these developments, Finansbank's total loans portfolio increased 17.3% to TL 50.3 billion, total assets rose 13.9% and amounted to TL 75.2 billion. Customer deposits totaled TL 40.7 billion, with a 9.9% increase, and shareholder's equity amounted to TL 8.6 billion, showing a rise of 12.1%. The Bank's capital adequacy ratio was 17.0% and net profit equaled TL 877 million. Finansbank served its customers with 658 branches and approximately 13 thousand employees in 2014.

Dear Shareholders,

In our Annual Report displaying our performance during 2014, 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 State authorities 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 are conducted in the scope of an ordinary bank-client relationship and in compliance with the Banking Law and prevailing market conditions.

Concentration, type and amount of the transactions as well as 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, 2014, cash loans granted to risk group composed 0.3% of the Bank's total loans, deposits obtained from risk group composed 0.9% of the Bank's total deposits and derivatives transactions executed with the risk group composed

0.2% 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 are underwritten between the Bank and Finans Leasing (Finans Finansal Kiralama A.Ş.). Net leasing payables incurred from these contracts amounted to TL 2.5 million as of December 31, 2014.

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 33.3% subsidiary Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş.

The Bank provides agency services to Cigna Finans Pension (Cigna Finans Emeklilik ve Hayat A.Ş.), which is a joint venture of the Bank with a 49% 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 İleti 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.	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
C/S Enformasyon Teknolojileri Ltd. Şti.	Software development
Cigna Finans Emeklilik Ve Hayat A.Ş.	Private pension and insurance
CMC İletişim Bilgisayar Reklam Ve Danışmanlık Hizmetleri San. Tic. A.Ş.	Call center
Collection Platform Yazılım Ve Danışmanlık A.Ş.	Credit card and consumer loan collection
eFinans Elektronik Ticaret Ve Bilişim Hizmetleri A.Ş.	Electronic invoice services
E-Kart Elektronik Kart Sistemleri San.ve T.A.Ş.	Plain 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
Fu Gayrimenkul Yatırım Danışmanlık A.Ş.	Operational support for real estate mortgages
GGsoft Yazılım Hizmetleri Tic.Ltd.Şti.	Data entry and form scanning
Girişim Alacak Yönetim Hizmetleri Ve Yazılım Servisleri A.Ş.	Credit card and consumer loan collection
Hobim Bilgi İşlem Hizmetleri A.Ş.	Archive services for loans extended via Turkcell
İbtech Uluslararası Bilişim Ve İletişim Tekn.Ar-Ge Danışmanlık Destek San. Ve Tic.A.Ş.	IT
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 systems and monitoring services
MTM Holografi Güvenlikli Basım Ve Bilişim Teknolojileri San. Ve Tic. A.Ş.	Cheque printing and customization
Plastkart Plastik Kart Akıllı Kart İletişim Sistemleri San. Ve Tic. A.Ş.	Plain card procurement and customization
Provus Bilişim Hizmetleri A.Ş.	Card 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 consumer loan collection
RM Arşiv Yönetim Hizmetleri A.Ş. (ilave hizmet alımı bir yılığına)	Scanning of agreements in customer files at branches, indexing and archiving thereof
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

Corporate Governance Principles Compliance Report

Part I. Statement of Compliance with Corporate Governance Principles

a) As detailed below, Finansbank has complied with the imperative principles of the Corporate Governance Principles in set out in of the Corporate Governance Communiqué no. II - 17.1, published by the Capital Markets Board (CMB), throughout the financial reporting year of 01.01.2013-31.12.2013.

b) Finansbank does not implement principles no. 1.5.2 - 1.7.1 - 2.1.2 - 2.1.3 - 2.2.2 (Most of the information herein is stated in the annual report.) - 3.1 - 3.2 - 4.3.9 - 4.5.5. Nevertheless, 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 Prof. Dr. Mustafa Aydın Aysan (Chairman), Mustafa Hamdi Gürtin, Christos Alexis Komninos and Ali Teoman Kerman. In meeting held in the year 2014, work was done for improvement of the corporate governance practices in Finansbank. The Corporate Governance Committee shall consider the said principles in its activities in 2015 and work towards the improvement of corporate governance practices. The Committee also coordinates the operations of the Investor Relations Division.

PART II - SHAREHOLDERS

2.1. Investor Relations Unit

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. He holds a CMB Advanced Level Certificate and Corporate Governance Rating Certificate.

The contact details for the Investor Relations Division are as follows:
investor.relations@finansbank.com.tr
Telephone: +90 212 318 52 07

Investor Relations Department received 291 inquiries and attended 64 meetings during the financial reporting year concerned.

2.2. Shareholders' Right to Access Information

Within the scope of the Informational Policy of Finansbank as approved at the General Assembly on March 27, 2014, all information in relation to shareholders' rights, such as capital increases, are sent to Borsa İstanbul (İstanbul Stock Exchange) and published in print and on the Public Disclosure Platform (www.kap.gov.tr) in Material Event

Disclosure format. Shareholders are informed through emails, meetings and telephone calls, and through the Bank's website, 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 27.03.2014, no requests regarding the appointment of a special auditor was made.

2.3. General Assemblies

The Annual General Assembly was held on 27.03.2014 with a meeting quorum of 95%. Shareholders were duly provided with the date, agenda and information form regarding the agenda of the Meeting through the website of the Bank, the Public Disclosure Platform as well as the electronic General Assembly System.

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.

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 Ms. Sevdâ Alkan posed, prior to the 2014 General Assembly, the following question: "As per CMB Corporate Governance Principles, will you set a target for female board members? What is the minimum number you are targeting? I request information regarding non-appointment of a female Board member." In response, President of the Board of Directors, Mr. Ömer A. Aras stated that a female member had been appointed to the Board in 2013 and he had a wish to that effect. The said question and response are included in the General Assembly minutes.

An Extraordinary General Assembly Meeting was held on 04.12.2014 regarding the removal from the current possessor, National Bank of Greece and destruction of 100 jouissance shares issued as per Finansbank Articles of Association Art. 10; amendment to that effect of Finansbank Articles of Association Articles 10 and 26; increasing the upper limit of registered capital of the Bank from TL 6.000.000.000 to TL 12.000.000.000 by addition of TL 6.000.000.000; and amendment to that effect of per Finansbank Articles of Association Art. 7. The Board of Directors invitation for the Assembly was published in the Turkish Trade Registry Gazette, and two daily newspapers, namely, *Güneş* and *Hürses*. Shareholders were provided

with the date and the agenda of the Meeting through the website of the Bank, the Public Disclosure Platform as well as the electronic General Assembly System. There was a meeting quorum of 99.8%, and the question posed by shareholder Mr. Mintaz Derdiyok during the meeting was reviewed by the Investor Relations Department and Legal Consultancy department and responded to following the meeting.

Minutes of the of the Meeting are available to our shareholders on the website of the Bank, the electronic General Assembly System and on the e-Company information portal which, as per the relevant provisions of the Turkish Commercial Code, is allocated to information society services and can be accessed via our website, and the infrastructure of which is provided by the Central Registry Agency.

In the 2014 General Assembly no transactions requiring the affirmative votes of the majority of the independent members of the Board for a Board resolution, were on the agenda.

In the 2014 General Assembly, there was a distinct agenda item regarding contributions. Within the scope of this item, shareholders were provided information regarding the total amount of contributions in 2013. Moreover, shareholders' approval was requested on the amount of upper limit of contributions to be made in 2014. In addition, pursuant to Art. 1.3.6 of the

Corporate Governance Communiqué no. II - 17.1, information was provided regarding transactions conducted in 2013. The General Assembly was informed that other than transactions conducted in 2013 within the limits allowed by the Banking Law and relevant legislation, no significant transactions of the nature to cause a conflict of interest with the Bank or its affiliated companies were carried out by shareholders in charge of management, members of the Board, members of upper management, and their spouses and kin of second degree by blood and marriage; that they did not conduct, in their own account or on behalf of third parties, any transactions of the type falling under the field of operation of the Bank or its affiliated companies; and that they did not join as a partner with unlimited liability another company carrying out similar commercial transactions.

The invitation and relevant information of the Annual General Assembly to be held in 2015 will be published in the Turkish Trade Registry Gazette, two daily newspapers, on the Bank's website and other media as required by the relevant legislation. 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.

2.4. Voting Rights and Minority Rights

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

2.5. Dividend Distribution Policy and Dividend Distribution Period

Dividend distribution policy of the Bank is approved in the General Assembly dated 27.03.2014. The dividend is calculated under the provisions of the applicable regulations and provisions of 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 paid in capital is allocated, regardless of the date of equity payment as first dividend to shareholders. After allocation of these amounts, 10% of the remaining profit may be allocated to founding shareholders. After deducting the amounts stated in the provisions above, a maximum of 5% of the remaining amount may be allocated by the General Assembly to the Board Members and Managing Directors, including the ordinary member General Manager. Out of the annual profit remaining after the amounts set aside and allocated as described in the foregoing provisions, 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. One tenth of the Dividends decided to be distributed as per paragraphs "c", and "d" of this article shall be added to general legal reserve funds pursuant to the Turkish Commercial Code. 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 paragraph "b" of this article. If it deems necessary, Board of Directors may make suggestions to the General Assembly to such extent. The manner of distributing the dividend allocated to the Board Members and Executive Directors, including the ordinary member General Manager, as per paragraph "c" of this article, to the relevant parties shall be determined by the Board of Directors. 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. 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 reserve funds, transferring profit to the subsequent year and distributing dividends to jouissance shareholders, members of Board of Directors and employees of the Bank shall be adopted. Besides, no dividends shall be distributed to such persons unless and until specified amount is set aside. The General Assembly shall determine the payment date of the dividends to be distributed as per the provisions of this article. Provisions of paragraphs "d" and "e" 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. 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 without prejudice.

Moreover, at the General Assembly dated 27.03.2014, shareholders were informed that following the General Assembly, the Board of Directors was to resolve to increase capital, 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, and information to this regard was provided.

2.6. 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 III - DISCLOSURE AND TRANSPARENCY

3.1. 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 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.

3.2. Annual Report

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

PART IV STAKEHOLDERS

4.1. Informing Stakeholders

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

4.2. Participation of Stakeholders in Management

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

4.3. Human Resources Policy

Finansbank recognizes that the most valuable capital is its human resources. With this in mind, the Bank's Human Resources Policy, directed towards increasing the Bank's performance, is based on 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 Rewards: Developing policies for increasing employee loyalty to the Bank and increasing their involvement in Bank's growth.

Finansbank's number of personnel reached 12,830 by the end of 2014.

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. Through the evaluation,

- Probable potential with a differential performance influencing the performance of the Bank and contributing and/or will contribute to the Bank reaching its targets, is determined;

- Points of improvement are defined and actions are determined and a road map is defined for monitoring.

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.

The purpose of remuneration management in Finansbank is to attract new talents and increase employee loyalty, satisfaction, motivation and synergy. Accordingly, a fair and transparent pricing methodology that complies 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 2014, The Bank's personnel received a cash bonus of around 2 salaries per employee as part of the premium and bonus schemes. Various benefits that improve living standards and increase 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.

Remuneration Management has continued to function within the scope of the Remuneration Committee, established in 2013, in compliance with the regulation of the Banking Regulation and Supervision Agency on Corporate Management Principles of Banks.

No discrimination complaints from the Bank's employees were received.

4.4. 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 Internal Audit and 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 conducted investment projects and funding operations in line with Environment, Occupational Health and Safety Guidelines of the Bank's former shareholder, the International Finance Corporation (IFC) (pursuant to the put option agreement National Bank of Greece S.A. ("NBG"), the majority shareholder of Finansbank A.Ş., signed a with IFC on March 29, 2007, NBG bought 1,417,499,43.73 shares representing 5% of the equity, from IFC on September 26, 2014). Lenders were required to submit

an Environmental Impact Evaluation (EIE) Report along with other required permissions and documents. Finansbank will resolutely continue its sensitive approach to the environment within its Social and Environmental Management System policy, following the above stated share purchase.

The Bank has issued an EIE Report for nine investment projects in 2014 within this context and provided comments and assessments for one project 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 2014, the Bank donated a total amount of TL 673,303.32 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 booklet and online.

PART V- BOARD OF DIRECTORS

5.1. Structure and Formation of the Board of Directors

As of 31.12.2014, the structure of Finansbank's Board of Directors is as follows:

Dr. Ömer A. Aras, Chairman

Sinan Şahinbaş, Vice Chairman

Prof. Dr. Mustafa A. Aysan, Board Member and Head of Corporate Governance Committee

Temel Güzeloğlu, Board Member and General Manager

Ioannis Vagionitis, Board Member and Member of Audit Committee

Georgios Koutsoudakis, Board Member

Ali Teoman Kerman, Board Member and Chairman of Audit Committee

Stefanos Pantzopoulos, Board Member

Dr. Paul Mylonas, Board Member and Member of Audit Committee

Christos Alexis Komninou, Board Member

Mustafa Hamdi Gürtin, Board Member

Paula Hadjisotiriou, Board Member

The biographies of Board members are provided in the Annual Report.

In the General Assembly Meeting on 27.03.2014, 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 relevant provisions of Corporate Governance Communiqué (II – 17.1) published by the Capital Markets Board on .

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.

5.2. Principles Related to the Activities of the Board of Directors

27 Board of Directors Meetings were held in 2014, 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 holds regular meetings on a monthly basis, a minimum of 12 times a year. The Board also holds extraordinary meetings if needed. Board Members are provided with documents that include the agenda for each meeting, prior to the meeting. No dissenting opinion was voiced during the Board meetings.

The agenda of each Board meeting is determined based on 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 included in the agendas of all Board meetings. The Board of Directors has a secretariat in charge of informing and communicating with Board members

and ensuring compliance of meetings and resolutions with applicable laws and regulations.

No Board member has preferential voting rights.

5.3. 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 31.12.2014;

The members of the Corporate Governance Committee are Prof. Dr. Mustafa A. Aysan (Chairman), Christos Alexis Komninos, Mustafa Hamdi Gürtin, Ali Teoman Kerman, Sinan Şahinbaş and Fikret Şehsuvar Aladağ.

The members of the Audit Committee are Ali Teoman Kerman (Chairman) Ioannis Vagionitis and Paul Mylonas.

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, Temel Güzeloğlu, Ioannis Vagionitis, Mustafa 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 at least four times a year, and the Remuneration Committee meets at least three times a year.

5.4. 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 Ali Teoman Kerman (Chairman), Ioannis Vagionitis and Paul Mylonas. Internal Audit and Compliance Department and the Internal Control Directorate 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 reconcile its Risk Management operations to Basel III 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, Ioannis Vagionitis and Paul Mylonas are members of the Committee.

5.5. Strategic Goals

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

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

The Bank prepares five-year business plans that are to be discussed by 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 the budget, the Board of Directors monitors and discusses the Bank's rate of attainment of the objectives, activities and performance at its monthly meetings.

Upper management approves the strategic goals set by management and monitors the Bank's progress, operations and performance toward these goals.

5.6. Remuneration

During the General Assembly Meeting held on 27.03.2014, it was decided that each member of the Board of Directors should be paid a net honorarium amount of TL 3,500 per month. In 2014, a gross total of TL 515,261 was paid to Board members as honorarium.

In addition, a gross amount of TL 33,239,819 was paid to the personnel, who hold a position of manager and above, as part of the existing performance based premium and 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.

At the Annual General Assembly Meeting held on 27.03.2014, Board members were given permission for conducting transactions pursuant to Art. 395 ("Transactions with the Company, Ban on Debt to the Company") and Art. 396 ("Noncompetition").

The honorariums to be paid to the Board members are determined by the General Assembly.

Distribution of Profit

The meeting of Board of Directors was held under the presidency of Mr. Aras, the Chairman of the Board.

The following resolution was taken unanimously by the attendees;

To propose the below-mentioned issues to the General Assembly;

At our General Assembly Meeting of Shareholders to be held on 31 March 2015; to reserve 43.871.396.- TL of the net profit of TL 877.427.922. -, which was calculated on the basis of the Bank's 2014 financial statements by deducting the taxes payable, as General Statutory Reserve; and to deliberate the amount of the first dividend to be distributed to shareholders in the form of no par shares, in accordance with Article 26 of Articles of Association of the Bank, at the Extraordinary General Assembly to be held until the last business day of the fifth month following the end of accounting period as per the Article 16/6 of the Communiqué on Shares (VII-128.1)

Amendments to the Articles of Association

FORMER VERSION

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 28,350,000,000.- (Twenty Eight Billion ThreeHundredFifty Million) registered shares with a totally paid-in nominal value of TL 2,835,000,000.- (TwoBillion EightHundredThirtyFive 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 shareholders relating to such change are preserved.

- e. Registered capital permission granted by the Capital Markets Board is valid between 2014 - 2018 (for 5 years). Even if the permitted registered capital ceiling is not reached by the end of 2018, in order for the Board of Directors to resolve to increase the capital after 2018; 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.

NEW VERSION

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 12,000,000,000.- (Twelve Billion Turkish Lira), represented by 120,000,000,000 (One Hundred and Twenty 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 28,350,000,000.- (Twenty Eight Billion ThreeHundredFifty Million) registered shares with a totally paid-in nominal value of TL 2,835,000,000.- (TwoBillion EightHundredThirtyFive 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 shareholders relating to such change are preserved.

- e. Registered capital permission granted by the Capital Markets Board is valid between 2014 - 2018 (for 5 years). Even if the permitted registered capital ceiling is not reached by the end of 2018, in order for the Board of Directors to resolve to increase the capital after 2018; 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 2014-2018, 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 inequality among shareholders.

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

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.

When it deems necessary, between 2014-2018, 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 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 inequality among shareholders.

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

ARTICLE 10

This Article has been removed from the Articles of Association.

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,
- 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.

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,
- 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) 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,
- d) 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,
- e) One tenth of the Dividends decided to be distributed as per paragraphs "c" and "d" of this article shall be added to general legal reserve funds pursuant to the Turkish Commercial Code.
- f) 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 paragraph "b" of this article. If it deems necessary, Board of Directors may make suggestions to the General Assembly to such extent.
- g) The manner of distributing the dividend allocated to the Board Members and Executive Directors, including the ordinary member General Manager, as per paragraph "c" of this article, to the relevant parties shall be determined by the Board of Directors.
- h) 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.

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 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.

i) 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 reserve funds, transferring profit to subsequent year and distributing dividends to 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.

j) General Assembly shall determine the payment date of the dividends, to be distributed as per the provisions of this article.

k) Provisions of paragraphs "d" and "e" 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.

l) 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.

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 important bodies 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, open 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,. Alternatively, it also arises from mark to market practice.

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.

A set of market risk limits are defined, based on Value at Risk (VaR), nominal position, present value basis point and option greeks, in order to manage market risk efficiently and to keep market risk within desired limits,. 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 using the standardized method within the framework of BRSA guidelines on a monthly basis. The methodology used for the calculation of capital requirements for general market risk and specific risk is determined by the BRSA. In addition, parallel to best global practices, 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 resulting 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, 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. Liquidity coverage ratio and net stable funding ratio are monitored on a daily basis and on a monthly basis respectively.

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 controls the complete 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 Group perform the internal and external reporting of credit risk in an appropriate way for different audiences. The Bank's Board Risk Committee monitors a comprehensive list of credit risk metrics and the risk-based performance measures of the credit portfolios on a monthly basis. 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). This process involves calculation, projection and analysis of legal and economic capital requirements necessitated by yearly and long-term business plans of the Bank.

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 the comprehensive annual test of the Disaster Recovery Center with the participation of business units and the IT Department.

Model Validation Unit

Finansbank's Model Validation Unit 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. The Unit conducts performance and stability tests regarding validity of models and manages the database infrastructure allowing such practices.

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. 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 12 times in 2014. Based on its observations and evaluations, and 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. In order to provide continuous monitoring in the areas, which have been certified for 5

years, Internal Quality Assessment review is performed every year.

The Internal Audit Department fulfills its responsibilities objectively and independently with 104 personnel and reports 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 2014 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 audits, 2014 activities also covered incident-based investigations, inspections, and participation in various projects and

consultancy services. Besides, Internal Capital Adequacy Assessment Process (ICAAP) audit has been conducted in accordance with related legislation and Bank's procedures. Following the activities completed in 2014, Internal Audit Department accomplished its responsibilities by providing independent and objective assurance and consultancy services, as in the previous years, for improvement and benefit to the Bank's activities.

Internal Control and Compliance Department

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 personnel is 93.

Internal Control

The number of personnel in Internal Control has reached 72, by the addition of 12 personnel compared to last year. The two divisions stated below perform control activities:

- Branch and Subsidiary Controls Division
- Head Office, IT and SOX Controls Division

The Internal Control performs its activities to cover Head Office departments, branches and subsidiaries subject to consolidation.

Head office activities are controlled either on-site or centralized with different

frequencies on subjects identified mainly on legal, operational and financial risks. In addition, information technology activities are controlled periodically and annual walkthroughs and tests for controls in scope of SOX were completed. Control and audit activities with respect to the preparation of Management Statement were carried out. Moreover, on-site controls were performed at least once in all branches and subsidiaries during the year.

Compliance

Compliance 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 processes and instructions. As of yearend 2014, 18 personnel are employed at Compliance. Compliance closely follows regulatory changes and ensures that the Bank's practices are updated accordingly. Compliance responds to the questions posed by the branches and Head Office units 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. Compliance also coordinates the regulatory compliance engagements of the financial subsidiaries of the Bank. Additionally, it 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, Compliance consults with 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 Compliance are required concerning the issue in terms of compliance to applicable regulations. The activities of Compliance in 2014 were performed within this broad area of responsibility.

Audit Committee Office

Established in 2011, the Audit Committee Office is comprised of 2 persons as of 31.12.2014 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 2014. In line with the Bank's strategic plans, the total credit portfolio increased to TL 50.3 billion with a steady growth of its customer base. The number of branches was 658 by the end of 2014.

Assets:

With the help of its customer-oriented approach, Finansbank maintained its growth in SME and commercial loans. Total loans amounted to TL 50,344 million, indicating a 17% increase while total assets reached TL 75,206 million by the end of 2014, up 14% from the previous year. At yearend, the Bank's strategically prioritized market segments of business loans (SME, commercial and corporate) soared 46% in total.

Liabilities:

In parallel with the growth in assets, Finansbank's total deposits continued to increase in a balanced manner. Customer deposits reached TL 40,652 million, marking a 10% rise, while shareholders' equity increased 12% to TL 8,574 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 was recorded at TL 3,088 million in 2014, while net fee and commission income totaled TL 1,334 million, indicating an increase of 29%. The net profit was realized at TL 877 million in 2014.

The Bank's bank-only capital adequacy ratio at the end of 2014 stood at 17%.

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. Finansbank funds its loans with long-term borrowings in addition to its robust funding structure and wide deposit base. By using a variety of funding sources, the Bank not only decreases the cost of funding but also 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 on the market.

The Bank receives a partial audit quarterly and a full audit at yearend from an independent audit firm. Moreover, 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. Finansbank appealed the aforementioned decision on September 16, 2013 at Ankara 16th administrative court. The court case is still pending.

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. Regarding legal transactions with the controlling company and other related companies,

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 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
Long Term Local Currency Rating	BB+
Short Term Local 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", as appeared in the Official Gazette on November 1, 2006, with number 226333



Ömer A. Aras
Chairman of
the Board of Directors



Ali Teoman Kerman
Member of the Board of
Directors and Chairman of the
Audit Committee



Paul Mylonas
Board Member and
Audit Committee Member



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



Feri Güzeloğlu
General Manager and Member
of the Board of Directors



Adnan Menderes Yayla
Executive Vice President Responsible
of Financial Control and Planning

FİNANSBANK ANONİM ŞİRKETİ

**INDEPENDENT AUDITOR'S AUDIT REPORT,
UNCONSOLIDATED FINANCIAL
STATEMENTS AND NOTES FOR THE YEAR
ENDED DECEMBER 31, 2014**



Güney Bağımsız Denetim ve
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Finansbank Anonim Şirketi
Yönetim Kurulu'na
İstanbul

INDEPENDENT AUDITOR'S AUDIT REPORT, UNCONSOLIDATED FINANCIAL STATEMENTS AND NOTES FOR THE YEAR ENDED DECEMBER 31, 2014

We have audited the unconsolidated balance sheet of Finansbank Anonim Şirketi ("the Bank") at December 31, 2014 and the related unconsolidated income statement, unconsolidated statement of income and expense items under shareholders' equity, unconsolidated statement of cash flows and unconsolidated statement of changes in shareholders' equity for the year then ended and the summary of significant accounting policies and other explanatory notes.

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

The Board of Directors of the Bank is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the "Regulation on the Principles and Procedures Regarding Banks' Accounting Applications and Safeguarding of 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 the Banking Regulation and Supervision Agency. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error and selecting and applying appropriate accounting policies.

Disclosure for the Responsibility of the Authorized Audit Firm

Our responsibility, as independent auditors, is to express an opinion on these financial statements based on our audit. Our audit has been performed in accordance with "Regulation on Authorisation and Activities of Institutions to Conduct Independent Audit in Banks" published on the Official Gazette No.26333 dated November 1, 2006 and with the Independent Auditing Standards which is a part of Turkish Auditing Standards promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA"). We planned and conducted our audit to obtain reasonable assurance as to whether the financial statements are free of 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 opinion stated below.

Basis for Qualified Opinion

As of December 31, 2014, the accompanying unconsolidated financial statements include a general reserve for possible risks amounting to TL 82.000 thousands which is provided by the Bank management for the possible results of the circumstances which may arise from any changes in the economy and market conditions.

Independent Auditors' Opinion

In our opinion, except for the effect of the matter referred in the preceding paragraph on the unconsolidated financial statements, the accompanying unconsolidated financial statements present fairly, in all material respects, the financial position of Finansbank Anonim Şirketi at December 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with the prevailing accounting principles and standards set out as per Article 37 of the Banking Act No: 5411, and other regulations, communiqués, circulars and pronouncements made by the Banking Regulation and Supervision Agency in respect of accounting and financial reporting.

Report on other responsibilities arising from regulatory requirements

1) In accordance with Article 402 paragraph 4 of the Turkish Commercial Code ("TCC") no 6102; no significant matter has come to our attention that causes us to believe that the Bank's bookkeeping activities for the period January 1 – December 31, 2014 are not in compliance with the code and provisions of the Bank's articles of association in relation to financial reporting.

2) In accordance with Article 402 paragraph 4 of the TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

Other matters

The unconsolidated financial statements of the Bank as of and for the year ended December 31, 2013 prepared in accordance with the accounting principles and standards set out by regulations in conformity with Article No:37 of the Banking Act No. 5411 were audited by another independent audit firm, who in their report dated February 27, 2014 expressed an unqualified opinion on the unconsolidated financial statements as of and for the year ended December 31, 2013, results of operations and cash flows in accordance with accounting principles and standards set out by regulations in conformity with Article No:37 of the Banking Act No: 5411 and other regulations, interpretations and circulars published by the Banking Regulation and Supervision Agency on accounting and financial reporting principles.

Additional paragraph for English translation

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

Istanbul, February 5, 2015

GÜNEY BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK ANONİM ŞİRKETİ

A Member Firm Of **ERNST & YOUNG GLOBAL LIMITED**



Handwritten signature of Hatice Bilek Çilingir Köstem over a circular stamp. The stamp contains the text 'T.C. SERBEST MUHASEBECİLER ODASI' and 'İSTANBUL'.

Hatice Bilek Çilingir Köstem,
Partner in Charge, SMMM

THE UNCONSOLIDATED FINANCIAL REPORT OF FINANSBANK A.Ş. FOR THE YEAR-END PERIOD ENDED DECEMBER 31, 2014

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 unconsolidated financial report for the year-end period ended December 31, 2014, 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 INTERIM FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE BANK
- INFORMATION ON FINANCIAL STRUCTURE OF THE BANK
- FOOTNOTES AND EXPLANATIONS ON UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- INDEPENDENT AUDITOR'S REPORT

The unconsolidated financial statements and related disclosures and footnotes for the year-end period ended December 31, 2014, 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 unconsolidated financial statements are presented in **thousands of Turkish Lira (TL)**.



Ömer A. Aras
Chairman of
the Board of Directors



Ali Teoman Kerman
Member of the Board of
Directors and Chairman of the
Audit Committee



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



Temel Güzelöglü
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,
Statutory 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, Statutory Reporting and Treasury Control
Phone Number : (0 212) 318 52 92
Facsimile Number : (0 212) 318 55 78



SECTION ONE

General Information

I.	Explanatory note on the establishment date, nature of activities and history of the Bank	1
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SECTION ONE

GENERAL INFORMATION

I. Explanatory note on the establishment date, nature of activities and history of the Bank

Finansbank Anonim Şirketi ("the Bank") was incorporated in Istanbul on September 23, 1987. The Bank's shares have been listed on the Borsa Istanbul ("BIST") (formerly known as Istanbul Stock Exchange ("ISE")) since 1990.

II. Information 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, 2014, 82.23% 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.

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. Information 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	March 9, 1993	Phd
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 Güzelöğlu	Board Member and Managing Director	April 16, 2010	Masters
Mustafa Hamdi Gürtin	Board Member	April 16, 2010	Masters
Ali Teoman Kerman ^(****)	Board Member and Head of Audit Committee	April 16, 2013	Masters
Paula Hadjisotiriou	Board Member	December 16, 2013	Masters
Georgios Koutsoudakis ^(*****)	Board Member	July 23, 2014	Graduate
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 1, 2008	Graduate
Köksal Çoban	Assistant Managing Director	August 19, 2008	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
Filiz Sonat	Assistant Managing Director	September 19, 2007	Graduate
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

^(*) Prof. Dr. Mustafa Aydın Aysan resigned from Audit Committee as of April 24, 2014.

^(**) Dr. Paul Mylonas has been appointed as a member to the Audit Committee as of January 17, 2014.

^(***) Ioannis Vagionitis has been appointed to the Audit Committee as of January 17, 2014.

^(****) Ali Teoman Kerman has been appointed as the Head of Audit Committee as of April 24, 2014.

^(*****) Georgios Koutsoudakis has been appointed as the Board Member as of July 23, 2014.

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



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

Name Surname/Trade Name	Amount of Shares	Percentage of Shares	Paid-up Shares	Unpaid Shares
National Bank of Greece S.A.	2.331.170	82,23%	2.331.170	-
NBG Finance (Dollar) PLC	274.411	9,68%	274.411	-
NBGI Holdings B.V.	223.965	7,90%	223.965	-

According to the Board of Directors decision dated September 16, 2014, it has been decided that 100 founder shares issued to National Bank of Greece in accordance with the 10th close of the Bank's Articles of Associates will be canceled at no cost. Subject decision has been approved during the General Council Meeting dated December 4, 2014. 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.

(*)According to a put option agreement between NBG and International Finance Corporation ("IFC") dated March 29, 2007, 5% of the Bank's shares have been bought from IFC by the Bank, NBG, on 26 September 2014 and following the subject purchase NBG's share in the Bank's capital has reached to 99.81% as of December 31, 2014.

V. Explanations on the Bank's services and activities

The Bank's activities include trade finance and corporate banking, fund management, 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, 2014, the Bank operates through 656 domestic (December 31, 2013 - 672), 1 off-shore banking (December 31, 2013 - 1) and 1 Atatürk Airport Free Trade Zone (December 31, 2013 - 1) branches.

VI. A short explanation on the differences between the Regulation on Preparation of Consolidated Financial Statements of Banks and the consolidation procedures required by Turkish Accounting Standards and about institutions that are subject to full consolidation, proportional consolidation, by way of deduction from capital or those that are subject to none

The Bank's joint venture Cigna Finans Emeklilik and Hayat Anonim Şirketi is consolidated using equity method as per the Regulation on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards.

İbtech A.Ş. and E-finans Elektronik Ticaret ve Bilişim Hizmetleri A.Ş. included in investments in associates and Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. included in entities under common control are not consolidated to consolidated financial statements as per the Regulation on Preparation of Consolidated Financial Statements of Banks since they are nonfinancial investments. Banklararası Kart Merkezi included in subsidiaries is carried at cost and not consolidated since the Bank does not have material control and presence over it.

All other subsidiaries are fully consolidated.

VII. The existing or potential, actual or legal obstacles to immediate transfer of shareholders' equity between the Parent Bank and its subsidiaries and repayment of debts

None.

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. Statement of Cash Flow
- VII. Unconsolidated Profit Appropriation Statement

FINANSBANK ANONİM ŞİRKETİ

Unconsolidated balance sheet as of december 31, 2014 (statement of financial position)
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

I. UNCONSOLIDATED BALANCE SHEET – ASSETS

		Section 5 Part I	Audited 31.12.2014			Audited 31.12.2013		
			TL	FC	Total	TL	FC	Total
I.	CASH AND BALANCES WITH THE CENTRAL BANK	(1)	1.503.207	7.160.628	8.663.835	987.711	7.320.682	8.208.393
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	1.203.668	152.639	1.356.307	1.376.071	253.498	1.629.569
2.1	Financial assets held for trading		1.105.525	152.639	1.258.164	1.190.997	253.498	1.444.495
2.1.1	Public sector debt securities		2.520	2.299	4.819	161.041	1.973	163.014
2.1.2	Equity securities		-	-	-	-	-	-
2.1.3	Assets on trading derivatives		1.103.005	150.340	1.253.345	1.029.956	251.525	1.281.481
2.1.4	Other securities		-	-	-	-	-	-
2.2	Financial assets at fair value through profit and loss		98.143	-	98.143	185.074	-	185.074
2.2.1	Public sector debt securities		-	-	-	-	-	-
2.2.2	Equity securities		-	-	-	-	-	-
2.2.3	Loans		98.143	-	98.143	185.074	-	185.074
2.2.4	Other securities		-	-	-	-	-	-
III.	BANKS	(3)	19.390	224.302	243.692	5.037	301.088	306.125
IV.	MONEY MARKET PLACEMENTS		200.062	-	200.062	-	-	-
4.1	Interbank money market placements		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3	Receivables from reverse repurchase agreements	(4)	200.062	-	200.062	-	-	-
V.	INVESTMENT SECURITIES AVAILABLE-FOR-SALE (Net)	(5)	3.956.061	1.477.171	5.433.232	4.668.879	1.073.809	5.742.688
5.1	Equity securities		-	-	-	-	-	-
5.2	Public sector debt securities		3.924.071	1.444.438	5.368.509	4.633.866	1.059.507	5.693.373
5.3	Other securities		31.990	32.733	64.723	35.013	14.302	49.315
VI.	LOANS AND RECEIVABLES	(6)	42.874.766	7.371.360	50.246.126	38.105.480	4.618.996	42.724.476
6.1	Loans and receivables		42.306.593	7.371.360	49.677.953	37.596.755	4.618.996	42.215.751
6.1.1	Loans to risk group of the Bank		119.800	39.473	159.273	110.670	-	110.670
6.1.2	Public sector debt securities		-	-	-	-	-	-
6.1.3	Other		42.186.793	7.331.887	49.518.680	37.486.085	4.618.996	42.105.081
6.2	Non-performing loans		2.731.499	-	2.731.499	2.965.853	-	2.965.853
6.3	Specific provisions (-)		2.163.326	-	2.163.326	2.457.128	-	2.457.128
VII.	FACTORING RECEIVABLES		-	-	-	-	-	-
VIII.	INVESTMENT SECURITIES HELD TO MATURITY (Net)	(7)	3.052.566	674.657	3.727.223	2.446.859	378.920	2.825.779
8.1	Public sector debt securities		3.052.566	90.418	3.142.984	2.446.859	20.820	2.467.679
8.2	Other securities		-	584.239	584.239	-	358.100	358.100
IX.	INVESTMENT IN ASSOCIATES (Net)	(8)	3.766	-	3.766	3.766	-	3.766
9.1	Equity method associates		-	-	-	-	-	-
9.2	Unconsolidated		3.766	-	3.766	3.766	-	3.766
9.2.1	Financial investments		-	-	-	-	-	-
9.2.2	Non-financial investments		3.766	-	3.766	3.766	-	3.766
X.	INVESTMENT IN SUBSIDIARIES (Net)	(9)	444.859	-	444.859	423.216	-	423.216
10.1	Unconsolidated financial investments		426.813	-	426.813	405.170	-	405.170
10.2	Unconsolidated non-financial investments		18.046	-	18.046	18.046	-	18.046
XI.	ENTITIES UNDER COMMON CONTROL (JOINT VENTURES) (Net)	(10)	186.217	-	186.217	197.716	-	197.716
11.1	Equity method entities under common control		-	-	-	-	-	-
11.2	Unconsolidated		186.217	-	186.217	197.716	-	197.716
11.2.1	Financial investments		183.417	-	183.417	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)	1.965.902	22.844	1.988.746	1.866.369	61.426	1.927.795
13.1	Fair value hedge		1.459.151	22.844	1.481.995	1.487.743	61.426	1.549.169
13.2	Cash flow hedge		506.751	-	506.751	378.626	-	378.626
13.3	Hedging of a net investment in foreign subsidiaries		-	-	-	-	-	-
XIV.	TANGIBLE ASSETS (Net)		1.470.096	10	1.470.106	520.776	63	520.839
XV.	INTANGIBLE ASSETS (Net)		223.847	-	223.847	198.204	-	198.204
15.1	Goodwill		-	-	-	-	-	-
15.2	Others		223.847	-	223.847	198.204	-	198.204
XVI.	INVESTMENT PROPERTIES (Net)		-	-	-	-	-	-
XVII.	TAX ASSETS	(13)	50.050	-	50.050	78.670	-	78.670
17.1	Current tax assets		-	-	-	-	-	-
17.2	Deferred tax assets		50.050	-	50.050	78.670	-	78.670
XVIII.	ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(14)	51.265	-	51.265	-	-	-
18.1	Held for sale		51.265	-	51.265	-	-	-
18.2	Discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	(15)	817.623	99.398	917.021	770.972	451.559	1.222.531
	TOTAL ASSETS		58.023.345	17.183.009	75.206.354	51.549.726	14.460.041	66.009.767

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

FINANSBANK ANONİM ŞİRKETİ

Unconsolidated balance sheet as of december 31, 2014 (statement of financial position)

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

I. UNCONSOLIDATED BALANCE SHEET - LIABILITIES AND EQUITY

	Section 5 Part II	Audited 31.12.2014			Audited 31.12.2013		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(1)	27.240.961	14.833.593	42.074.554	26.382.066	11.939.592	38.321.658
1.1 Deposits from risk group of the Bank		284.836	132.296	417.132	230.450	164.811	395.261
1.2 Other		26.956.125	14.701.297	41.657.422	26.151.616	11.774.781	37.926.397
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	1.092.806	160.505	1.253.311	1.112.851	189.708	1.302.559
III. FUNDS BORROWED	(3)	115.661	4.782.482	4.898.143	111.366	3.239.684	3.351.050
IV. MONEY MARKET BORROWINGS		2.716.251	1.431.183	4.147.434	2.561.162	1.141.561	3.702.723
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)	2.716.251	1.431.183	4.147.434	2.511.162	1.141.561	3.652.723
V. SECURITIES ISSUED (Net)	(5)	2.218.569	3.154.880	5.373.449	2.161.609	1.793.767	3.955.376
5.1 Bills		1.971.791	262.040	2.233.831	2.057.875	-	2.057.875
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		246.778	2.892.840	3.139.618	103.734	1.793.767	1.897.501
VI. FUNDS		-	-	-	-	-	-
6.1 Borrower funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
VII. SUNDRY CREDITORS		1.629.052	2.133.518	3.762.570	1.401.157	1.984.147	3.385.304
VIII. OTHER LIABILITIES	(6)	916.276	120.953	1.037.229	857.438	68.974	926.412
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. LEASE PAYABLES (Net)	(7)	1.311	1.235	2.546	1.542	1.373	2.915
10.1 Financial lease payables		1.563	1.368	2.931	2.002	1.534	3.536
10.2 Operational lease payables		-	-	-	-	-	-
10.3 Others		-	-	-	-	-	-
10.4 Deferred financial lease expenses (-)		252	133	385	460	161	621
XI. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	(8)	202.104	149.976	352.080	7.648	75.101	82.749
11.1 Fair value hedge		70.738	149.976	220.714	-	75.101	75.101
11.2 Cash flow hedge		131.366	-	131.366	7.648	-	7.648
11.3 Hedge of net investments in foreign subsidiaries		-	-	-	-	-	-
XII. PROVISIONS	(9)	1.438.400	-	1.438.400	1.193.795	84.572	1.278.367
12.1 General provisions		942.661	-	942.661	731.719	84.572	816.291
12.2 Restructuring provisions		-	-	-	-	-	-
12.3 Reserve for employee benefits		200.134	-	200.134	208.904	-	208.904
12.4 Insurance technical provisions (Net)		-	-	-	-	-	-
12.5 Other provisions		295.605	-	295.605	253.172	-	253.172
XIII. TAX LIABILITY	(10)	170.778	-	170.778	101.457	-	101.457
13.1 Current tax liability		170.778	-	170.778	101.457	-	101.457
13.2 Deferred tax liability		-	-	-	-	-	-
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)	-	2.121.712	2.121.712	-	1.950.719	1.950.719
XVI. SHAREHOLDERS' EQUITY		8.630.767	(56.619)	8.574.148	7.785.046	(136.568)	7.648.478
16.1 Paid-in capital	(13)	2.835.000	-	2.835.000	2.700.000	-	2.700.000
16.2 Capital reserves		316.472	(56.619)	259.853	348.179	(136.568)	211.611
16.2.1 Share Premium	(14)	714	-	714	714	-	714
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Securities value increase fund	(15)	401.689	(56.619)	345.070	281.454	(136.568)	144.886
16.2.4 Revaluation fund on tangible asset		-	-	-	-	-	-
16.2.5 Revaluation fund on intangible asset		-	-	-	-	-	-
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)		(40.479)	-	(40.479)	95.987	-	95.987
16.2.9 Accumulated valuation differences from assets held for sale and discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		(48.141)	-	(48.141)	(32.665)	-	(32.665)
16.3 Profit reserves		4.601.867	-	4.601.867	4.002.628	-	4.002.628
16.3.1 Legal reserves		365.367	-	365.367	328.655	-	328.655
16.3.2 Status reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		4.236.500	-	4.236.500	3.673.973	-	3.673.973
16.3.4 Other profit reserves		-	-	-	-	-	-
16.4 Profit or loss		877.428	-	877.428	734.239	-	734.239
16.4.1 Prior years' income/ (losses)		-	-	-	-	-	-
16.4.2 Current period income/ (loss)		877.428	-	877.428	734.239	-	734.239
16.5 Minority shares		-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY		46.372.936	28.833.418	75.206.354	43.677.137	22.332.630	66.009.767

FINANSBANK ANONİM ŞİRKETİ

Unconsolidated income statement for the period ended december 31, 2014

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

II. UNCONSOLIDATED STATEMENT OF OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES

		Section 5 Part III	Audited 31.12.2014			Audited 31.12.2013		
			TL	FC	TOTAL	TL	FC	TOTAL
A.	OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I-II+III)		88.912.523	81.029.264	169.941.787	70.402.203	62.614.020	133.016.223
I.	GUARANTEES	(1), (2), (3), (4)	5.214.732	3.945.677	9.160.409	4.169.967	2.947.967	7.117.934
1.1.	Letters of guarantee		5.205.798	2.208.929	7.414.727	4.162.296	1.777.802	5.940.098
1.1.1.	Guarantees subject to State Tender Law		238.293	28.417	266.710	173.860	24.805	198.665
1.1.2.	Guarantees given for foreign trade operations		2.895.013	2.180.512	5.075.525	2.619.423	1.752.997	4.372.420
1.1.3.	Other letters of guarantee		2.072.492	-	2.072.492	1.369.013	-	1.369.013
1.2.	Bank loans		8.934	903.353	912.287	7.668	602.163	609.831
1.2.1.	Import letter of acceptance		8.934	903.353	912.287	7.668	602.163	609.831
1.2.2.	Other bank acceptances		-	-	-	-	-	-
1.3.	Letters of credit		-	812.318	812.318	3	548.603	548.606
1.3.1.	Documentary letters of credit		-	614.869	614.869	3	531.441	531.444
1.3.2.	Other letters of credit		-	197.449	197.449	-	17.162	17.162
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		-	21.077	21.077	-	19.399	19.399
1.9.	Other collaterals		-	-	-	-	-	-
II.	COMMITMENTS		29.112.513	2.365.704	31.478.217	25.084.936	1.696.831	26.781.767
2.1.	Irrevocable commitments		29.008.708	1.907.143	30.915.851	24.976.518	751.500	25.728.018
2.1.1.	Forward asset purchase commitments		688.063	1.862.257	2.550.320	327.259	749.594	1.076.853
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		8.536.833	232	8.537.065	5.424.542	213	5.424.755
2.1.5.	Securities underwriting commitments		-	-	-	-	-	-
2.1.6.	Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7.	Payment commitment for checks		2.420.299	-	2.420.299	2.060.004	-	2.060.004
2.1.8.	Tax and fund liabilities from export commitments		-	7.626	7.626	6.988	-	6.988
2.1.9.	Commitments for credit card expenditure limits		16.812.040	-	16.812.040	17.067.174	-	17.067.174
2.1.10.	Commitments for promotions related with credit cards and banking activities		22.604	-	22.604	38.002	-	38.002
2.1.11.	Receivables from short sale commitments		-	-	-	-	-	-
2.1.12.	Payables for short sale commitments		-	-	-	-	-	-
2.1.13.	Other irrevocable commitments		521.243	44.654	565.897	52.549	1.693	54.242
2.2.	Revocable commitments		103.805	458.561	562.366	108.418	945.331	1.053.749
2.2.1.	Revocable loan granting commitments		103.805	458.561	562.366	108.418	351.395	459.813
2.2.2.	Other revocable commitments		-	-	-	-	593.936	593.936
III.	DERIVATIVE FINANCIAL INSTRUMENTS	(5)	54.585.278	74.717.883	129.303.161	41.147.300	57.969.222	99.116.522
3.1.	Derivative financial instruments for hedging purposes		13.357.379	16.633.829	29.991.208	10.309.736	13.695.907	24.005.643
3.1.1.	Fair value hedge		6.870.913	12.335.168	19.206.081	6.675.930	10.559.020	17.234.950
3.1.2.	Cash flow hedge		6.486.466	4.298.661	10.785.127	3.633.806	3.136.887	6.770.693
3.1.3.	Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2.	Held for trading transactions		41.227.899	58.084.054	99.311.953	30.837.564	44.273.315	75.110.879
3.2.1.	Forward foreign currency buy/sell transactions		2.329.798	2.771.354	5.101.152	3.023.815	3.576.802	6.600.617
3.2.1.1.	Forward foreign currency transactions-buy		1.305.411	1.244.832	2.550.243	1.406.707	1.895.433	3.302.140
3.2.1.2.	Forward foreign currency transactions-sell		1.024.387	1.526.522	2.550.909	1.617.108	1.681.369	3.298.477
3.2.2.	Swap transactions related to foreign currency and interest rates		35.786.236	47.901.622	83.687.858	21.556.188	30.695.134	52.251.322
3.2.2.1.	Foreign currency swap-buy		19.144.314	17.935.272	37.079.586	12.502.291	9.313.810	21.816.101
3.2.2.2.	Foreign currency swap-sell		15.712.662	21.352.952	37.065.614	7.761.087	14.308.290	22.069.377
3.2.2.3.	Interest rate swaps-buy		464.630	4.306.699	4.771.329	646.405	3.536.517	4.182.922
3.2.2.4.	Interest rate swaps-sell		464.630	4.306.699	4.771.329	646.405	3.536.517	4.182.922
3.2.3.	Foreign currency, interest rate and securities options		1.310.969	6.955.232	10.066.201	6.257.051	9.617.419	15.874.470
3.2.3.1.	Foreign currency options-buy		5.002.096	3.520.388	5.022.484	3.031.745	4.927.476	7.959.221
3.2.3.2.	Foreign currency options-sell		1.608.873	3.434.844	5.043.717	3.225.306	4.689.943	7.915.249
3.2.3.3.	Interest rate options-buy		-	-	-	-	-	-
3.2.3.4.	Interest rate options-sell		-	-	-	-	-	-
3.2.3.5.	Securities options-buy		-	-	-	-	-	-
3.2.3.6.	Securities options-sell		-	-	-	-	-	-
3.2.4.	Foreign currency futures		896	38.444	39.340	510	42.472	42.982
3.2.4.1.	Foreign currency futures-buy		448	19.222	19.670	255	21.236	21.491
3.2.4.2.	Foreign currency futures-sell		448	19.222	19.670	255	21.236	21.491
3.2.5.	Interest rate futures		-	-	-	-	-	-
3.2.5.1.	Interest rate futures-buy		-	-	-	-	-	-
3.2.5.2.	Interest rate futures-sell		-	-	-	-	-	-
3.2.6.	Other		-	417.402	417.402	-	341.488	341.488
B.	CUSTODY AND PLEDGED ITEMS (IV+V+VI)		398.851.830	69.067.178	467.919.008	312.753.176	66.309.725	379.062.901
IV.	ITEMS HELD IN CUSTODY		7.076.630	1.530.536	8.607.166	7.254.675	1.085.363	8.340.038
4.1.	Assets under management		3.128.580	-	3.128.580	3.209.849	-	3.209.849
4.2.	Investment securities held in custody		1.232.314	757.722	1.990.036	2.005.410	337.766	2.343.176
4.3.	Checks received for collection		2.054.477	258.410	2.312.887	1.527.663	203.698	1.731.361
4.4.	Commercial notes received for collection		661.253	138.426	799.679	511.706	91.359	603.065
4.5.	Other assets received for collection		-	-	-	-	-	-
4.6.	Assets received for public offering		-	-	-	-	-	-
4.7.	Other items under custody		6	375.978	375.984	44	452.540	452.584
4.8.	Custodians		-	-	-	3	-	3
V.	PLEDGED ITEMS		234.715.130	31.709.225	266.424.355	176.310.170	24.357.446	200.667.616
5.1.	Marketable securities		620.378	2.260.821	2.881.199	502.407	643.935	1.146.342
5.2.	Guarantee notes		181.761	52.651	234.412	142.011	38.261	180.272
5.3.	Commodity		41.344	-	41.344	27.266	-	27.266
5.4.	Warranty		-	-	-	-	-	-
5.5.	Properties		57.209.764	11.327.616	68.537.380	46.396.463	7.993.070	54.389.533
5.6.	Other pledged items		176.661.883	18.068.137	194.730.020	129.242.023	15.682.180	144.924.203
5.7.	Pledged items-depository		-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		157.060.070	35.827.417	192.887.487	129.188.331	40.866.916	170.055.247
	TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		487.764.353	150.096.442	637.860.795	383.155.379	128.923.745	512.079.124

FINANSBANK ANONİM ŞİRKETİ

Unconsolidated income statement for the period ended december 31, 2014 (statement of income/loss)
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

III. UNCONSOLIDATED INCOME STATEMENT

		Section 5 Part IV	Audited 01.01 - 31.12.2014	Audited 01.01 - 31.12.2013
I.	INTEREST INCOME	(1)	6.495.966	5.669.783
1.1	Interest on loans		5.599.532	5.125.414
1.2	Interest received from reserve deposits		538	-
1.3	Interest received from banks		1.874	949
1.4	Interest received from money market placements		42.861	8.183
1.5	Interest received from marketable securities portfolio		848.606	533.457
1.5.1	Held-for-trading financial assets		5.902	11.392
1.5.2	Financial assets at fair value through profit and loss		17.380	31.370
1.5.3	Available-for-sale financial assets		474.174	407.110
1.5.4	Investments held-to-maturity		351.150	83.585
1.6	Finance lease income		-	-
1.7	Other interest income		2.555	1.780
II.	INTEREST EXPENSE	(2)	3.407.655	2.506.637
2.1	Interest on deposits		2.663.559	1.985.976
2.2	Interest on funds borrowed		201.815	152.878
2.3	Interest on money market borrowings		220.027	99.973
2.4	Interest on securities issued		317.396	252.784
2.5	Other interest expense		4.858	15.026
III.	NET INTEREST INCOME (I - II)		3.088.311	3.163.146
IV.	NET FEES AND COMMISSIONS INCOME		1.333.530	1.031.522
4.1	Fees and commissions received		1.556.480	1.171.653
4.1.1	Non-cash loans		50.706	42.684
4.1.2	Other		1.505.774	1.128.969
4.2	Fees and commissions paid		222.950	140.131
4.2.1	Non-cash loans		1.106	671
4.2.2	Other		221.844	139.460
V.	DIVIDEND INCOME	(3)	9.042	12.152
VI.	NET TRADING INCOME	(4)	(262.777)	(215.005)
6.1	Securities trading gains/ (losses)		18.555	162.526
6.2	Gains / (losses) from financial derivatives transactions		(319.470)	(274.909)
6.3	Foreign exchange gains/ (losses)		38.138	(102.622)
VII.	OTHER OPERATING INCOME	(5)	383.383	320.749
VIII.	NET OPERATING INCOME (III+IV+V+VI+VII)		4.551.489	4.312.564
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)	1.075.543	1.080.751
X.	OTHER OPERATING EXPENSES (-)	(7)	2.333.737	2.294.219
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		1.142.209	937.594
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)	1.142.209	937.594
XVI.	TAX CHARGE FOR CONTINUED OPERATIONS (±)	(9)	(264.781)	(203.355)
16.1	Current income tax charge		(221.066)	(229.625)
16.2	Deferred tax charge / benefit		(43.715)	26.270
XVII.	NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	(10)	877.428	734.239
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)	877.428	734.239
23.1	Group's profit/loss		877.428	734.239
23.2	Minority shares (-)		-	-
	Earnings per share		0,03095	0,0259

FİNANSBANK ANONİM ŞİRKETİ

Unconsolidated statement of profit and loss accounted for under shareholders' equity for the period ended december 31, 2014 (Statement of other comprehensive income / loss)

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

IV. UNCONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY

		Audited 01.01 - 31.12.2014	Audited 01.01 - 31.12.2013
I.	ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS	256.594	(514.066)
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)	(172.981)	127.832
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	(19.345)	5.313
IX.	DEFERRED TAX OF VALUATION DIFFERENCES	15.095	80.769
X.	TOTAL NET PROFIT/LOSS ACCOUNTED FOR UNDER EQUITY (I+II+...+IX)	79.363	(300.152)
XI.	PROFIT/LOSS	(31.121)	(75.709)
11.1	Change in fair value of marketable securities (Transfer to Profit/Loss)	(33.520)	(80.393)
11.2	Reclassification and transfer of derivatives accounted for cash flow hedge purposes recycled to Income Statement	2.399	4.684
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)	48.242	(375.861)

FİNANSBANK ANONİM ŞİRKETİ

Unconsolidated statement of changes in shareholders' equity For the period ended december 31, 2014
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

V. UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Audited	Section 5 Note II.13	Paid-In Capital	Effect of Inflation Accounting on Capital and Other Capital Reserves	Share Premium	Share Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/ (Loss)	Prior Period 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 Assets from Disc.Op.	Total Equity
Prior period -																	
01.01 - 31.12.2013																	
Beginning balance		2.565.000	-	714	-	283.538	-	2.950.168	(36.915)	-	903.922	631.010	-	2.689	(10.026)	-	7.290.100
Changes in period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase/decrease related to merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketable securities valuation differences	(1)	-	-	-	-	-	-	-	-	-	-	(486.124)	-	-	-	-	(486.124)
Hedging funds (effective portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash-flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonus shares obtained from associates, subsidiaries and entities under common control		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange differences	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
The disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
The reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
The effect of change in associates' equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital increase	(5)	135.000	-	-	-	-	-	(135.000)	-	-	-	-	-	-	-	-	-
Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internal sources		135.000	-	-	-	-	-	(135.000)	-	-	-	-	-	-	-	-	-
Share issue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share cancellation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inflation adjustment to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period net income/(loss)		-	-	-	-	-	-	-	4.250	734.239	-	-	-	-	-	-	4.250
Profit distribution	(3)	-	-	-	-	45.117	-	858.805	-	-	(903.922)	-	-	-	-	-	734.239
Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to reserves		-	-	-	-	45.117	-	858.805	-	-	(903.922)	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance (III+IV+V+.....+ XVII+XIX+XX)		2.700.000	-	714	-	328.655	-	3.673.973	(32.665)	734.239	-	144.886	-	2.689	95.987	-	7.648.478

FINANSBANK ANONİM ŞİRKETİ

Unconsolidated statement of changes in shareholders' equity For the period ended december 31, 2014
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

V. UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Audited	Section 5 Note II.13	Paid-in Capital	Effect of Inflation Accounting on Capital and Other Capital Reserves	Share Premium	Share Certificate Cancellation	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/ (Loss)	Prior Period 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 Assets from Disc. Op.	Total Equity
I. Current period - 01.01 - 31.12.2014		2.700.000	-	714	-	328.655	-	3.673.973	(32.665)	-	734.239	144.886	-	2.689	95.987	-	7.648.478
Beginning Balance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase/decrease related to merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Marketable securities valuation differences	(1)	-	-	-	-	-	-	-	-	-	-	200.184	-	-	-	-	200.184
III. Hedging funds (effective portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Cash-flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Tangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Intangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonus shares obtained from associates, subsidiaries and entities under common control		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Foreign exchange differences	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. The disposal of asset of asset		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. The reclassification		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. The effect of change in associates' equity	(5)	135.000	-	-	-	-	-	(135.000)	-	-	-	-	-	-	-	-	-
XII. Capital increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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		-	-	-	-	-	-	-	(15.476)	-	-	-	-	-	-	-	(15.476)
XVII. Period net income/ (loss)		-	-	-	-	-	-	-	-	877.428	-	-	-	-	-	-	877.428
XVIII. Profit distribution	(3)	-	-	-	-	36.712	-	697.527	-	-	(734.239)	-	-	-	-	-	-
18.1 Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfers to reserves		-	-	-	-	36.712	-	697.527	-	-	(734.239)	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance (I+II+III+... +XVI+XVII+XVIII)		2.835.000	-	714	-	365.367	-	4.236.500	(48.141)	877.428	-	345.070	-	2.689	(40.479)	-	8.574.148

FINANSBANK ANONİM ŞİRKETİ

Unconsolidated cash flow statement for the period ended december 31, 2014

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

VI. UNCONSOLIDATED CASH FLOW STATEMENT

	Section 5 Part V.	Audited 01.01 - 31.12.2014	Audited 01.01 - 31.12.2013
A. CASH FLOWS FROM / (TO) BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities (+)		1.900.490	1.953.981
1.1.1 Interest received (+)		6.003.909	5.620.645
1.1.2 Interest paid (-)		(3.520.654)	(2.280.854)
1.1.3 Dividend received (+)		9.042	12.152
1.1.4 Fees and commissions received (+)		1.557.034	1.172.668
1.1.5 Other income (+)		333.095	306.429
1.1.6 Collections from previously written off loans (+)		638.806	398.991
1.1.7 Payments to personnel and service suppliers (-)		(1.789.390)	(1.700.991)
1.1.8 Taxes paid (-)		(200.251)	(360.943)
1.1.9 Others (+/-)	(1)	(1.131.101)	(1.214.116)
1.2 Changes in operating assets and liabilities		(1.986.014)	(691.698)
1.2.1 Net (increase) decrease in financial assets held for trading (+/-)		158.193	(91.110)
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss (+/-)		211.138	(75.218)
1.2.3 Net (increase) decrease in due from banks (+/-)		177.321	(2.705.483)
1.2.4 Net (increase) decrease in loans (+/-)		(8.521.945)	(6.945.910)
1.2.5 Net (increase) decrease in other assets (+/-)	(1)	29.943	(49.928)
1.2.6 Net increase (decrease) in bank deposits (+/-)		72.015	248.657
1.2.7 Net increase (decrease) in other deposits (+/-)		3.622.557	4.502.493
1.2.8 Net increase (decrease) in funds borrowed (+/-)		1.413.947	247.372
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)	(1)	850.817	4.177.429
I. Net cash provided from / (used in) banking operations (+/-)		(85.524)	1.262.283
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from / (used in) investing activities (+/-)		(1.235.372)	(2.257.806)
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries (-)		-	(3.060)
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries (+)		-	1.476
2.3 Fixed assets purchases (-)		(762.433)	(198.914)
2.4 Fixed assets sales (+)		35.033	394
2.5 Cash paid for purchase of financial assets available for sale (-)		(3.873.595)	(12.392.552)
2.6 Cash obtained from sale of financial assets available for sale (+)		4.101.719	11.945.092
2.7 Cash paid for purchase of investment securities (-)		(631.486)	(1.222.906)
2.8 Cash obtained from sale of investment securities (+)		-	-
2.9 Others (+/-)		(104.610)	(387.336)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from / (used in) financing activities (+/-)		1.867.047	(763.239)
3.1 Cash obtained from funds borrowed and securities issued (+)		6.881.054	4.614.780
3.2 Cash used for repayment of funds borrowed and securities issued (-)		(5.013.019)	(5.375.227)
3.3 Capital increase (+)		-	-
3.4 Dividends paid (-)		-	-
3.5 Payments for finance leases (-)		(988)	(2.792)
3.6 Other (+/-)		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents (+/-)		223.291	342.651
V. Net increase / (decrease) in cash and cash equivalents (I+II+III+IV)		769.442	(1.416.111)
VI. Cash and cash equivalents at beginning of the period (+)	(2)	2.098.546	3.514.657
VII. Cash and cash equivalents at end of the period (V+VI)	(3)	2.867.988	2.098.546

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

FINANSBANK ANONİM ŞİRKETİ

Notes to the unconsolidated financial statements For the period ended december 31, 2014
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

VII. UNCONSOLIDATED PROFIT APPROPRIATION STATEMENT

		AUDITED CURRENT YEAR 31.12.2014 ^(*)	AUDITED PRIOR YEAR 31.12.2013
I.	DISTRIBUTION OF CURRENT YEAR INCOME		
1.1	CURRENT YEAR INCOME	1.142.209	937.594
1.2	TAXES AND DUTIES PAYABLE (-)	264.781	203.355
1.2.1	CORPORATE TAX (INCOME TAX)	221.066	229.625
1.2.2	INCOME WITHHOLDING TAX	-	-
1.2.3	OTHER TAXES AND DUTIES	43.715	(26.270)
A.	NET INCOME FOR THE YEAR (1.1-1.2)	877.428	734.239
1.3	PRIOR YEAR LOSSES(-)	-	-
1.4	FIRST LEGAL RESERVES(-)	-	36.712
1.5	OTHER STATUTORY RESERVES (-)	-	-
B.	NET INCOME AVAILABLE FOR DISTRIBUTION ((A)-(1.3+1.4+1.5))	877.428	697.527
1.6	FIRST DIVIDEND TO SHAREHOLDERS(-)	-	135.000
1.6.1	TO OWNERS OF ORDINARY SHARES	-	135.000 ^(**)
1.6.2	TO OWNERS OF PRIVILEGED SHARES	-	-
1.6.3	TO OWNERS OF PREFERRED SHARES	-	-
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 PRIVILEGED SHARES	-	-
1.9.3	TO OWNERS OF PREFERRED SHARES	-	-
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	-	562.527
1.13	OTHER RESERVES	-	-
1.14	SPECIAL FUNDS	-	-
II.	DISTRIBUTION OF RESERVES		
2.1	APPROPRIATED RESERVES	-	-
2.2	SECOND LEGAL RESERVES (-)	-	-
2.3	DIVIDENDS TO SHAREHOLDERS(-)	-	-
2.3.1	TO OWNERS OF ORDINARY SHARES	-	-
2.3.2	TO OWNERS OF PRIVILEGED SHARES	-	-
2.3.3	TO OWNERS OF PREFERRED SHARES	-	-
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	0,03095	0,02719
3.2	TO OWNERS OF ORDINARY SHARES(%)	%3,09	%2,72
3.3	TO OWNERS OF PRIVILEGED SHARES	-	-
3.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV.	DIVIDEND PER SHARE		
4.1	TO OWNERS OF ORDINARY SHARES	-	-
4.2	TO OWNERS OF ORDINARY SHARES(%)	-	-
4.3	TO OWNERS OF PRIVILEGED SHARES	-	-
4.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-

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

SECTION THREE

ACCOUNTING POLICIES

I. Basis of Presentation

The Turkish Banking Law No: 5411 is published in the Official Gazette No: 25983 dated November 1, 2005. The Bank prepared the accompanying unconsolidated financial statements as of December 31, 2014 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, which refers to "Turkish Accounting Standards" ("TAS"), put into effect by Public Oversight Accounting and Auditing Standards Authority ("KGK"), and "Turkish Financial Reporting Standards" ("TFRS") issued by the "Turkish Accounting Standards Board" ("TASB") and additional explanations and notes related to them and other decrees, notes and explanations related to accounting and financial reporting principles (all "Turkish Accounting Standards" or "TAS") published by the Banking Regulation and Supervision Agency ("BRSA"). The format and detail of the publicly announced unconsolidated financial statements and notes to these statements have been prepared in accordance with the "Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements", published in Official Gazette no. 28337, dated 28 June 2012, and amendments to this Communiqué.

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

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

1. Explanation for Convenience Translation to English

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

2. Reclassifications

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 and are consistent with the accounting policies applied in the annual financial statements of the year ended December 31, 2013. The amendments of TAS and TFRS, effective as of January 1, 2014, have no material impact on the the Bank's accounting policies, financial position and performance. The aforementioned accounting policies and valuation principles are explained in Notes II to XXV below.

The financial statements have been prepared in TL, under the historical cost convention except for the financial assets and liabilities carried at fair value, which are financial assets designated at fair value through profit or loss, available for sale financial assets, subsidiaries, joint ventures, trading derivative financial assets, and hedging derivative financial assets and liabilities. In addition, carrying value of assets subject to fair value hedge but are carried at historical cost is adjusted to reflect fair value changes related to risks being hedged.

I. Basis of Presentation (continued)

The preparation of unconsolidated financial statements in conformity with TAS requires the use of certain critical accounting estimates by the Bank management to exercise its judgment on the assets and liabilities of the balance sheet and contingent matters as of the balance sheet date. These estimates, which include the fair value calculations of financial instruments and impairments of financial assets are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are



reflected to the income statement. Assumptions and estimates that are used in the preparation of the accompanying financial statements are explained in the following related disclosures.

The amendments of TAS and TFRS, except TFRS 9 Financial Instruments, which have been published as of reporting date but have not been effective yet, have no impact on the accounting policies, financial condition and performance of the Bank. Aforementioned standard will mainly effect Bank's classification and valuation of financial assets. Since its impact will change based on financial asset management model used and assets held as of transition date, it has not yet been detected. The Bank is still assessing the impact of TFRS 9 Financial Instruments standard.

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 line with the 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 mostly 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.

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 generated from the Bank's foreign currency available-for-sale debt securities are explained in foreign currency risk section and the applications regarding the cash flow hedging of interest rate cash flow risk generated from deposits 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, 2014 are converted to TL by using historical foreign currency exchange rates. Balances of the foreign currency denominated assets and liabilities except for non-monetary amounts are converted into TL by using foreign currency exchange rates of the Bank for the period end and the resulting exchange differences are recorded as foreign exchange gains and losses. Foreign currency nonmonetary items measured at fair value are converted with currency exchange rates at the time of fair value measurement. The Bank's foreign currency exchange rates for the related period ends are as follows

	December 31, 2014	December 31, 2013
US Dollar	2,3189 TL	2,1343 TL
Euro	2,8207 TL	2,9365 TL

2.2. Total foreign exchange rate differences that are included in net profit or loss for the year

As of December 31, 2014, net foreign exchange gain included in net profit for the period is TL 38.138 (31 December 2013 – TL 102.622 net foreign exchange loss).

III. Information on Associates and Subsidiaries and Entities Under Common Control

Subsidiaries and entities under common control are accounted for in accordance with the principles in TAS 39 "Financial Instruments: Recognition and Measurement", whereas subsidiaries are accounted under cost principle 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, station, 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 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 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 fair value and subsequently measured at fair value. 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.

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.

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 as of the balance sheet date.

Fair value of credit default swaps is calculated using internal pricing models based on market data.

Upon valuation of derivative instruments that are not subject to hedge accounting, differences in fair value, except for currency revaluation differences, are recorded in the income statement on Gains/Losses from Derivative transactions. These foreign currency valuation differences are accounted for under "Foreign Exchange Gains/Losses" account.

In cash flow hedge accounting

The Bank applies cash flow hedge accounting using interest swaps to hedge its TL and FC customer deposits with an average maturity of 1 month against interest rate fluctuations. The Bank implements effectiveness tests at the balance sheet dates for hedge accounting; 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.

In cash flow hedge accounting, when the hedging instrument expires, is executed or sold and when the hedge relationship becomes ineffective or is discontinued as a result of the hedge relationship being revoked; the hedging gains and losses that were previously recognized under equity are transferred to profit or loss when the cash flows of the hedged item are realized.

In fair value hedge accounting

The Bank applies fair value hedge accounting within the framework of TAS 39 using swaps to hedge a portion of its long term, fixed rate mortgage and project finance loans against possible fair value change due to market interest rate fluctuations.

The Bank applies fair value hedge accounting using fx swaps to hedge long term, fixed rate, foreign currency eurobonds in its portfolio against interest rate fluctuations.

Information on Eurobond and loan portfolio, recognized as fair value hedged items, is presented in Section 3, Footnote VII, 2 and 4. 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.

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.

At each balance sheet date the Parent Bank applies effectiveness tests for fair value hedge accounting.

When the hedging instrument expires, is executed or sold and when the hedge relationship becomes ineffective or is discontinued as a result of the hedge relationship being revoked, adjustments made to the carrying amount of the hedged item are transferred to profit and loss with straight line method for portfolio hedges or with effective interest rate method for micro hedges. In case the hedged item is derecognized, hedge accounting is discontinued and within context of fair value hedge accounting, adjustments made to the value of the hedged item are accounted in income statement.

V. Explanations on 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. Explanations on 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.

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 is from trading securities is presented as 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 and fair value differences are presented as "Securities Trading Gains (Losses)" in order to be in compliance with the balance sheet presentation.

Financial assets at fair value through profit or loss are initially recorded at cost and are measured at fair value in the following periods. The fair value of loans presented under "Financial Assets at Fair Value through Profit or Loss" are determined under current market conditions, taking into consideration the estimated price of a transaction at the measurement date depending on sale of an asset or transfer of a liability between market participants (in other words, exit price at measurement date from the perspective of an owner of an asset or from a debtor's).

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 considered during the computation 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. The Bank has inflation indexed (CPI) government bonds in its available for sale and held-to-maturity portfolios. CPI government bonds that are constant throughout their lives and their real principal amounts are preserved from inflation. These marketable securities are valued and accounted by using effective interest rate method by considering the real coupon rates and reference inflation index at the issue date together with the index calculated by considering the estimated inflation rate as disclosed by the Turkish Treasury. As disclosed in 'Inflation Indexed Bonds Manual' published by Turkish Treasury, reference index used for the real payments is determined based on the inflation rates of two months before. The estimated inflation rate used is updated during the year when necessary.

Some portion of the Eurobond portfolio which has been recognized as available for sale securities are designated as fair value hedged items, hedged against interest rate fluctuations, 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.

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 reflected to income statement prior to discontinuation of hedge accounting are amortized through equity until the maturity of related hedged securities. The fair value differences of related portfolio securities sold prior to maturity are immediately 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 has reclassified debt securities with fair value amounting to TL 1.601.660 from available-for-sale portfolio to held-to-maturity portfolio due to change in the intention of holding such securities as of June 21, 2013. Fair value differences accounted under the equity until the transfer date, is amortised from equity using the effective interest rate method until the maturity of the securities. Detailed information regarding the classification is provided in section five I/7.e.

4. Loans and specific provisions

Loans and receivables are carried initially by adding transaction cost to its purchase cost reflecting the fair value; 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 fx 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 accounts for the hedged loan portfolio at fair value related to hedged risk, the swap transactions used as the hedging instrument at fair value and reflects the related net gain or loss to respective period's 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.

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 "Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables". 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: 28789 "Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables" and accounts such provision at the liability side of the balance sheet under general loan loss provision.

The Bank also provides provision for the closely monitored loans as a result of risk assessment. These provisions are accounted for at the liability side of the balance sheet under general provisions.

The general, specific and other provisions reserved for closely monitored loans are accounted for under "Provision for Loan Losses and Other Receivables" in the income statement.

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

It is assessed whether there is objective evidence for a financial asset or group of financial assets is impaired at each balance sheet date. Provision for impairment is provided when there is an objective evidence of impairment.

A financial asset or a group of financial assets can be impaired and impairment loss will occur only if there is objective evidence that one or more events ("loss/profit events") have occurred after the initial recording of subject asset and that subject loss event/s have an impairment effect on future, approximate cash flows which can accurately be guessed. Future events that are expected to occur are not accounted, no matter how probable.

Impairment for held-to-maturity financial assets carried at amortized cost is calculated as the difference between the present value of the expected future cash flows discounted based on the "Effective interest rate method" and its carrying value. Regarding available-for-sale financial assets, impairment loss is reclassified from equity to profit or loss and is the difference between acquisition cost (less all principal repayments and amortization) and fair value, after impairment losses previously accounted for under profit or loss have been deducted.

An explanation about the impairment of loans and receivables is given in Note VII-4 of Section Four.

IX. Explanations on Netting of Financial Instruments

Financial assets and liabilities are offset and the net amount is reported on the balance sheet when the Bank has a legally enforceable right to offset the recognized amounts, and the intention of collecting or paying the net amount of related assets and liabilities or to realize the asset and settle the liability simultaneously.

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 lent against securities purchased under agreements to resell ("Reverse repos") are accounted under "Receivables from reverse repurchase agreements" on the balance sheet. The difference between the purchase and resell price determined by these repurchase agreements is accrued over the life of repurchase agreements using the "Effective interest method".

Securities that are subject to repurchase agreements as at the balance sheet date amounted to TL 4.409.923 (December 31, 2013 – TL 3.815.605).

Securities that are subject to lending transactions as at the balance sheet date amounted to TL 1.345 (December 31, 2013 – TL 6.791).

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

In accordance with IFRS 5 ("Assets Held for Sale and Discontinued Operations"), assets classified as held for sale are measured at lower of carrying value or fair value less costs to sell. Amortisation on subject asset is ended and these assets are presented separately on financial statements. An asset (or a disposal group) is regarded as "asset held for sale" only when the sale is highly probable and the asset (disposal group) is available for immediate sale in its present condition. For a highly probable sale, there must be a valid plan prepared by the management for the sale of asset including identification of possible buyers and completion of sale process. Furthermore, the asset (or a disposal group) should be actively marketed at a price consistent with its fair value. Various events and conditions may prolong the sale procedures for more than one year. In case subject delay is caused by the events and conditions beyond the entity's control and there is enough evidence that plans to sell subject asset (or a disposal group) continue subject assets continue to be classified as assets held for sale. The Bank has re-classified its real estate property with a net book value of TL 51.265 from Tangible Assets to Assets held for Sale as of December 31, 2014.

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.

The Bank classifies tangible assets that were acquired due to non-performing receivables, and that do not comply with TFRS 5 criteria, in accordance with the "Communiqué Regarding the Principles and Procedures for the Disposals of Immovables and Commodities Acquired due to Receivables and for Trading of Precious Metal" published in the Official Gazette dated 1 November 2006, no.26333 as other assets and accounts for these tangible assets according to the aforementioned Communiqué.

XII. Explanations on Goodwill and Other Intangible Assets

The Bank's intangible assets consist of softwares 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.

Softwares have been classified as other intangible fixed assets. The useful life of softwares 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 amortization 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 in regards to amortization duration, that could have a significant impact on the current and future financial statements. There are no pledges, mortgages or other restrictions on the tangible assets.

The Bank has purchased a building amounting to TL 931.008 on March 11, 2014 to be used as its Headquarters.

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 other than specific and general provisions for loans and other receivables are recorded under "Other Operating Expenses"; provisions provided in the prior periods but 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.

The Bank has reflected the retirement pay liability amount, which was calculated by an independent actuary, in the accompanying financial statements. According to IAS 19, 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 in accordance with IAS 19 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 subsidiary shares and profits from real estate sales held in Bank assets for more than two years are exempt from tax according to Corporate Tax Law in condition with adding them into equity or allocating into a specific fund account in Bank's liabilities 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 recognized as "Current Tax Charge" in the income statement and current tax effect related to transactions directly recognized in equity are reflected to equity.

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. In calculating deferred tax, legalized tax rates effective as of balance sheet date are used as per tax legislation.

Deferred tax liabilities are recognized for all temporary differences whereas deferred tax assets calculated from deductible temporary differences are only recognized if it's highly probable that these will in the future create taxable profit. Deferred tax asset is not provided over general reserve for possible risk and general loan loss provisions according to the circular of BRSA numbered BRSA.DZM.2/13/1-a-3 and dated 8 December 2004.

Deferred tax effect in regards to transactions directly accounted for in equity, is also reflected to equity.

XXVIII. Explanations on Additional Explanations on Borrowings

The Bank generates funds from domestically and internationally resident people and institutions by using debt instruments such as syndication, securitization, collateralized debt and bond issuance. Aforementioned transactions are initially recorded at transaction cost plus acquisition cost, reflective of their fair value, and are subsequently measured at amortized cost by using effective interest rate method.

XIX. Explanations on Share Issues

During the current period the Bank's paid in capital has been increased by TL 135.000, paid from first dividend with bonus shares (January 1 – December 31, 2013 - The Bank issued TL 135.000 of bonus shares; where TL 128.250 was from first dividends, TL 6.750 were from share holding disposal funds).

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. Explanations on Government Incentives

As of December 31, 2014, the Bank does not have any government incentives or grants.

XXII. Explanations on Segment Reporting

In addition to corporate banking, retail banking and commercial banking services, the Bank also provides private banking, SME 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 for retail banking (consumer banking and plastic cards), corporate and commercial banking 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.

Current Period (January 1 – December 31, 2014)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Bank
Net Interest Income	1,232.083	1,044.033	812.195	3,088.311
Net Fees and Commissions Income	1,067.346	285.566	(19.382)	1,333.530
Other Operating Income and Net Trading Income	330.629	60.926	(270.949)	120.606
Dividend Income	-	-	9.042	9.042
Operating Income	2.630.058	1.390.525	530.906	4.551.489
Other Operating Expenses	1,457.569	751.905	124.263	2,333.737
Provision for Loan Losses and Other Receivables	623.561	371.157	80.825	1,075.543
Profit Before Taxes	548.928	267.463	325.818	1.142.209
Provision for Tax	-	-	-	(264.781)
Net Profit/Loss	-	-	-	877.428
Total Assets	37,337.428	12,627.104	20,675.451	75,206.354
Segment Assets	37,337.428	12,627.104	20,675.451	70,639.983
Associates, Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-	-	634.842
Undistributed Assets	-	-	-	3,931.529
Total Liabilities	29,485.415	11,084.903	19,650.365	75,206.354
Segment Liabilities	29,485.415	11,084.903	19,650.365	60,220.683
Undistributed Liabilities	-	-	-	6,411.523
Equity	-	-	-	8,574.148
Other Segment Accounts	256.310	132.220	1,018.955	1,407.568
Capital Expenditures	130.476	67.307	993.539	1,191.322
Depreciation and Amortization	125.834	64.913	25.416	216.163
Value Decrease/ (Increase)	-	-	-	83
Prior Period (January 1 – December 31, 2013)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Bank
Net Interest Income	1,584.181	884.561	694.404	3,163.146
Net Fees and Commissions Income	899.937	142.817	(11.232)	1,031.522
Other Operating Income and Net Trading Income	280.217	62.186	(236.659)	105.744
Dividend Income	-	-	12.152	12.152
Operating Income	2,764.335	1,089.564	458.665	4,312.564
Other Operating Expenses	1,431.893	691.365	170.961	2,294.219
Provision for Loan Losses and Other Receivables(-)	823.328	495.006	(237.583)	1,080.751
Profit Before Taxes	509.114	(96.807)	525.287	937.594
Provision for Tax	-	-	-	(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 and Subsidiaries and Entities	-	-	-	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	292.823	151.056	25.736	471.368
Capital Expenditures	186.517	96.217	16.888	299.622
Depreciation and Amortization	106.306	54.839	8.848	169.993
Value Decrease/ (Increase)	-	-	-	1.753

XXIII. Explanations on Profit Reserves and Profit Distribution

At the General Assembly dated March 27, 2014 it has been decided to distribute the 2013 profit as follows:

2013 profit distribution table:	
Current Profit for the period	734.239
A – I. Legal Reserve (Turkish Commercial Code 519/A) at 5%	(36.712)
B – The First Dividend for Shareholders (*)	(135.000)
D – Extraordinary Reserves	(562.527)

(*) It was decided to distribute the shares issued by adding first dividend to shareholders amounting to TL 135.000 to the capital.

XXIV. Profit Per Share

Profit per share listed on income statement is calculated by dividing net profit to weighted average amount of shares issued within respective year.

	Current Period	Prior Period
Net Profit for the Period	877.428	734.239
Weighted Average Amount of Shares Issued (Thousands)	28.350.000	28.350.000
Profit Per Share	0,03095	0,02590

In Turkey, companies can increase capital through "bonus share" distributed from previous year earnings to current shareholders. Such "bonus share" distributions are accounted as issued shares while calculating profit per share. Accordingly, weighted average amount of shares issued used in these calculations is found through taking into consideration retroactive effects of subject share distributions. In case, amount of shares issued increases after the balance sheet date but before the date of financial statement preparation due to distribution of "bonus share", profit per share is calculated taking into consideration the new amount of shares. Amount of issued bonus shared in 2014 is 1.350.000 (December 31, 2013: 1.350.000).

XXV. Explanations on Other Matters

None.

SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE

I. Explanations Related to Capital Adequacy Ratio

As of December 31, 2014, the Bank's unconsolidated capital adequacy ratio is 16,98%. (December 31, 2013 – 16,95%).

Capital adequacy ratio is calculated within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (the "Regulation")", "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 book" and "banking book" according to capital adequacy account.

Calculation of the risk weighted assets is made on related assets by net basis after items deducted from capital base and depreciation and provisions are reduced.

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 made as per the rates stated in the Appendix-2 of the Regulation.

Balance sheet items and the rates stated in the Article 5 of the Regulation, and non-balance sheet items whose credit equivalent risk amount are calculated, 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 of credit risk mitigation techniques used under "Regulation on Credit Risk Mitigation Techniques" are presented in Section 4, Note X. under "Explanations related to Credit Risk Mitigation Techniques".

Capital requirement for the market risk is calculated by using the standard method. Market risk for the options is calculated within the scope of the regulation "Capital Requirement for Market Risk of Options - Standard Method" published in the Official Gazette No: 28337 dated June 28, 2012 by using Delta Factor Weighted Method.

Capital requirement for the operational risk is calculated within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (the Regulation)" published in the Official Gazette No: 28337 dated June 28, 2012 by using Basic Indicator Approach.



Unconsolidated capital adequacy ratio

	Risk Weightings								
Current Period	0%	10%	20%	50%	75%	100%	150%	200%	250%
Value at Credit Risk	-	-	245.829	9.465.302	15.417.255	20.617.801	2.513.757	7.994.862	676.638
Exposure Categories:	15.690.061	-	1.229.146	18.930.604	20.556.340	20.617.801	1.675.838	3.997.431	270.655
Conditional and unconditional receivables from central governments or central banks	14.850.852	-	-	1.697.937	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	4.048	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	316	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	1.224.868	2.181.022	-	29.459	-	-	-
Conditional and unconditional receivables from corporates	-	-	-	-	-	15.318.399	-	-	-
Conditional and unconditional retail receivables	-	-	-	-	20.556.340	1.825.386	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	15.051.645	-	-	-	-	-
Past due receivables	-	-	-	-	-	541.919	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	1.675.838	3.997.431	270.655
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	26.414	-	-	-
Other receivables	839.209	-	230	-	-	2.875.908	-	-	-

	Risk Weightings								
Prior Period	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 governments or 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	-	-	-

Summary information related to unconsolidated capital adequacy ratio

	Current Period(*)	Prior Period
Capital Requirement for Credit Risk (Value at Credit Risk * 0,08) (CRCR)	4.554.516	4.045.762
Capital Requirement for Market Risk (MRCR)	98.679	80.017
Capital Requirement for Operational Risk (ORCR)	503.912	425.090
Shareholders' Equity	10.946.807	9.642.750
Shareholders' Equity/(CRCR+MRCR+ORCR) * 12,5 * 100	16,98%	16,95%
Additional Tier I Capital/((CRCR+CRMR+CROR)*12,5*100)	12,97%	-
Common Equity/((CRCR+CRMR+CROR)*12,5*100)	13,24%	-

CRCR : Capital Requirement for Credit Risk
 MRCR : Capital Requirement for Market Risk
 ORCR : Capital Requirement for Operational Risk

(*) As of January 1, 2014 the Bank is calculating its equity according to "Communique on Banks' Equity" published on September 5, 2013 in the Official Gazette no 28756 and calculated Capital Adequacy Standard Ratio accordingly.

Information on Equity Accounts

	Current Period December 31, 2014
COMMON EQUITY	
Paid-in Capital following all debts in terms of claim in liquidation of the Bank's	2.835.000
Share premium	714
Share cancellation profits	-
Reserves	4.553.726
Gains recognized in equity as per TAS	397.191
Profit	877.428
Current Period Profit	877.428
Prior Period Profit	-
Provisions for Possible Risks	82.000
Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures that are not recognized in Profit	2.689
Common Equity Before Deductions	8.748.748
Deductions from Common Equity	
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (-).	52.121
Leasehold improvements (-)	114.052
Goodwill or other intangible assets and deferred tax liability related to these items (-)	44.806
Net deferred tax asset/liability (-)	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law (-)	-
Direct and indirect investments of the Bank in its own common equity (-)	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-).	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-).	-
Portion of mortgage servicing rights exceeding 10% of the common equity (-).	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the common equity (-).	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital (-)	-
Excess amount arising from mortgage servicing rights (-).	-
Excess amount arising from deferred tax assets based on temporary differences (-).	-
Other items to be defined by the BRSA (-)	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-
Total Deductions From Common Equity	210.979
Total Common Equity	8.537.769



	December 31, 2014
ADDITIONAL TIER I CAPITAL	
Capital amount and related premiums corresponding to preference shares that are not included in common equity	-
Debt instruments and premiums deemed suitable by BRSA (issued/obtained after 1.1.2014)	-
Debt instruments and premiums deemed suitable by BRSA (issued before 1.1.2014)	-
Additional Tier I Capital before Deductions	-
Deductions from Additional Tier I Capital	
Direct and indirect investments of the Bank in its own Additional Tier I Capital (-)	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Portion of the total of net long positions of investments made in Additional Tier I Capital and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Other items to be defined by the BRSA (-)	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-
Total Deductions From Additional Tier I Capital	-
Total Additional Tier I Capital	-
DEDUCTIONS FROM TIER I CAPITAL	179.223
Portion of goodwill and other intangible assets and the related deferred tax liabilities which not deducted from the Common Equity as per the 1 st clause of Provisional Article 2 of the Regulation on the Equity of Banks (-)	179.223
Portion of net deferred tax assets/liabilities which is not deducted from the common equity pursuant to Paragraph 1 Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
Total Tier I Capital	8.358.546
TIER II CAPITAL	
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained after 1.1.2014)	-
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained before 1.1.2014)	1.940.559
Sources pledged to the Bank by shareholders to be used in capital increases of the Bank	-
General Loan Loss Provisions	711.643
Tier II Capital Before Deductions	2.652.202
Direct and indirect investments of the Bank in its own Tier II Capital (-)	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-).	-
Portion of the total of net long positions of investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-).	-
Other items to be defined by the BRSA (-)	-
Total Deductions from Tier II Capital	-
Total Tier II Capital	2.652.202
CAPITAL BEFORE DEDUCTIONS	11.010.748
Loans granted contrary to the 50th and 51th Article of the Law (-)	1.856
Net book value of amounts exceeding the limit mentioned in the 1 st Paragraph of Article 57 of the Law and assets acquired against overdue receivables which could not be disposed of even though five years have passed since their acquisition date (-)	11.289
Loans granted to banks and financial institutions, including those established abroad, and to eligible shareholders of the Bank and investments made in the borrowing instruments issued by them (-).	-
Amounts to be deducted from equity as per the 2nd Clause of Article 20 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks (-).	-
Other items to be defined by the BRSA (-)	50.796
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier I Capital, Tier II Capital as per the 1 st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-
Portion of the total of net long positions of direct or indirect investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Additional Tier I Capital and Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per the 1 st and 2 nd Paragraph of the 2 nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
TOTAL CAPITAL	10.946.807
Amounts below the Excess Limits as per the Deduction Principles	-
Amounts arising from the net long positions of investments made in Total Capital items of banks and financial institutions where the Bank owns 10% or less of the issued common share capital	-
Amounts arising from the net long positions of investments made in Tier I Capital items of banks and financial institutions where the Bank owns 10% or more of the issued common share capital	-
Amounts arising from mortgage servicing rights	-
Amounts arising from deferred tax assets based on temporary differences	-

Components of shareholders' equity items

	December 31, 2013
CORE CAPITAL	
Paid-in Capital	2.700.000
Nominal Capital	2.700.000
Capital Commitments (-)	-
Inflation Adjustments to Paid-in Capital	-
Share Premium	714
Share Cancellation Profits	-
Reserves	3.327.412
Inflation Adjustments to Reserves	-
Profit	734.239
Current Period's Profit	734.239
Prior Periods' Profit	-
Provision for Possible Losses (up to 25% of Core Capital)	102.025
Income on Sale of Equity Shares and Real Estates	642.551
Primary Subordinated Debts	-
Loss (in excess of Reserves) (-)	-
Current Period's Losses	-
Prior Periods' Losses	-
Leasehold Improvements on Operational Leases (-)	138.965
Intangible Assets (-)	198.204
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
SUPPLEMENTARY CAPITAL	
General Provisions	711.073
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
Primary Subordinated Debts excluding the Portion included in Core Capital	-
Secondary Subordinated Debts	1.831.098
45% of Securities Value Increase Fund	(57.011)
Inflation Adjustments to Other Capital and Profit Reserves and Prior Periods' Profit/Loss	-
Total Supplementary Capital	2.487.849
CAPITAL	9.657.621
DEDUCTIONS FROM CAPITAL	14.871
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
Securitization Positions to be Deducted from Equity	-
Other	1
TOTAL SHAREHOLDERS' EQUITY	9.642.750

Components of items of shareholders' equity subject to temporary applications

	Bank	
	Amount Included in Equity Calculation	Total Amount
Minority Interest in Tier I Capital	-	-
Shares of Third Parties in Additional Core Capital	-	-
Shares of Third Parties in Tier II Capital	-	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued before 1.1.2014)	1.940.559	1.940.559

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Notes to unconsolidated financial statements for the period ended december 31, 2014
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Information on debt instruments included in the calculation of equity

	1	2	3	4
Issuer	NATIONAL BANK OF GREECE S.A.	NATIONAL BANK OF GREECE S.A.	NATIONAL BANK OF GREECE S.A.	NATIONAL BANK OF GREECE S.A.
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	-	-	-	-
Governing law(s) of the instrument	BRSA	BRSA	BRSA	BRSA
Regulatory treatment	Supplementary Capital	Supplementary Capital	Supplementary Capital	Supplementary Capital
Transitional Basel III rules	Yes	Yes	Yes	Yes
Eligible at stand-alone / consolidated	Stand alone - Consolidated	Stand alone - Consolidated	Stand alone - Consolidated	Stand alone - Consolidated
Instrument type (types to be specified by each jurisdiction)	Loan	Loan	Loan	Loan
Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	584	464	290	603
Par value of instrument (Currency in million)	754	464	290	603
Accounting classification	Liability - Subordinated Loans- amortised cost	Liability - Subordinated Loans- amortised cost	Liability - Subordinated Loans- amortised cost	Liability - Subordinated Loans- amortised cost
Original date of issuance	Apr-24-08	Oct-6-09	Dec-28-09	Dec-20-11
Perpetual or dated	Dated	Dated	Dated	Dated
Original maturity date	12 years	12 years	12 years	10 years
Issuer call subject to prior BRSA approval	Yes	Yes	Yes	Yes
Optional call date, contingent call dates and redemption amount	-	-	-	-
Subsequent call dates, if applicable	-	-	-	-
Coupons / dividends	6 months	6 months	6 months	6 months
Fixed or floating dividend/coupon	Floating	Floating	Floating	Floating
Coupon rate and any related index	LIBOR + %4,50	LIBOR + %4,34	LIBOR + %4,34	LIBOR + %4,50
Existence of a dividend stopper	-	-	-	-
Fully discretionary, partially discretionary or mandatory	-	-	-	-

FINANSBANK ANONİM ŞİRKETİ

Notes to unconsolidated financial statements For the period ended december 31, 2014
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	1	2	3	4
Existence of step up or other incentive to redeem	-	-	-	-
Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative
Convertible or non-convertible	None	None	None	None
If convertible, conversion trigger (s)	-	-	-	-
If convertible, fully or partially	-	-	-	-
If convertible, conversion rate	-	-	-	-
If convertible, mandatory or optional conversion	-	-	-	-
If convertible, specify instrument type convertible into	-	-	-	-
If convertible, specify issuer of instrument it converts into	-	-	-	-
Write-down feature	None	None	None	None
If write-down, write-down trigger(s)	-	-	-	-
If write-down, full or partial	-	-	-	-
If write-down, permanent or temporary	-	-	-	-
If temporary write-down, description of write-up mechanism	-	-	-	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	After the senior creditors, before the TIER 1 subdebt, same with TIER 2	After the senior creditors, before the TIER 1 subdebt, same with TIER 2	After the senior creditors, before the TIER 1 subdebt, same with TIER 2	After the senior creditors, before the TIER 1 subdebt, same with TIER 2
Incompliance with article number 7 and 8 of "Own fund regulation"	Yes	Yes	Yes	Yes
Details of incompliances with article number 7 and 8 of "Own fund regulation"	8-2-ğ	8-2-ğ	8-2-ğ	8-2-ğ

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.

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 12% in the total cash loans (December 31, 2013 – 10%).

The receivables of the Bank from its top 200 cash loan customers are 15% in the total cash loans. (December 31, 2013 - 12%)

The receivables of the Bank from its top 100 non-cash loan customers are 43% in the total non-cash loans (December 31, 2013 – 45%).

The receivables of the Bank from its top 200 non-cash loan customers are 52% in the total non-cash loans. (December 31, 2013 – 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 14% (December 31, 2013 – 13%).

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 18%. (December 31, 2013 – 16%)

The general loan loss provision related with the credit risk taken by the Bank is TL 942.661 (December 31, 2013 – TL 816.291).

Provision for probable risks in the Bank's loan portfolio amounted to TL 106.334 (December 31, 2013 – TL 102.025).

	Current Period Risk Amount(**)	Average Risk Amount	Prior Period Risk Amount(**)	Average Risk Amount (*)
Conditional and unconditional receivables from central governments and Central Banks	18.832.057	16.508.359	15.602.002	13.919.385
Conditional and unconditional receivables from regional or local governments	4.069	5.549	2.475	3.309
Conditional and unconditional receivables from administrative bodies and noncommercial enterprises	316	890	1.040	57.757
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	6.687.803	4.165.627	4.042.213	2.258.271
Conditional and unconditional receivables from corporates	15.874.036	15.788.277	13.177.326	11.512.492
Conditional and unconditional receivables from retail portfolios	22.637.293	20.607.213	19.333.625	18.854.642
Conditional and unconditional receivables secured by mortgages	15.051.645	13.435.895	11.952.456	11.395.086
Past due receivables	541.973	514.427	496.776	460.705
Receivables defined under high risk category by BRSA	6.018.347	6.094.494	6.421.821	6.115.978
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-
Investments similar to collective investment funds	26.414	29.133	23.640	73.594
Other receivables	3.715.347	3.762.626	3.234.920	2.641.786

(*)The average risk amount was calculated by taking the arithmetic average of the risk amount after the conversion for the December 2013, December 2014 periods.

(**)The risk amounts are given after the loan conversion rate, and before Loan Risk Reduction.

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	11	10
Debtor has a good financial structure	42	60
Debtor has a medium financial structure	28	19
Debtor has a financial structure which needs attention in medium term	17	8
Not graded	2	3
Total	100	100

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Notes to unconsolidated financial statements for the period ended december 31, 2014
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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	18.832.057	4.069	316	-	-	2.168.735	15.652.731	22.633.723	15.048.975	541.973	6.018.071	-	-	-	26.414	3.080.504	84.007.568
2. European Union Countries	-	-	-	-	-	4.180.758	187.341	286	2.508	-	107	-	-	-	-	-	4.371.000
3. OECD Countries ^(**)	-	-	-	-	-	18.445	-	4	-	-	-	-	-	-	-	-	18.449
4. Offshore Banking Regions	-	-	-	-	-	28.138	4.578	11	2	-	155	-	-	-	-	-	32.884
5. USA, Canada	-	-	-	-	-	260.240	18.396	4	-	-	-	-	-	-	-	-	278.640
6. Other Countries	-	-	-	-	-	31.487	10.990	3.265	160	-	14	-	-	-	-	-	45.916
7. Associates, Subsidiaries and Joint -Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	634.843	634.843
8. Unallocated Assets/Liabilities ^(***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
total	18.832.057	4.069	316	-	-	6.687.803	15.874.036	22.637.293	15.051.645	541.973	6.018.347	-	-	-	26.414	3.715.347	89.389.300

	Exposure Categories ^(*)																
Prior Period	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	Total
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. Offshore 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	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	74.288.294

(*) 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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Notes to unconsolidated financial statements For the period ended december 31, 2014
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Risk profile by sectors or counterparties:

Current Period	Exposure Categories(*)																Total		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16		TP	YP
Agriculture	-	-	-	-	-	-	570.204	129.182	412.726	6.765	30	-	-	-	-	-	1.054.213	64.694	1.118.907
Farming and Livestock	-	-	-	-	-	-	559.202	116.520	400.103	6.567	29	-	-	-	-	-	1.031.091	51.330	1.082.421
Forestation	-	-	-	-	-	-	398	3.150	3.039	69	-	-	-	-	-	-	6.656	-	6.656
Fishing Industry	-	-	-	-	-	-	10.604	9.512	9.584	129	1	-	-	-	-	-	16.466	13.364	29.830
Industrial	-	4.025	-	-	-	-	5.451.314	1.966.997	1.609.454	43.129	244	-	-	-	-	-	4.312.363	4.762.800	9.075.163
Mining and Quarrying	-	-	-	-	-	-	99.693	31.083	46.323	971	1	-	-	-	-	-	103.572	74.499	178.071
Manufacturing Industry	-	-	-	-	-	-	4.238.985	1.924.480	1.543.738	42.129	243	-	-	-	-	-	4.011.276	3.738.299	7.749.575
Electricity, Gas, Water	-	4.025	-	-	-	-	1.112.636	11.434	19.393	29	-	-	-	-	-	-	197.515	950.002	1.147.517
Construction	-	-	-	-	-	-	1.780.099	820.127	1.715.896	22.731	37	-	-	-	-	-	3.012.947	1.325.943	4.338.890
Services	10.157.483	27	286	-	-	6.243.787	6.758.895	4.724.976	4.997.238	133.289	803	-	-	-	-	-	24.051.108	8.965.676	33.016.784
Wholesale and Retail Trade	-	-	-	-	-	-	3.999.573	3.865.466	2.493.479	115.780	681	-	-	-	-	-	8.254.348	2.220.631	10.474.979
Hotels and Restaurants	-	-	-	-	-	-	362.750	61.390	639.106	1.495	4	-	-	-	-	-	243.130	821.615	1.064.745
Transportation and Communications	-	-	-	-	-	-	903.513	400.155	213.830	8.145	58	-	-	-	-	-	885.858	639.843	1.525.701
Financial Institutions	10.157.483	22	-	-	-	6.243.787	448.944	27.535	19.196	451	4	-	-	-	-	-	13.482.699	3.414.723	16.897.422
Real Estate and Rent Services	-	-	-	-	-	-	496.927	61.919	1.233.083	2.942	10	-	-	-	-	-	191.435	1.603.446	1.794.881
Independent Business Services	-	-	7	-	-	-	214.312	152.627	169.379	2.138	19	-	-	-	-	-	365.996	172.486	538.482
Education Services	-	-	276	-	-	-	45.728	36.733	66.254	477	12	-	-	-	-	-	149.475	5	149.480
Health and Social Services	-	5	3	-	-	-	287.148	119.151	162.911	1.861	15	-	-	-	-	-	478.167	92.927	571.094
Other	8.674.574	17	30	-	-	444.016	1.313.524	14.996.011	6.316.331	336.059	6.017.233	-	-	-	-	26.414	3.715.347	39.332.669	2.506.887
Total	18.832.057	4.069	316	-	-	6.687.803	15.874.036	22.637.293	15.051.645	541.973	6.018.347	-	-	-	-	26.414	3.715.347	71.763.300	89.389.300

(*)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

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 receivables from central governments and Central Banks	2.333.512	211.601	591.042	122.460	7.749.110
Conditional and unconditional receivables from regional or local governments	-	-	537	-	3.510
Conditional and unconditional receivables from administrative bodies and noncommercial enterprises	172	-	5	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	1.944.361	1.074.681	302.957	147.509	673.517
Conditional and unconditional receivables from corporates	1.834.152	1.579.089	1.990.886	3.001.722	6.201.454
Conditional and unconditional receivables from retail portfolios	2.755.615	1.162.531	3.345.410	2.096.633	2.515.798
Conditional and unconditional receivables secured by mortgages	161.150	342.799	850.245	1.126.930	12.362.311
Past due receivables	-	-	-	-	-
Receivables defined under high risk category by BRSA	-	-	-	354.542	5.653.834
Securities collateralized by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-
Other receivables	-	-	-	-	131
Total	9.028.962	4.370.701	7.081.082	6.849.796	35.159.665

(*)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 receivables from central governments and Central Banks	-	173.747	482.125	121.119	7.664.366
Conditional and unconditional receivables from regional or local governments	-	-	-	1.177	1.296
Conditional and unconditional receivables from administrative bodies and noncommercial enterprises	84	-	850	-	61
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	311.079	104.980	215.972	30.891	2.962.415
Conditional and unconditional receivables from corporates	1.853.913	1.074.351	1.649.851	1.505.469	5.615.111
Conditional and unconditional receivables from retail portfolios	300.820	661.277	1.135.426	1.467.888	2.612.683
Conditional and unconditional receivables secured by mortgages	118.742	251.074	559.418	690.428	10.199.626
Past due receivables	-	-	-	-	-
Receivables defined under high risk category by BRSA	-	-	-	-	4.582.316
Securities collateralized by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-
Other receivables	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.



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				Corporate Receivables
		Exposures to Central Governments or Central Banks	Exposures to Administrative Bodies and Non-Commercial Undertakings	Exposures to Banks and Brokerage Houses Exposures with Remaining Maturities Less than 3 Months	Exposures to Banks and Brokerage Houses 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 Weight	%0	%10	%20	%50	%75	%100	150%	%200	%250	Deductions from Equity
1. Exposures Before Credit Risk Mitigation	17.973.329	-	2.145.856	6.214.724	30.466.072	26.570.972	1.704.518	4.043.174	270.655	-
2. Exposures After Credit Risk Mitigation	15.690.061	-	1.229.146	18.930.604	20.556.340	20.617.801	1.675.838	3.997.431	270.655	-

Prior Period Risk Weight	%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

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 ^(*)			
	Impaired Loans	Past Due Loans	Value Adjustments	Provisions
1. Agriculture	20.693	12.879	852	13.772
1.1. Farming and Livestock	19.570	12.632	794	12.881
1.2. Forestation	323	18	1	242
1.3. Fishing	800	229	57	649
2. Industrial	222.204	96.111	9.330	174.997
2.1. Mining and Quarrying	5.964	2.222	126	4.961
2.2. Manufacturing Industry	215.975	93.730	9.192	169.866
2.3. Electricity, Gas, Water	265	159	12	170
3. Construction	105.615	55.545	6.232	81.838
4. Services	605.842	259.272	23.721	442.625
4.1. Wholesale and Retail Commerce	425.370	172.726	16.752	295.210
4.2. Hotel and Restaurant Services	102.738	31.620	2.588	88.170
4.3. Transportation and Communication	39.007	26.727	2.047	29.566
4.4. Financial Corporations	11.139	4.179	354	9.357
4.5. Real Estate and Loan Services	4.962	1.986	189	2.882
4.6. Independent Business Services	8.924	8.663	806	6.422
4.7. Education Services	1.874	2.879	267	1.308
4.8. Health and Social Services	11.828	10.492	718	9.710
5. Other	1.777.145	1.188.886	86.468	1.450.094
6. Total	2.731.499	1.612.693	126.603	2.163.326

(*) Represents the distribution of cash loans.

Prior Period

Major Sectors / Counterparties	Credit Risks ^(*)			
	Impaired Loans	Past Due Loans	Value Adjustments	Provisions
1. Agriculture	23.371	8.128	768	20.162
1.1. Farming and Livestock	22.371	7.854	743	19.279
1.2. Forestation	375	59	7	320
1.3. Fishing	625	215	18	563
2. Industrial	232.446	68.863	5.452	173.964
2.1. Mining and Quarrying	5.440	840	63	4.502
2.2. Manufacturing Industry	226.829	67.774	5.365	169.364
2.3. Electricity, Gas, Water	177	249	24	98
3. Construction	141.532	38.739	2.982	114.446
4. Services	564.974	224.326	20.220	438.101
4.1. Wholesale and Retail Commerce	357.294	141.546	13.977	266.826
4.2. Hotel and Restaurant Services	100.426	24.740	1.986	92.109
4.3. Transportation and Communication	79.581	26.388	2.150	57.285
4.4. Financial Corporations	9.103	2.868	315	7.548
4.5. Real Estate and Loan Services	1.577	9.427	323	1.156
4.6. Independent Business Services	8.230	7.308	721	6.071
4.7. Education Services	1.516	2.164	264	877
4.8. Health and Social Services	7.247	9.885	484	6.229
5. Other	2.003.530	1.122.964	74.855	1.710.455
6. Total	2.965.853	1.463.020	104.277	2.457.128

(*) Represents the distribution of cash loans.



Movements in value adjustments and provisions

Current Period	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments ^(*)	Closing Balance
1. Specific Provisions	2.457.128	1.657.744	(789.396)	(1.162.150)	2.163.326
2. General Provisions	816.291	126.370	-	-	942.661

(*) Represents the provision of loans written-off.

Prior 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.

III. Information on 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 High Level 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 desirable 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	25.987	24.255
(II) Capital Requirement against Specific Risks - Standard Method	6.749	5.510
Capital Requirement against Specific Risks of Securitization Positions- Standard Method	-	-
(III) Capital Requirement against Currency Risk - Standard Method	45.766	24.440
(IV) Capital Requirement against Commodity Risks - Standard Method	320	908
(V) Capital Requirement against Settlement Risks - Standard Method	-	-
(VI) Capital Requirement against Market Risks of Options - Standard Method	2.692	1.762
(VII) Capital Requirement against Counterparty Credit Risk - Standard Method	17.165	23.142
(VIII) Capital Requirement against Market Risks of Banks applying Risk Measurement Models	-	-
(IX) Total Capital Obligations against Market Risk (I+II+III+IV+V+VI+VII)	98.679	80.017
(X) Value-At-Market Risk (12,5 x VIII) or (12,5 x IX)	1.233.488	1.000.213

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	35.279	42.916	31.278	34.450	48.925	27.362
Stock Risk	62	72	22	305	838	40
Exchange Rate Risk	26.979	45.972	7.333	18.632	24.982	9.472
Commodity Risk	506	1.375	46	1.811	4.012	94
Swap Risk	-	-	-	-	-	-
Options Risk	1.627	2.975	426	771	1.762	249
Counter Party Loan Risk	23.171	30.732	17.041	18.176	24.402	12.177
Total Value at Risk^(*)	87.624	124.042	56.146	74.145	104.921	49.394

(*) Since Total Value at Risk is the total of the risk values, it isn't equal to the highest and lowest values in the related period. The highest and lowest values in year 2014 are 102.092 and 64.456. The highest and lowest Value at Risk in 2013 are 100.539 and 62.408.

3. Quantitative information on counterparty risk(*)

	Current Period	Prior Period
	Amount	Amount
Interest Rate Contracts	8.381.763	3.536.949
Foreign-Exchange-Rate Contracts	121.193.637	99.979.562
Commodity Contracts	1.604.506	948.684
Equity-Shares Related Contracts	895	510
Other	417.402	385.188
Gross Positive Fair Values	1.305.369	1.187.949
Netting Benefits	782.379	762.885
Net Current Exposure Amount	522.990	425.064
Collaterals Received	177.661	153.107
Net Derivative Position	345.329	271.957

(*) 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 the Operational Risk

Value at operational risk is calculated with basic indicator method by using the gross profits for the last three years' (2013, 2012 and 2011) as per 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, 2014, the value at operational risk is amounting to TL 6.298.900 (December 31, 2013 - TL 5.313.625).

Basic Indicator Method	2 PP Amount	1 PP Amount	CP Amount	Total / No. of Years of Positive Gross	Rate (%)	Total
Gross Income	2.764.673	3.487.483	3.826.093	3.359.416	15	503.912
Value at operational risk						
(Total*12,5)						6.298.900
Prior Year	2 PP Amount	1 PP Amount	CP Amount	Total / No. of Years of Positive Gross	Rate (%)	Total
Basic Indicator Method						
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

The annual gross income is composed of net interest income and net non-interest income after deducting realized gains/losses from the disposal 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, 2014, the net foreign currency exposure of the Bank is TL 1.267.808 short position (December 31, 2013-TL 125.851 short) resulting from on balance sheet short position amounting to TL 8.838.502 (December 31, 2013-TL 5.830.998 short) and off balance sheet long position amounting to TL 7.570.694 (December 31, 2013-TL 5.705.147 long). The long off balance sheet position amounting to TL 8.119.363 (December 31, 2013- TL 5.242.313) is related with the FC/TL swap transactions entered into with banks and customers. The Bank used 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.

Board of Directors determine the limits considering the consistency with the "Foreign Currency Net General Position." Positions are being followed daily and limits are reviewed at least once a year depending on economic conditions and Group strategy and updated as deemed necessary.

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 hedges foreign currency borrowings with derivative instruments. The Group does not hedge net foreign currency investments with derivative instruments.

3. Bank's spot foreign exchange bid rates of the Bank 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 2,3189 TL
Euro purchase rate at the date of the balance sheet 2,207 TL

<u>Date</u>	<u>US Dollar</u>	<u>Euro</u>
December 31, 2014	2,3189	2,8207
December 30, 2014	2,3235	2,8339
December 29, 2014	2,3182	2,8255
December 26, 2014	2,3177	2,8368
December 25, 2014	2,3209	2,8312
December 24, 2014	2,3165	2,8317

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 2014 are TL 2,877 and TL 2,217; respectively.

5. Information on the foreign currency exchange rate risk of the bank

Current Period	EUR	USD	Other FC	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⁾	1.088.220	4.312.401	1.760.007	7.160.628
Due From Banks	46.840	161.198	16.264	224.302
Financial Assets at Fair Value through Profit/Loss ⁽²⁾	32.787	86.194	15.192	134.173
Money Market Placements	-	-	-	-
Investment Securities Available-for-Sale	276.578	1.200.593	-	1.477.171
Loans and Receivables ⁽³⁾	4.046.158	6.176.789	24.659	10.247.606
Investments in Assoc., Subsidiaries and Entities under Common Control (Joint Vent.)	-	-	-	-
Investment Securities Held-to-Maturity	12.571	662.086	-	674.657
Derivative Financial Assets Hedging Purposes	-	22.844	-	22.844
Tangible Assets	-	-	10	10
Intangible Assets	-	-	-	-
Other Assets ⁽⁴⁾	13.610	81.298	16	94.924
Total Assets	5.516.764	12.703.403	1.816.148	20.036.315
Liabilities				
Bank Deposits	250.292	815.596	53.447	1.119.335
Foreign Currency Deposits ⁽⁵⁾	4.071.776	8.835.612	806.870	13.714.258
Money Market Borrowings	227.390	1.203.793	-	1.431.183
Funds Provided from Other Financial Institutions	1.628.201	5.047.300	228.693	6.904.194
Securities Issued	-	3.136.821	18.059	3.154.880
Sundry Creditors	1.459.279	672.771	1.468	2.133.518
Derivative Fin. Liabilities for Hedging Purposes	41.898	108.078	-	149.976
Other Liabilities ⁽⁶⁾	50.502	205.771	11.200	267.473
Total Liabilities	7.729.338	20.025.742	1.119.737	28.874.817
Net Balance Sheet Position	(2.212.574)	(7.322.339)	696.411	(8.838.502)
Net Off-Balance Sheet Position	1.510.261	6.691.465	(631.032)	7.570.694
Financial Derivative Assets	3.787.761	36.916.265	1.162.690	41.866.716
Financial Derivative Liabilities	2.277.500	30.224.800	1.793.722	34.296.022
Non-Cash Loans ⁽⁷⁾	1.093.104	2.718.582	133.991	3.945.677
Prior Period				
Total Assets	6.068.468	8.637.550	1.846.365	16.552.383
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 ⁽⁷⁾	839.099	1.940.762	168.106	2.947.967

(1) Cash and Balances with TR Central; Other FC include TL 1.747.613 (December 31, 2013 - TL 1.691.019) precious metal deposit account.

(2) Does not include TL 18.466 (December 31, 2013 - 4.133 TL) of currency income accruals arising from derivative transactions.

(3) Includes TL 2.876.246 TL (December 31, 2013 - TL 2.098.813 TL) FC indexed loans.

(4) Does not include FC prepaid expenses amounting to TL 4.474 (December 31, 2013 - TL 2.338) as per BRSA's Communiqué published in Official Gazette no 26085 on 19 February 2006.

(5) Other foreign currency includes TL 634.454 (December 31, 2013 - TL 777.077) of precious metal deposit account.

(6) Does not include currency expense accruals of derivative financial instruments kept in FC accounts amounting to TL 15.220 (December 31, 2013 - TL 1.245)

(7) Does not have an effect on Net Off-Balance Sheet Position.



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 Doları	%10 increase	(58.152)	(4.576)	(10.039)	(20.676)
	%10 decrease	58.152	4.576	10.039	20.676
EURO	%10 increase	(43.436)	46	(6.911)	(7.198)
	%10 decrease	43.436	(46)	6.911	7.198

(*) Effect on Shareholders Equity include the effect of the change of exchange rates on 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 (up to 10 years) 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.

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	912.650	-	-	-	-	7.751.185	8.663.835
Due from Banks	2.000	6.000	10.000	-	-	225.692	243.692
Financial Assets at Fair Value Through Profit/Loss (**)	122	2.377	7.568	9.942	82.786	3.242.258	3.345.053
Money Market Placements	200.062	-	-	-	-	-	200.062
Inv. Securities Available for Sale	1.347.692	677.591	1.454.350	195.492	1.508.473	249.634	5.433.232
Loans and Receivables	10.819.801	5.063.645	14.874.731	13.324.249	4.661.639	1.502.061	50.246.126
Inv. Securities Held to Maturity	158.930	811.585	1.759.766	684.905	256.315	55.722	3.727.223
Other Assets	-	-	-	-	-	3.347.131	3.347.131
Total Assets	13.441.257	6.561.198	18.106.415	14.214.588	6.509.213	16.373.683	75.206.354
Liabilities							
Bank Deposits	1.103.611	258.593	40.184	-	-	20.614	1.423.002
Other Deposits	24.547.984	7.767.393	2.199.172	102.961	-	6.034.042	40.651.552
Money Market Borrowings	3.412.859	730.965	-	-	-	3.610	4.147.434
Sundry Creditors	2.133.518	-	-	-	-	1.629.052	3.762.570
Securities Issued	241.279	1.167.753	1.061.031	2.848.641	-	54.745	5.373.449
Funds Borrowed	252.470	1.202.489	5.462.014	64.379	-	38.503	7.019.855
Other Liabilities (***)	76	154	765	1.551	-	12.825.946	12.828.492
Total Liabilities	31.691.797	11.127.347	8.763.166	3.017.532	-	20.606.512	75.206.354
On Balance Sheet Long Position	-	-	9.343.249	11.197.056	6.509.213	-	27.049.518
On Balance Sheet Short Position	(18.250.540)	(4.566.149)	-	-	-	(4.232.829)	(27.049.518)
Off-Balance Sheet Long Position	4.644.902	6.246.235	-	-	-	-	10.891.137
Off-Balance Sheet Short Position	-	-	(390.290)	(8.285.438)	(1.858.489)	-	(10.534.217)
Total Position	(13.605.638)	1.680.086	8.952.959	2.911.618	4.650.724	(4.232.829)	356.920

(*) Non Interest Bearing column includes accruals and derivative financial instruments' fair value valuation difference.

(**) Financial Assets at Fair Value Through Profit/Loss include TL 1.988.746 derivative financial assets used for hedging purposes.

(***) Other Liabilities include derivative financial liabilities used for hedging purposes amounting to TL 352.080.

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, Precious Metal) 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	-	-	-	-	-	-	-
Inv. 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
Inv. 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
Money Market Borrowings	94.004	963.089	4.082.219	127.570	11.466	23.421	5.301.769
Sundry Creditors	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
Funds Borrowed	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 and derivative financial instruments' fair value valuation difference.

(**) Financial Assets at Fair Value Through Profit/Loss include TL 1.927.795 derivative financial assets used for hedging purposes.

(***) Other Liabilities include derivative financial liabilities used for hedging purposes amounting to TL 82.749.

Average interest rates applied to monetary financial instruments

Current Period	EURO %	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	0,10	0,63	-	11,19
Financial Assets at Fair Value Through Profit/Loss	3,50	4,65	-	8,81
Money Market Placements	-	-	-	11,24
Investment Securities Available for Sale	3,79	5,40	-	9,78
Loans and Receivables	4,88	4,47	4,37	13,65
Investment Securities Held to Maturity	2,96	5,27	-	11,38
Liabilities				
Bank Deposits	0,51	0,90	-	10,60
Other Deposits	2,00	2,30	0,25	9,89
Money Market Borrowings	0,67	0,66	-	8,86
Sundry Creditors	0,03	0,11	-	-
Securities Issued	-	5,40	-	8,79
Funds Borrowed	1,42	2,91	-	8,40



Prior Period	EURO% %	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	-	-	-	8,13
Financial Assets at Fair Value Through Profit/Loss	3,34	4,49	-	9,08
Money Market Placements	-	-	-	-
Investment Securities Available for Sale	4,81	5,20	-	7,93
Loans and Receivables	5,59	4,64	5,18	14,33
Investment Securities Held to Maturity	-	5,61	-	7,71
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	-	7,23
Sundry Creditors	0,12	0,08	-	-
Securities Issued	-	5,36	-	9,00
Funds Borrowed	1,55	3,1	-	8,40

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 prepayment rates of loans are considered managing the interest rate risk.

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 Assets 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	(890.295)	%(8,13)
	(-) 400	859.299	%7,85
2. EUR	(+) 200	(23.023)	%(0,21)
	(-) 200	37.940	%0,35
3. USD	(+) 200	(91.694)	%(0,84)
	(-) 200	100.196	%0,92
Total (of negative shocks)		997.435	%9,12
Total (of positive shocks)		(1.005.012)	%(9,18)

VII. Position Risk of Equity Securities in Banking Book

Equity Securities (shares)	Comparison		
	Carrying Value	Fair Value	Market Value
1. Investment in Shares- grade A	14.512	-	14.512
Quoted Securities	14.512	-	14.512
2. Investment in Shares- grade B	260.128	-	260.128
Quoted Securities	260.128	-	260.128
3. Investment in Shares- grade C	-	-	-
Quoted Securities	-	-	-
4. Investment in Shares- grade Other^(*)	360.205^(*)	335.592	-

(*) Includes associates, subsidiaries and entities under common control not quoted to ISE and not classified as investment in shares by CMB.

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	-	396.9266	396.926	-	-	-
2. Quoted Shares	1.306	-	-	796	-	358
3. Other Shares	-	-	-	-	-	-
4. Total	1.306	396.926	396.926	796	-	358

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 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 insufficient 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 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.

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

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, 2013 – 12%) of the balance sheet is allocated as cash and cash equivalents.

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

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and More	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	2.441.169	6.222.666	-	-	-	-	-	8.663.835
Due from Banks	224.664	2.047	6.612	10.369	-	-	-	243.692
Financial Assets at Fair Value Through Profit/Loss (**)	-	204.824	329.622	934.957	1.671.315	204.335	-	3.345.053
Money Markets Placements	-	200.062	-	-	-	-	-	200.062
Investment Securities Available for Sale	31.990	360	137.423	288.236	1.574.007	3.401.216	-	5.433.232
Loans and Receivables	-	11.756.915	5.065.546	14.874.339	13.319.950	4.661.202	568.174	50.246.126
Investment Securities Held to Maturity	-	-	74.178	427.861	881.895	2.343.289	-	3.727.223
Other Assets	-	778.862	-	-	138.126	-	2.430.143	3.347.131
Total Assets	2.697.823	19.165.736	5.613.381	16.535.762	17.585.293	10.610.042	2.998.317	75.206.354
Bank Deposits	17.791	1.105.752	259.084	40.375	-	-	-	1.423.002
Other Deposits	5.847.883	24.654.628	7.791.767	2.251.330	105.944	-	-	40.651.552
Funds Borrowed	-	165.901	528.218	3.459.251	612.517	2.253.968	-	7.019.855
Money Market Borrowings	-	3.415.814	731.620	-	-	-	-	4.147.434
Securities Issued	-	7.011	725.866	1.748.860	2.891.712	-	-	5.373.449
Sundry Creditors	-	3.762.570	-	-	-	-	-	3.762.570
Other Liabilities (***)	-	1.274.319	473.606	761.497	92.936	213.586	10.012.548	12.828.492
Total Liabilities	5.865.674	34.385.995	10.510.161	8.261.313	3.703.109	2.467.554	10.012.548	75.206.354
Liquidity Gap	(3.167.851)	(15.220.259)	(4.896.780)	8.274.449	13.882.184	8.142.488	(7.014.231)	-
Prior Period								
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
Total Liabilities	5.718.769	28.400.501	12.261.606	5.730.524	3.483.345	1.570.799	8.844.223	66.009.767
Net Liquidity Gap	(3.581.220)	(11.119.236)	(7.436.574)	8.028.103	14.243.728	6.778.238	(6.913.039)	-

(*) 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 include shareholders' equity amounting to TL 8.574.148 , unallocated provisions amounting to TL 1.430.400.

(**) Financial Assets at Fair Value Through Profit/Loss include derivative financial assets held for hedging purposes amounting to TL 1.988.746

(***) Other Liabilities also include derivative financial liabilities held for hedging purposes amounting to TL 352.080 .

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	19.173	1.106.943	279.100	41.426	-	-	1.446.642	1.423.002
Other Deposits	5.847.883	24.724.422	7.966.411	2.286.766	111.046	-	40.936.528	40.651.552
Payables to Money Market	-	3.417.466	732.214	-	-	-	4.149.680	4.147.434
Funds from other Financial Institutions	-	175.678	535.637	3.590.088	1.022.653	2.404.062	7.728.118	7.019.855
Securities Issued	-	7.014	731.953	1.796.341	3.357.024	-	5.892.332	5.373.449
Noncash Loans ^(*)	3.281.374	636.342	900.716	2.893.493	1.398.108	29.299	9.139.332	9.139.332

(*) *Other Guarantees* with the amount 21.077 TL does not include the foreign currency account.

Prior Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total	Carrying Amount
Bank Deposits	21.521	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
Payables to Money Market	-	3.317.341	386.550	-	-	-	3.703.891	3.702.723
Funds 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
Noncash Loans ^(*)	3.064.305	328.402	587.544	2.166.381	776.362	175.541	7.098.535	7.098.535

(*) *Other Guarantees* with the amount 19.399 TL does not include the foreign currency account.

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	5 Years and Longer	Total
Forward Contracts Buy ^(**)	1.850.523	974.118	900.707	98.925	-	3.824.273
Forward Contracts Sell ^(**)	1.856.558	976.448	896.663	97.530	-	3.827.199
Swap Contracts Buy ^(*)	11.506.843	9.743.059	13.100.349	19.539.488	3.104.000	56.993.739
Swap Contracts Sell ^(*)	11.438.303	9.647.248	12.606.681	19.802.513	3.190.582	56.685.327
Futures Buy	14.514	2.933	2.223	-	-	19.670
Futures Sell	14.514	2.933	2.223	-	-	19.670
Options Buy	780.633	2.555.631	1.485.964	200.256	-	5.022.484
Options Sel	785.687	2.550.382	1.496.097	211.551	-	5.043.717
Other	-	-	-	417.402	-	417.402
Total	28.247.575	26.452.752	30.490.907	40.367.665	6.294.582	131.853.481

(*) 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	5 years and Longer	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	16.133.460	2.877.061	38.121.949
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 Sel	2.266.008	1.292.245	4.356.996	-	-	7.915.249
Other	-	-	-	341.488	-	341.488
Total	22.476.054	9.977.721	29.316.407	32.760.874	5.662.319	100.193.375

(*) 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, 2014, the Bank has no securitization positions. (December 31, 2013- None).

X. Explanations Related to Credit Risk Mitigation Techniques

The Bank applies Comprehensive Financial Collateral Method with Standard Volatility Adjustment Approach in compliance with the Article 34 and 37 of the "Regulation on Credit Risk Mitigation Techniques". In this method, the volatility adjustments regarding the exposures and collaterals are made as per the standard deduction ratio that attached to the Regulation. 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	Guarantees and Credit Derivatives
Conditional and unconditional receivables from central governments or central banks	18.832.057	2.283.268	-	-
Conditional and unconditional receivables from regional or local governments	4.185	43	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	868	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	6.935.152	3.253.423	-	-
Conditional and unconditional receivables from corporates	21.452.943	611.326	-	-
Conditional and unconditional retail receivables	43.162.626	324.244	-	-
Conditional and unconditional receivables secured by mortgages	15.640.025	-	-	-
Past due receivables	541.973	54	-	-
Receivables defined in high risk category by BRSA	6.018.659	74.423	-	-
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-
Investments similar to collective investment funds	26.414	-	-	-
Other receivables	3.715.347	-	-	-
Total	116.330.249	6.546.781	-	-

(*) 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,
- 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	59.850.335	51.599.068	59.780.610	50.856.544
Money Market Placements	200.062	-	200.062	-
Due from Banks	243.692	306.125	243.692	306.125
Loans and Receivables	50.246.126	42.724.476	50.023.248	42.043.256
Available for Sale Financial Assets	5.433.232	5.742.688	5.433.232	5.742.688
Securities Held to Maturity	3.727.223	2.825.779	3.880.376	2.764.475
Financial Liabilities	62.377.862	54.666.830	62.235.063	54.171.273
Bank Deposits	1.423.002	1.341.493	1.423.558	1.341.742
Other Deposits	40.651.552	36.980.165	40.635.934	36.999.147
Funds from Other Financial Institutions	7.019.855	5.301.769	6.830.279	4.822.893
Payables to Money Market	4.147.434	3.702.723	4.147.434	3.702.723
Securities Issued	5.373.449	3.955.376	5.435.289	3.919.464
Other Debts	3.762.570	3.385.304	3.762.569	3.385.304

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:

- a) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities (market value);
- b) 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);
- 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	5.706.197	3.248.582	433.736	9.388.515
Financial Assets whose Fair Value is reflected on Gain/Loss	4.819	-	-	4.819
Derivative Financial Assets for Purchasing and Selling	126	1.253.219	-	1.253.345
Available for Sale Financial Assets	5.426.615	6.617	-	5.433.232
Loans and Receivables(*)	-	-	98.143	98.143
Subsidiaries, Affiliates and Entities Under Common Control	274.637	-	335.593	610.230
Derivative Financial Assets Held for Cash Flow Hedges	-	1.988.746	-	1.988.746
Financial Liabilities	47	1.605.344	-	1.605.391
Derivative Financial Assets for Purchasing and Selling	47	1.253.264	-	1.253.311
Derivative Financial Liabilities Held for Cash Flow Hedges	-	352.080	-	352.080

(*) 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 ^(*)	482.711	649.933
Change in total gain/loss	38.820	(19.163)
<i>Accounted in income statement</i>	864	(19.163)
<i>Accounted in other comprehensive income</i>	37.956	-
Purchases	-	-
Disposals	-	-
Matured Loans ^(*)	(87.795)	(148.059)
Sales from Level 3	-	-
Closing Balance	433.736	482.711

(*) Includes loans that are closed before maturity.

Prior Period	Level 1	Level 2	Level 3	Total
Financial Assets	6.194.334	3.223.092	482.711	9.900.137
Financial Assets whose 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	302.448	-	297.637	600.085
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".

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.

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	590.424	248.652	633.496	413.140
T.R. Central Bank	912.650	6.911.681	253.764	6.906.881
Other	133	295	451	661
Total	1.503.207	7.160.628	887.711	7.320.682

b) Balances with the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	912.650	689.015	253.764	499.042
Restricted Time Deposits	-	6.222.666	-	6.407.839
Total	912.650	6.911.681	253.764	6.906.881

As of December 31, 2014, the compulsory 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, 2013 – 5% to 11.5%) and the compulsory rates for the foreign currency liabilities are within an interval from 6% to 13% depending on the maturity of deposits (December 31, 2013 – 6% to 13%).

According to T. C. Central Bank press release No. 2014-72 dated October 21, 2014, interest payments on TL portion of Reserve Requirements have been started to be paid as of November 2014.. In accordance with the declaration by the T.C. Central Bank on January 2015 with the number 2015-1, beginning from the liability table of February 13, 2015 the Banks will begin to maintain reserve for their fc denominated deposits varying between at 6% and 18% as to the maturities of such deposits.

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

a) Trading securities given as collateral or blocked

None (December 31, 2013 – None).

b) Trading securities subject to repurchase agreements

None (December 31, 2013 – TL 126.355).

c) Assets on trading derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	43.664	-	107.327	-
Swap Transactions	1.059.341	84.274	922.629	61.661
Futures Transactions	-	126	-	486
Options	-	65.940	-	189.378
Other	-	-	-	-
Total	1.103.005	150.340	1.029.956	251.525



3. a) Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	19.266	68	5.036	70
Foreign	124	224.234	1	301.018
Foreign Head Offices and Branches	-	-	-	-
Total	19.390	224.302	5.037	301.088

b) Information on foreign bank accounts

	Unrestricted Amount		Restricted Amount (**)	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	53.136	44.855	1.550	1.730
USA and Canada	158.377	233.566	3.923	1.528
OECD Countries (*)	2.935	17.136	-	-
Off-shore Banking Regions	-	-	-	-
Other	4.437	2.204	-	-
Total	218.885	297.761	5.473	3.258

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

(**) Includes blocked placements at foreign banks amounting to TL 5.473 (December 31, 2013 - TL 3.258) 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	200.062	-	-	-
T.R Central Bank	-	-	-	-
Banks	200.062	-	-	-
Intermediary Institutions	-	-	-	-
Other Financial Institutions and Organizations	-	-	-	-
Other Institutions and Organization	-	-	-	-
Real Persons	-	-	-	-
Foreign Transactions	-	-	-	-
Central Banks	-	-	-	-
Banks	-	-	-	-
Intermediary Institutions	-	-	-	-
Other Financial Institutions and Organizations	-	-	-	-
Other Institutions and Organizations	-	-	-	-
Real Persons	-	-	-	-
Total	200.062	-	-	-

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	413.810	284.954	393.114	-
Other	-	-	-	-
Total	413.810	284.954	393.114	-

b) Investment securities available for sale subject to repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	1.744.037	1.111.796	1.290.612	973.547
Treasury Bills	-	-	-	-
Other Debt Securities	-	-	-	-
Bonds Issued or Guaranteed by Banks	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	1.744.037	1.111.796	1.290.612	973.547

c) Investment securities available for sale

	Current Period	Prior Period
Debt securities	5.416.289	5.444.796
Quoted on a stock exchange (*)	5.409.632	5.429.359
Unquoted on a stock exchange	6.657	15.437
Share certificates	32.137	512.433
Quoted on a stock exchange (**)	27.912	512.433
Unquoted on a stock exchange	4.225	-
Impairment provision(-)	(15.194)	(214.541)
Total	5.433.232	5.742.688

(*) The Eurobond Portfolio amounting to TL 1.199.653 (December 31, 2013 - TL 851.341) 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 106.392 (December 31, 2013 - 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 27.757 (December 31, 2013 - TL 30.913).



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	1.715	34.288	-	32.895
Corporate Shareholders	1.715	34.288	-	32.895
Individual Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees(*)	66.957	-	71.031	-
Total	68.672	34.288	71.031	32.895

(*) Includes the advances given to the bank personnel.

b) Information on the first and second group loans and other receivables including rescheduled or restructured loans

	Performing Loans and Other Receivables			Loans and Other Receivables Under Close Monitoring		
	Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms	Other	Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms	Other
		Extension of Repayment Plan			Extension of Repayment Plan	
Cash Loans(*)						
Non-specialized Loans	47.033.475	558.858	-	2.742.621	704.540	-
Discount Notes	712.283	-	-	7.812	-	-
Export Loans	1.332.172	-	-	165.147	-	-
Import Loans	6.660	-	-	-	-	-
Loans Given to Financial Sector	1.051.386	-	-	-	-	-
Retail Loans	12.882.158	7.312	-	975.437	19.661	-
Credit Cards	8.004.085	428.900	-	591.545	337.312	-
Other	23.044.731	122.646	-	1.002.680	347.567	-
Specialized Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	47.033.475	558.858	-	2.742.621	704.540	-

(*) The loans amounting to TL 98.143 (December 31, 2013 - TL 185.074) are classified under "Loans at Fair Value Through Profit/Loss" in the financial statements.

Times Payment Plan has been restructured	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up
1 or 2 times	521.096	704.492
3, 4 or 5 times	37.762	48
Over 5 times	-	-
Extension Periods		
0 - 6 months	57.112	78.254
6 -12 months	39.914	43.675
1 - 2 years	211.054	182.621
2 - 5 years	236.032	330.100
5 years and over	14.746	69.890
Total	558.858	704.540

c) Loans according to their maturity structure

	Performing 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
Cash Loans (*)				
Short-term Loans	22.314.585	428.900	591.545	337.312
Non-specialized Loans	22.314.585	428.900	591.545	337.312
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-term Loans	24.718.890	129.958	2.151.076	367.228
Non-specialized Loans	24.718.890	129.958	2.151.076	367.228
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	47.033.475	558.858	2.742.621	704.540

(*) The loans amounting to TL 98.143 (December 31, 2013 - TL 185.074) are classified under "Loans at Fair Value Through Profit/Loss" in the financial statements.

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	210.055	11.621.817	11.831.872	234.135
Housing Loans	1.164	5.697.708	5.698.872	172.759
Automobile Loans	434	49.453	49.887	447
Personal Need Loans	208.457	5.874.656	6.083.113	60.929
Other	-	-	-	-
Consumer Loans-FC Indexed	-	22.050	22.050	15.481
Housing Loans	-	21.172	21.172	14.751
Automobile Loans	-	-	-	-
Personal Need Loans	-	878	878	730
Other	-	-	-	-
Consumer Loans-FC	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Individual Credit Cards-TL	7.127.401	325.411	7.452.812	83.790
Installment	2.648.565	325.411	2.973.976	33.433
Non- Installment	4.478.836	-	4.478.836	50.357
Individual Credit Cards-FC	3.047	-	3.047	22
Installment	-	-	-	-
Non- Installment	3.047	-	3.047	22
Personnel Loans-TL	5.030	35.000	40.030	218
Housing Loans	-	155	155	1
Automobile Loans	-	58	58	-
Personal Need Loans	5.030	34.787	39.817	217
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	24.493	-	24.493	-
Installment	9.542	-	9.542	-
Non-Installment	14.951	-	14.951	-
Personnel Credit Cards-FC	74	-	74	-
Installment	-	-	-	-
Non-Installment	74	-	74	-
Overdraft Accounts-TL (Real Persons)	1.609.143	-	1.609.143	104.666
Overdraft Accounts-FC (Real Persons)	-	-	-	-
Total	8.979.243	12.004.278	20.983.521	438.312



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	756.180	7.963.839	8.720.019	126.174
Real Estate Loans	1.130	196.154	197.284	3.718
Automobile Loans	6.224	329.069	335.293	4.549
Personal Need Loans	748.826	7.438.616	8.187.442	117.907
Other	-	-	-	-
Commercial Loans with Installment Facility - FC Indexed	60.102	1.175.299	1.235.401	111.002
Real Estate Loans	-	30.265	30.265	5.422
Automobile Loans	255	71.570	71.825	5.725
Personal Need Loans	59.847	1.073.464	1.133.311	99.855
Other	-	-	-	-
Commercial Loans with Installment Facility - FC	-	-	-	-
Real Estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Corporate Credit Cards -TL	1.018.246	1.431	1.019.677	11.426
Installment	271.301	1.431	272.732	3.056
Non-Installment	746.945	-	746.945	8.370
Corporate Credit Cards -FC	287	-	287	2
Installment	-	-	-	-
Non-Installment	287	-	287	2
Overdraft Accounts-TL (Legal Entities)	803.803	-	803.803	1.444
Overdraft Accounts-FC (Legal Entities)	-	-	-	-
Total	2.638.618	9.140.569	11.779.187	250.048

f) Loans according to borrowers (*)

	Current Period	Prior Period
Public	163.249	150.108
Private	49.612.847	42.250.717
Total	49.776.096	42.400.825

(*) The loans amounting to TL 98.143 (December 31, 2013 - TL 185.074) are classified under "Loans at Fair Value Through Profit/Loss" in the financial statements.

g) Domestic and foreign loans (*)

	Current Period	Prior Period
Domestic Loans	49.569.219	42.209.080
Foreign Loans	206.877	191.745
Total	49.776.096	42.400.825

(*) The loans amounting to TL 98.143 (December 31, 2013 - TL 185.074) are classified under "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	157.557	110.670
Indirect Loans Granted to Subsidiaries and Associates	-	-
Total	157.557	110.670

i) Specific provisions for loans

	Current Period	Prior Period
Specific Provisions		
Loans and Receivables with Limited Collectability	84.959	167.353
Doubtful Loans and Other Receivables	439.784	483.952
Uncollectible Loans and Receivables	1.638.583	1.805.823
Total	2.163.326	2.457.128

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)	133	4.457	78.247
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	133	4.457	78.247
Prior 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

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	419.095	740.935	1.805.823
Additions (+)	1.342.701	100.285	121.880
Transfers from Other Categories of Non-Performing Loans (+)	-	1.217.475	1.208.850
Transfers to Other Categories of Non-Performing Loans (-)	1.217.475	1.208.850	-
Collections (-)	123.310	170.148	345.348
Write-offs (-)^(**)	71	7.721	1.152.622
Corporate and Commercial Loans	64	7.456	286.160
Consumer Loans	7	265	338.639
Credit Cards	-	-	527.823
Others	-	-	-
Current Period End Balance	420.940	671.976	1.638.583
Specific Provision (-)	84.959	439.784	1.638.583
Net Balances on Balance Sheet	335.981	232.192	-

(*) 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 for its 3rd group commercial loans with 100% provision rate in the prior period, whereas in the current period the Bank provided provision by using minimum provision ratios. After the stated change, the Bank has provided TL 79.169 less provision in the current period as compared to the provisioning method used in the prior period.

(**) In current period, legally nonperforming loan receivables amounting to TL 571.958 have been sold for TL 127.600 whereas loan receivables amounting to TL 254.341 have been sold for TL 8.550 cash and share from future collections. Loan receivables that amount to 326.412 TL, have been sold for 64.000 TL.

j.3) Information on foreign currency non-performing loans and other receivables

None (December 31, 2013 - 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)	335.981	232.192	-
Loans to Real Persons and Legal Entities (Gross)	420.940	671.976	1.627.696
Specific provision (-)	(84.959)	(439.784)	(1.627.696)
Loans to Real Persons and Legal Entities (Net)	335.981	232.192	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	10.887
Specific provision (-)	-	-	(10.887)
Other Loans and Receivables (Net)	-	-	-
Prior 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)	-	-	-

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, then 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) 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' decision⁷.

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	398.384	-	-	-
Other	-	-	-	-
Toplam	398.384		126.049	-

b) Information on financial assets held-to-maturity subject to repurchase agreements

Held-to-maturity financial assets subject to repurchase agreements amount to TL 1.554.090 (December 31, 2013- TL 1.425.091) as of balance sheet date.

c) Information on financial government debt securities held-to-maturity

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bond	3.003.772	90.418	2.446.859	20.820
Treasury Bill	48.794	-	-	-
Other Debt Securities	-	-	-	-
Total	3.052.566	90.418	2.446.859	20.820

d) Information on investment securities held-to-maturity

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt Securities	3.052.566	674.657	2.446.859	378.920
Publicly-traded	3.052.566	674.657	2.446.859	378.920
Non-publicly traded	-	-	-	-
Provision for losses (-)	-	-	-	-
Total	3.052.566	674.657	2.446.859	378.920

e) Movement of held-to-maturity investments

	Current Period	Prior Period
Value at the beginning of the period	2.825.779	-
Exchange differences on monetary assets	32.352	29.197
Acquisitions during the year (*)	631.486	2.768.370(*)
Disposals through sales and redemptions	-	-
Provision for losses (-)	-	-
Valuation effect	237.606	28.212
The sum of end of the period	3.727.223	2.825.779

(*) Debt securities with the nominal value of TL 1.601.660 reclassified to held-to-maturity investments from available for sale financial assets on June 21, 2013 are classified under acquisitions during the year.

8. Investments in associates (Net):

8.1. Investments in associates:

a) Information on the unconsolidated subsidiaries

Title	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
58.827	25.294	34.275	962	-	2.912	2.644	-

(*) Current period information is obtained from financial statements as of December 31, 2014 while prior period profit and loss information is obtained from financial statements as of December 31, 2013.

b) Information on the consolidated subsidiaries:

None.



8.2. Movements of investments in associates

	Current Period	Prior Period
Balance at the Beginning of Period	3.766	7.977
Movements During the Period	-	(4.211)
Purchases	-	-
Bonus Shares Received	-	-
Dividends From Current Year Profit	-	-
Sales	-	-
Reclassifications	-	(4.211) (*)
Increase/Decrease in Market Values	-	-
Currency Differences on Foreign Associates	-	-
Impairment Losses (-)	-	-
Balance at the End of the Period	3.766	3.766
Capital Commitments		
Share Percentage at the End of the Period (%)		

(*) Represents classification of TL 4.211 share of Kredi Garanti Fonu A.Ş. to available for sale assets.

8.3. Sectoral distribution of associates

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Associates	3.766	3.766
Total	3.766	3.766

8.4. Quoted Associates

None (December 31, 2013 - None).

8.5. Valuation methods of investments in associates

	Current Period	Prior Period
Valued at Cost	3.766	3.766
Valued at Fair Value	-	-
Valued at Equity Method	-	-
Total	3.766	3.766

8.6. Investments in associates sold during the current period

None. (December 31, 2013 - None).

8.7. Investments in associates acquired during the current period

None. (December 31, 2013 - None).

9. Investments in subsidiaries (Net)

a) Information on the unconsolidated subsidiaries

	Title	Address (City/Country)	Bank's Share-If different, Voting Rights (%)	Bank' Risk Group Share (%)
1.	İbtech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek San. ve Tic. A.Ş.	İstanbul/Turkey	%99,91	%99,99
2.(*)	EFINANS Elektronik Ticaret ve Bilişim Hizmetleri A.Ş.	İstanbul/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.	46.521	22.106	17.153	-	-	6.989	3.782	-
2.(*)	8.173	6.397	4.927	209	-	397	-	-

(*) 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 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 İstanbul 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.

(**)Current period information is obtained from financial statements as of December 31, 2014, prior period profit and loss information is obtained from financial statements as of December 31, 2014.

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.	İstanbul/Turkey	99,60	99,74
2.	Finans Finansal Kiralama A.Ş.	İstanbul/Turkey	51,06	69,00
3.	Finans Yatırım Ortaklığı A.Ş. Under Liquidation (**)	İstanbul/Turkey	76,06(*)	76,13
4.	Finans Portföy Yönetimi A.Ş.	İstanbul/Turkey	0,01	99,72
5.	Finans Faktoring Hizmetleri A.Ş.	İstanbul/Turkey	99,99	100,00

(*) The share of the Bank is 10,01%, the remaining 66,05% shareholding represents the purchases of publicly traded shares on the İstanbul Stock Exchange.

(**) As per Board of Directors meeting dated May 21, 2014, it has been decided for the liquidation of Finans Investment Trust. Liquidation decision will be presented for the approval of the shareholders at the General Board Meeting and those who vote unfavorably and oppose will be granted the right to resign from the Company. The Extraordinary General Meeting is done in October 20, 2014. The decisions of The Extraordinary General Meeting have been registered as of November 7, 2014. The shares of Finans Yatırım Ortaklığı A.Ş. have been unquoted from the exchange list and markets of İstanbul Stock exchange and banned for trade as of November 10, 2014. Finans Yatırım Ortaklığı A.Ş. is referred to as "Finans Yatırım Ortaklığı A.Ş. Under Liquidation" since November 7, 2014.

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. (*)	270.385	152.640	3.119	16.130	3.727	1.841	1.570	112.610
2. (*)	1.765.458	557.552	2.853	146.746	-	48.029	41.496	260.125(**)
3. (*)	21.267	21.141	1	1.241	715	1.498	(2.101)	14.513(***) (***)
4. (*)	11.240	10.261	544	1.144	4	540	991	-
5 (*)	458.119	32.577	1.056	53.522	-	4.192	1.612	39.565

(*) Current period information represents December 31, 2014 figures, and prior period profit/loss amounts represent December 31, 2013 figures as per the financial statements prepared in accordance with BRSA regulations.

(**) Fair values of publicly traded subsidiaries reflect their İstanbul Stock Exchange (İSE) values as of balance sheet date.

(***) Represents the stock market value of Finans Yatırım Ortaklığı A.Ş. as of November 7, 2014

b.2) Movement of investments in subsidiaries

	Current Period	Prior Period
Balance at the Beginning of the Period	405.170	476.617
Movements during the period	21.643	(71.447)
Purchases	-	-
Bonus Shares Received	-	-
Dividends from Current Year Profit	-	-
Disposals	-	(1.069)
Changes Due to Reclassification	-	-
Revaluation Increase	21.643	(70.378)
Impairment Provision	-	-
Balance at the End of the Period	426.813	405.170
Capital Commitments	-	-
Share Percentage at the end of the Period (%)	-	-



b.3) Sectoral distribution of subsidiaries

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	39.565	20.000
Leasing Companies	260.125	284.787
Finance Companies	-	-
Other Subsidiaries	127.123	100.383
Total	426.813	405.170

b.4) Quoted subsidiaries within the context of consolidation

	Current Period	Prior Period
Quoted on Domestic Stock Exchanges	274.637	302.448
Quoted on International Stock Exchanges	-	-
Total	274.637	302.448

b.5) Explanation to capital adequacy of the significant subsidiaries

The Bank does not have any significant subsidiaries.

10. Investments in entities under common control:

	The 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%	237.682	444.852	506.277	20.855	8.403
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik ^(**) ((**))Hizmetleri A.Ş. ^(*)	33,33%	33,33%	12.990	9.233	-	2.767	2.145

(*) Current period information represents September 30, 2014 figures, prior period profit and loss figures are obtained from the financial statements from September 30, 2013.

(**) Current period information represents December 31, 2014 figures, prior period profit and loss figures are obtained from the financial statements from December 31, 2013.

11. Information on leasing receivables (Net)

None (December 31, 2013 - None).

12. Information on hedging purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge ^(*)	1.459.151	22.844	1.487.743	61.426
Cash Flow Hedge	506.751	-	378.626	-
Hedge of Net Investment in Foreign Operations	-	-	-	-
Total	1.965.902	22.844	1.866.369	61.426

(*) Derivative financial instruments designated for the fair value hedge purposes comprise of swaps. As of December 31, 2014, TL 36.343 (December 31, 2013 - TL 84.918) represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in securities and TL 1.425.482 (December 31, 2013 - TL 1.464.251) represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in loans and TL 20.170 (December 31, 2013 - TL 56.290)) represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in debt securities issued.

13. Explanations on tangible assets

	Land and Buildings	Fixed Assets Under Finance Lease	Vehicles	Other Tangible Fixed Assets	Total
Prior Period End					
Cost	67.779	315.330	1.813	923.926	1.308.848
Accumulated Depreciation(-)	8.584	241.119	1.316	536.990	788.009
Net Book Value	59.195	74.211	497	386.936	520.839
Current Period End					
Cost at the Beginning of the Period	67.779	315.330	1.813	923.926	1.308.848
Additions (*)	1.044.799	619	-	87.973	1.133.391
Disposals (-)	6.794	55.342	-	2.814	64.950
Diposals (-)	-	-	-	77	77
Impairment (-) / (increase)	(453)	-	-	-	(453)
Current Period Cost	1.106.237	260.607	1.813	1.009.008	2.377.665
Accumulated Depreciation at the Beginning of the Period	8.584	241.119	1.316	536.990	788.009
Disposals (-)	-	-	-	55	55
Transfer (-)	427	11.697	-	1.561	13.685
Depreciation Amount	16.099	3.856	203	113.132	133.290
Current Period Accumulated Depreciation (-)	24.256	233.278	1.519	648.506	907.559
Net Book Value-end of the Period	1.081.981	27.329	294	360.502	1.470.106

(*)As mentioned in Section 3 footnote 5.1.d, the fair value currency difference income of 60.269 TL that belongs to the real estate, subject to the accounting of protection from the fair value risk by the Bank, is shown in the "Entries" line of the Financial Fixed Assets movement table.

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 453 has been booked (December 31, 2013 - TL 706 impairment loss).

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, 2013- 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, 2013- None)

14. Explanations on intangible assets

	Rights	Goodwill	Total
Prior Period End			
Cost	465.485	-	465.485
Accumulated Amortization (-)	267.281	-	267.281
Net Book Value	198.204	-	198.204
Current Period End			
Cost at the Beginning of the Period	465.485	-	465.485
Additions	104.610	-	104.610
Disposals(-)	-	-	-
Current Period Cost	570.095	-	570.095
Accumulated Amortization at the Beginning of the Period	267.281	-	267.281
Disposals(-)	-	-	-
Amortization Charge (-)	78.967	-	78.967
Current Period Accumulated Amortization (-)	346.248	-	346.248
Net Book Value-End of the Period	223.847	-	223.847

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, 2013 - None).

b) Disclosure for intangible fixed assets acquired through government grants and accounted for at fair value at initial recognition:

None (December 31, 2013)

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, 2013 - None).

d) The book value of intangible fixed assets that are pledged or restricted for use:

None (December 31, 2013 - None).

e) Amount of purchase commitments for intangible fixed assets:

None (December 31, 2013 - None)

f) Information on revalued intangible assets according to their types:

None (December 31, 2013 - 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 3.087 (December 31, 2013 - TL 4.525).

h) Positive or negative consolidation goodwill on entity basis:

None (December 31, 2013-None).

i) Information on goodwill:

None (December 31, 2013-None).

j) Movements on goodwill in the current period:

None (December 31, 2013- None)

15. Explanations regarding the investment properties:

None (December 31, 2013- None).

16. Information on tax asset

As of December 31, 2014, the Bank has calculated deferred tax asset amounting to TL 50.050. (December 31, 2013 - TL 78.670 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, 2014 the Bank has presented the net amount of deferred tax asset of TL 198.406 (December 31, 2013 -TL 184.270) and deferred tax liability of TL 148.356 (December 31, 2013 -TL 105.600) 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 35.494 (December 31, 2013 -TL 20.399 deferred tax liability) is netted in the equity.

	Accumulated Temporary Differences		Deferred Tax Assets/(Liabilities)	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Provision for Employee Rights	200.134	208.904	40.027	41.781
Difference Between the Book Value of Financial Assets and Tax Base	641.365	346.088	128.273	69.218
Other	150.530	366.360	30.106	73.271
Deferred Tax Assets			198.406	184.270
Difference Between the Book Value Financial Fixed Assets and Tax Base	(257.159)	(144.634)	(51.432)	(28.927)
Difference Between the Book Value of Financial Assets and Tax Base				
değeri arasındaki farklar	(300.415)	(167.560)	(60.083)	(33.512)
Other	(184.205)	(215.808)	(36.841)	(43.161)
Deferred Tax Liabilities			(148.356)	(105.600)
Deferred Tax Assets/(Liabilities), Net			50.050	78.670
	Current Period		Prior Period	
	01.01-31.12.2014		01.01-31.12.2013	
Deferred Tax as of January 1 Active/ (Passive) - Net	78.670		(28.369)	
Deferred Tax (Loss) / Gain	(43.715)		26.270	
Deferred Tax that is Realized Under Shareholder's Equity	15.095		80.769	
December 31 Deferred Tax Active/ (Passive) - Net	50.050		78.670	

17. Information on assets held for sale and discontinued operations

As of December 31, 2014, The Bank has re-classified its real estate property with a net book value of TL 51.265 from Tangible Assets to Assets held for Sale.

The auction regarding the sale of the Bank's Gayrettepe Headquarter Building on İstanbul, Şişli, Mecidiyeköy, map section 307, Isle 1997, Parcel 41 has been approved by the Board of Directors and a "Real Estate Sale Contract" has been signed by both parties. The deed transfer will take place no later than March 25, 2015 after the conditions on the contract are fulfilled.

The auction regarding the sale of the Bank's Gayrettepe Headquarter Building on İstanbul, Şişli, Mecidiyeköy, map section 307, Isle 1997, Parcel 29 has been approved by the Board of Directors. It is decided to be sold for USD 28.000.000.

18. Information on other assets

18.1. Information on prepaid expense, tax and similar items

	Current Period	Prior Period
Cheques Receivables from Other Banks	254.690	307.868
Other Prepaid Expenses	305.057	284.026
Assets Held for Sale (Net)	138.126	188.161
Collateral Given for Derivative Transactions	73.722	161.832
Miscellaneous Receivables	64.730	109.161
Prepaid Rent Expenses	31.657	82.739
Advances Given	9.640	30.339
Prepaid Agency Commissions	6.564	3.643
Other	32.835	54.762
Total	917.021	1.222.531

18.2. If other assets exceed 10% of total assets excluding the off-balance sheet items, the name and the amount of the subaccounts which create at least 20% of them are:

Details of the other assets are described above in the 18.1 section of explanations and disclosures related to assets.

19. 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	1.965.902	22.844	1.866.369	61.426
Assets on Trading Derivatives	1.103.005	150.340	1.029.956	251.525
Loans and Receivables	670.666	119.800	632.960	73.137
Investments Securities Available for Sale	132.088	100.324	95.011	11.539
Investments Held-to-Maturity	48.794	6.928	23.336	4.876
Banks	997	31	143	-
Trading Securities	50	117	133	37
Other Accruals	125	-	206	-
Total	3.921.627	400.384	3.648.114	402.540

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	1.478.602	-	2.302.799	11.989.509	479.169	287.251	1.491.669	3.859	18.032.858
Foreign Currency Deposits	1.842.949	-	1.523.086	8.626.554	441.796	159.241	482.581	3.521	13.079.728
Residents in Turkey	1.783.331	-	1.504.174	8.445.573	417.655	141.878	456.424	3.521	12.752.556
Residents Abroad	59.618	-	18.912	180.981	24.141	17.363	26.157	-	327.172
Public Sector Deposits	329.657	-	7.469	44.378	506	281	-	-	382.291
Commercial Deposits	1.587.845	-	1.436.648	4.160.402	139.228	121.681	89.369	-	7.535.173
Other Ins. Deposits	26.723	-	67.314	556.455	42.042	117.491	176.947	-	986.972
Precious Metal Deposits	582.107	-	-	3.920	42.910	5.586	7	-	634.530
Bank Deposits	17.791	-	1.105.752	259.084	34.475	5.900	-	-	1.423.002
T.R Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	2.259	-	-	14.220	-	4.081	-	-	20.560
Foreign Banks	15.299	-	1.105.752	244.864	34.475	1.819	-	-	1.402.209
Participation Banks	233	-	-	-	-	-	-	-	233
Other	-	-	-	-	-	-	-	-	-
Total	5.865.674	-	6.443.068	25.640.302	1.180.126	697.431	2.240.573	7.380	42.074.554

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	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

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	9.502.043	7.860.834	8.529.289	8.280.585
Foreign Currency Savings Deposits	1.833.144	1.653.084	5.793.036	5.382.496
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Toplam	11.335.187	9.513.918	14.322.325	13.663.081

1.2. Savings deposits in Turkey are not covered under insurance in another country since the headquarter 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	38.539	32.736
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	2.632	32.652
Total	41.171	65.388

2. Information on trading purpose derivatives

a) Negative value of trading purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forwards	51.369	-	1.004.649	54.068
Swaps	1.041.437	110.167	108.202	-
Futures	-	47	-	168
Options	-	50.291	-	135.472
Other	-	-	-	-
Total	1.092.806	160.505	1.112.851	189.708

3. Information on funds borrowed

a) Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank Loans			-	-
Domestic Bank and Institutions	115.661	107.020	111.366	119.170
Foreign Bank, Institutions and Funds	-	4.675.462	-	3.120.514
Total	115.661	4.782.482	111.366	3.239.684

b) Maturity information on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	115.661	3.875.625	111.366	2.510.248
Medium and Long-Term	-	906.857	-	729.436
Total	115.661	4.782.482	111.366	3.239.684

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.

According to the Board of Directors' decision No: 221 dated October 23, 2014, as of November 26, 2014, the Bank obtained securitization loan amounting to USD 397 million and as of November 27, 2014, EUR 365 million with one year maturity.

c) Additional information on concentrations of the Bank's liabilities

As of December 31, 2014, the Bank's liabilities comprise; 56% deposits (December 31, 2013 – 58%), 7% funds borrowed (December 31, 2013 – 5%), 7% issued bonds (December 31, 2013 – 6%) and 6% funds provided under repurchase agreements (December 31, 2013 – 6%).

4. Information on funds provided under repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
From domestic transactions	2.706.350	-	2.502.997	-
Financial institutions and organizations	2.674.209	-	2.460.644	-
Other institutions and organizations	12.101	-	32.319	-
Real persons	20.040	-	10.034	-
From foreign transactions	9.901	1.431.183	8.165	1.141.561
Financial institutions and organizations	-	1.431.183	-	1.141.561
Other institutions and organizations	9.901	-	8.165	-
Real persons	-	-	-	-
Total	2.716.251	1.431.183	2.511.162	1.141.561

5. Information on securities issued (Net)

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bonds	1.971.791	262.040	2.057.875	-
Bills	246.778	2.892.840	103.734	1.793.767
Total	2.218.569	3.154.880	2.161.609	1.793.767

The Bank has government bond issue program (Global Medium Term Note Programme) amounting to USD 1,5 Billion.

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 do not exceed 10% of total liabilities excluding the off-balance sheet items. (December 31, 2013 - None).



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 determination of payment plans in the leasing contracts.

7.1. Changes in agreements and further commitments arising

No changes have been made to the leasing agreements in the current period (December 31, 2013- None).

7.2. Financial Lease Payables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	1.146	996	791	652
Between 1 - 4 years	1.785	1.550	2.738	2.257
More than 4 years	-	-	7	6
Total	2.931	2.546	3.536	2.915

7.3. Information on operational lease

Operational lease payments are recognized as an expense in the income statement on a straight-line basis over the lease terms. The Bank arranges operating lease arrangements for some of its ATM and branches. The lease contract is done on a yearly basis and the payment is made upfront each year and realized as an expense under the "Other Assets" account.

7.4. Information on "Sale -and- lease back" agreements

The Bank does not have any sale-and-lease back transactions in the current period (December 31, 2013-None).

8. Information on liabilities arising from hedging purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge (*)	70.738	149.976	-	75.101
Cash Flow Hedge (**)	131.366	-	7.648	-
Net Investment Hedge	-	-	-	-
Total	202.104	149.976	7.648	75.101

(*) Derivative financial instruments for hedging purposes include swaps. As of December 31, 2014, TL 98.050 (December 31, 2013 - TL 20.901) represents the fair value of derivatives which are the hedging instruments of hedged loan portfolio. TL 122.664 (December 31, 2014 - 54.200) represents the fair value of derivatives which are the hedging instruments of hedged investment securities available for sale portfolio.

(**) Represents the fair values of derivatives which are the hedging instruments of deposits' cash flow risk.

9. Information on provisions

9.1. Information on general provisions

	Current Period	Prior Period
Provisions for Loans and Receivables in Group I	680.928	608.997
-Additional Provision for Loans and Receivables with Extended Maturities	55.947	56.116
Provisions for Loans and Receivables in Group II	125.096	88.573
-Additional Provision for Loans and Receivables with Extended Maturities	36.679	30.920
Provisions for Non - Cash Loans	75.473	63.599
Other	61.164	55.122
Total	942.661	816.291

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 (*)	21.043	146

(*) 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 47.736 (December 31, 2013 - TL 53.760).

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, 2014, TL 116.324 (December 31, 2013 - TL 86.693) reserve for employee termination benefits was provided in the accompanying financial statements.

As of December 31, 2014, the Bank accrued TL 30.279 (December 31, 2013 - TL 27.628) for the unused vacations under reserve for employee benefits account in the accompanying financial statements.

As of December 31, 2014, TL 53.531 (December 31, 2013- TL 94.583) 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 01.01-31.12.2014	Prior Period 01.01-31.12.2013
As of January 1	86.693	81.685
Service Cost	14.092	13.322
Interest Cost	8.288	6.032
Settlement / curtailment / termination loss	10.344	5.479
Actuarial Difference	19.345	(5.313)
Paid during the period	(22.438)	(14.512)
Total	116.324	86.693

9.5. Information on other provisions

9.5.1. Information on special provisions for possible risks:

Apart from the information provided in 9.3, the other provisions are given below as follows

	Current Period	Prior Period
Other provisions made for close monitoring loans portfolio	106.334	102.025
General reserves for possible risks	82.000	-
Provision for Promotion Expenses of Credit Cards	12.495	20.138
Other Provisions	47.040	77.249
Total	247.869	199.412

As of December 31, 2014, The Bank has made a provision of 106.334 TL (December 31, 2013- 102.025 TL) for the possible risks in its loan portfolio by taking the collection rate of its watchlist into account.



10. Taxation

10.1. Current taxes

10.1.1. Current tax liability

As of December 31, 2014, the Bank have TL 228.268 current tax liability (December 31, 2013 - TL 298.168) and TL 57.490 advance taxes (December 31, 2013 - TL 196.711). The Bank presents net of current tax liability and prepaid tax amount in unconsolidated financial statements.

10.1.2. Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	170.778	101.457
Banking and Insurance Transaction Tax (BITT)	40.495	33.619
Taxation on Securities Income	1.893	1.803
Taxation on Real Estates Income	38.497	31.734
Other	17.664	17.159
Total	269.327	185.772

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	6.693	7.015
Social Security Premiums - Employer Share	7.268	7.511
Unemployment Insurance - Employee Share	470	494
Unemployment Insurance - Employer Share	942	987
Total	15.373	16.007

11. Information on payables related to assets held for sale

None (December 31, 2013 - None).

12. Information on subordinated loans

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	2.121.712	-	1.950.719
From Other Foreign Institutions	-	-	-	-
		2.121.712	-	1.950.719

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 loan amounting to USD 325 million which was received in 2008 is closed in 2010 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. Aforementioned loans are subject to interest payment every 6 months and principal payment at maturity. USD 585 million of existing subordinate loans will mature in 2021, USD 325 million will mature in 2020.

13. Information on shareholder's equity

13.1. Paid-in capital

	Current Period	Prior Period
Common Stock	2.835.000	2.700.000
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	2.835.000	12.000.000

(*) According to the Board of Directors decision dated September 16, 2014, the Bank has decided to increase the registered capital ceiling from TL 6.000.000 to TL 12.000.000 and subject decision has been approved by the General Assembly of December 4, 2014.

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

Increase Date	Increase Amount	Cash	Profit Reserves held subject to the Increase	Capital Reserves held subject to the Increase
24 June 2014	135.000	-	135.000	-

13.4. Information on share capital increases from revaluation funds

None (December 31, 2013 – 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 commitments, 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, 2013 – None).

13.7. Information on the privileges given to stocks representing the capital

According to the Board of Directors decision dated September 16, 2014, it has been decided that 100 founder shares issued to National Bank of Greece in accordance with the Bank's Articles of Association will be canceled at no cost. Subject decision has been approved in the General Council meeting on December 4, 2014. 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.

14. Common stock issue premiums, shares and equity instruments

	Current Period	Prior Period
Number of Stocks (Thousands)	28.350.000	27.000.000
Preferred Capital Stock	-	-
Common Stock Issue Premiums (*)	714	714
Common Stock Withdrawal Profits	-	-
Other Capital Instruments	-	-

(*) Due to the Bank's capital increase at the prior periods, common stock issue premiums accounted amounting to TL 714.

15. Securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, Subsidiaries and Entities under Common Control	396.926	-	367.086	-
Valuation Difference	396.926	-	367.086	-
Foreign Exchange Rate Difference	-	-	-	-
Securities Available-for-Sale	4.763	(56.619)	(85.632)	(136.568)
Valuation Difference	4.763	(56.619)	(85.632)	(136.568)
Foreign Exchange Rate Difference	-	-	-	-
Total	401.689	(56.619)	281.454	(136.568)

16. 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	169.770	19.211	157.980	25.541
Derivative Financial Liabilities Held for Trading	1.092.806	160.505	1.112.851	189.708
Funds Borrowed	2.038	28.886	1.700	21.721
Money Market Borrowings	2.227	1.382	821	1.660
Derivative Financial Liabilities Held for Hedging Purposes	202.104	149.976	7.648	75.101
Other Accruals	41.340	44.237	27.734	41.583
Total	1.510.285	404.197	1.308.734	355.314

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
Credit Cards Limit Commitments	16.812.040	17.067.174
Commitment For Use Guaranteed Credit Allocation	8.537.065	5.424.755
Forward Asset Purchase Commitments	2.550.320	1.076.853
Payment Commitments for Cheques	2.420.299	2.060.004
Other Irrevocable Commitments	565.897	54.242
Credit Cards and Promotions in regards to Banking Services Uyg. Taah.Hiş Prom. Uyg. Taah	22.604	38.002
Tax and Fund Liabilities due to Export Commitments	7.626	6.988
Total	30.915.851	25.728.018

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

Specific provision is provided for the non-cash loans amounting to TL 47.736 (December 31, 2013 - TL 53.760) 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
Bank Loans	912.287	609.831
Letters of Credit	812.318	548.606
Other Guarantees	21.077	19.399
Total	1.745.682	1.177.836

1.4. Final guarantees, provisional guarantees, sureties and similar transactions

	Current Period	Prior Period
Provisional Letters of Guarantee	412.514	290.037
Final Letters of Guarantee	4.054.914	3.640.553
Advance Letters of Guarantee	201.394	191.920
Letters of Guarantee Given to Customs Offices	266.710	198.665
Other Letters of Guarantee	2.479.195	1.618.923
Total	7.414.727	5.940.098

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans granted for Obtaining Cash Loans	477.125	317.326
Less Than or Equal to One Year with Original Maturity	63.872	14.451
More Than One Year with Original Maturity	413.253	302.875
Other Non-Cash Loans	8.683.284	6.800.608
Total	9.160.409	7.117.934



3. Information on risk concentration in sector terms in non-cash loans

	Current Period				Prior Period			
	TL	%	FC	%	TL	%	FC	%
Agricultural	38.340	0,73	10.157	0,26	16.207	0,39	2.362	0,08
Farming and Raising Livestock	35.181	0,67	8.106	0,21	13.627	0,33	2.033	0,07
Forestry	746	0,01	-	-	1.440	0,03	-	-
Fishing	2.413	0,05	2.051	0,05	1.140	0,03	329	0,01
Manufacturing	977.016	18,74	1.987.079	50,63	882.213	21,15	1.523.356	52,02
Mining and Quarrying	27.120	0,52	-	-	25.599	0,61	771	0,03
Production	692.665	13,28	1.557.967	39,70	554.277	13,29	1.213.207	41,43
Electricity, gas and water	257.231	4,93	429.112	10,93	302.337	7,25	309.378	10,56
Construction	1.274.329	24,44	550.172	14,02	932.925	22,37	369.150	12,61
Services	2.838.584	54,43	1.364.461	34,77	2.256.615	54,1	1.016.629	34,72
Wholesale and Retail Trade	1.663.568	31,90	699.396	17,82	1.289.108	30,91	504.487	17,23
Hotel, Food and Beverage Services	54.015	1,04	60.312	1,54	36.356	0,87	13.353	0,46
Transportation&Communication	109.173	2,09	47.105	1,20	94.292	2,26	97.140	3,32
Financial Institutions	602.922	11,56	402.638	10,26	491.441	11,78	301.735	10,3
Real Estate and Renting Services	2.517	0,05	2.158	0,05	2.684	0,06	1.868	0,06
Self Employment Services	173.592	3,33	30.618	0,78	155.682	3,73	84.051	2,87
Educational Services	5.087	0,10	10	0,00	4.044	0,10	9	-
Health and Social Services	227.710	4,37	122.224	3,11	183.008	4,39	13.986	0,48
Other (*)	86.463	1,66	12.731	0,32	82.007	1,99	17.071	0,57
Total	5.214.732	100,00	3.924.600	100,00	4.169.967	100,00	2.928.568	100,00

(*) Does not include foreign currency balance of "Other Guarantees" amounting to TL 21.077 (December 31, 2013 - TL 19.399).

4. Information on non-cash loans classified in first and second groups (*)

	I. Group		II. Group	
	TL	FC	TL	FC
Letters of Guarantee	5.059.147	2.145.703	119.260	42.881
Bills of Exchange and Acceptances	8.934	891.831	-	11.522
Letters of Credit	-	811.958	-	360
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	-	21.077	-	-
Non-cash Loans	5.068.081	3.870.569	119.260	54.763

(*) Does not include non-cash loans amounting to TL 47.736 , for which provision is provided, but which are not indemnified and not liquidated yet.

5. Information on derivative financial instruments

	Current Period	Prior Period
Types of trading transactions		
Foreign Currency Related Derivative Transactions (I)	91.902.213	67.480.400
Forward transactions(*)	7.651.472	7.677.470
Swap transactions	74.145.200	43.885.478
Futures transactions	39.340	42.982
Option transactions	10.066.201	15.874.470
Interest Related Derivative Transactions (II)	9.542.658	8.365.844
Forward rate transactions	-	-
Interest rate swap transactions	9.542.658	8.365.844
Interest option transactions	-	-
Futures interest transactions	-	-
Security option transactions	-	-
Other trading derivative transactions (III)	417.402	341.488
A.Total Trading Derivative Transactions (I+II+III)	101.862.273	76.187.732
Types of hedging transactions		
Fair value hedges	19.206.081	17.234.950
Cash flow hedges	10.785.127	6.770.693
Net investment hedges	-	-
B.Total Hedging Related Derivatives	29.991.208	24.005.643
Total Derivative Transactions (A+B)	131.853.481	100.193.375

(*) This line also includes Forward Asset Purchase Commitments accounted for under Commitments.

As of December 31, 2014, 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	Futures Sell	Other
Current Period									
TL	1.824.574	1.193.287	20.666.332	28.477.283	1.502.096	1.608.873	448	448	-
USD	1.158.737	2.152.924	33.503.776	25.832.069	2.234.524	2.220.577	19.222	19.222	417.402
EURO	505.723	379.428	2.682.753	1.241.365	599.284	656.707	-	-	-
Other	335.237	101.562	140.878	1.134.610	686.580	557.560	-	-	-
Total	3.824.271	3.827.201	56.993.739	56.685.327	5.022.484	5.043.717	19.670	19.670	417.402
	Forward Buy(**)	Forward Sell(**)	Swap Buy(*)	Swap Sell(*)	Option Buy	Option Sell	Future Buy	Futures Sell	Other
Prior 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	16.973.894	2.476.355	2.961.723	21.236	21.236	341.488
EURO	852.426	533.866	1.326.918	1.594.862	2.334.809	1.694.057	-	-	-
Other	43.473	23.428	22.484	1.005.608	116.312	34.163	-	-	-
Total	3.840.435	3.837.035	38.135.016	38.121.949	7.959.221	7.915.249	21.491	21.491	341.488

(*) This column also includes hedging purpose derivatives.

(**) This column also includes Forward Asset Purchase Commitments and accounted for under Commitments.

As of December 31, 2014, the Bank has no derivative transactions for hedge of net investment.

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 balance sheet date; the mortgage loans amounting to TL 5.529.871 (December 31, 2013 – TL 5.098.190) were subject to hedge accounting by swaps with a nominal of TL 5.683.996 (December 31, 2013 – TL 6.557.217). On December 31, 2014 the net market valuation difference gain amounting to TL 33.986 due to the gains amounting to TL 199.124 (December 31, 2013 – TL 523.221 loss) and losses from swaps amounting to TL 165.139 (December 31, 2013 – TL 536.942 gain) is accounted for under "gains / (losses) from financial derivatives transactions" line in the accompanying financial statements. The net gain from market valuation difference of 33.986 TL, has been realized in the financial statements attached under the account "Gain/Loss from Derivative Financial Transactions".

As at balance sheet date, project finance loans amounting to TL 148.712 (December 31, 2013 – TL 164.290) were subject to hedge accounting by swaps with a nominal of TL 144.000 (December 31, 2013 – TL 159.732). In 2014 the net market valuation difference gain amounting to TL 1.504 due to the losses amounting to TL 6.583 (December 31, 2013 – TL 16.536 loss) from swaps and gains from loans amounting to TL 8.087 (December 31, 2013 – TL 17.493 gain), 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 31.322 (December 31, 2013 – TL 52.638) 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 itself against 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 a nominal of USD 301 million and EUR 70.8 million (December 31, 2013 – USD 333 million and EUR 26 million) were subject to hedge accounting by interest rate swaps with the same nominal value. On December 31, 2014, the net market valuation difference loss amounting to TL 68 due to income from Eurobonds amounting to TL 97.880 (December 31, 2013 – TL 100.381 loss) and loss from swaps amounting to TL 97.948 (December 31, 2013 – TL 100.155 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 itself against 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 a nominal of TL 102.030 (December 31, 2013 – TL 198.305) were subject to hedge accounting by swaps with the same nominal value. On December 31, 2014, the net market valuation difference gain amounting to TL 84 due to losses from government bonds amounting to TL 934 (December 31, 2013 – TL 12.760 loss) and gains from swaps amounting to TL 1.019 (December 31, 2013 – TL 14.013 gain) 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 against the changes in the interest rates related to the foreign currency bonds issued using interest rate swaps as hedging instruments. As of the balance sheet date, bonds with nominal amount of USD 650 million (December 31, 2013 – USD 367 Million) have been subject to hedge accounting with the same nominal amount of swaps. As of December 31, 2014, TL 61 net fair valuation difference loss, net of TL 10.377 (December 31, 2013 – TL 7.034 gain) income from issued bonds and TL 10.438 (December 31, 2013 – TL 7.044 losses) expense from swaps, has been recorded under "Gains / (losses) from financial derivatives transactions" on accompanying financial statements.

d) Tangible Assets

Until December 31, 2014, the Parent Bank has designated fair value hedge accounting through foreign currency fundings to be hedged from fair value changes resulting from currency changes in real estate property which has been bought in foreign currency and has a market value denominated in foreign currency. As of December 31, 2014, aforementioned hedge has been ceased and TL 60.269 fair value foreign currency gain will be amortised through the economic life of the real estate.

As of December 31, 2014, the effectiveness tests of abovementioned hedge relationships have been found to be effective.

5.2 Cash flow hedge accounting

a) Deposit

The Bank applies cash flow hedge accounting using interest rate swaps in order to hedge itself from the interest rate changes of deposits that have an average maturity until 3 month, the Bank implements cash flow hedge accounting with interest rate swaps. The Bank implements efficiency tests at the balance sheet dates for hedging purposes; the effective portions are accounted for under equity "Hedging Funds", whereas the ineffective portions are accounted for at income statement as defined in TAS 39. As at the balance sheet date, swaps amounting to TL 1.057.388 are subject to hedge accounting as hedging instruments (December 31, 2013 – TL 169.643). As a result of the mentioned hedge accounting, fair value gains before taxes amounting to TL 20.178 are accounted for under equity during the current period (December 31, 2013 – 15.383 TL gain)The ineffective portion of loss amounting to TL 127 (December 31, 2013 – TL 5 gain) is accounted for at the income statement.

As at the balance sheet date, swaps amounting to USD 1.854 million are subject to hedge accounting as hedging instruments (December 31, 2013 – USD 1.470 million). As a result of the mentioned hedge accounting, fair value losses before taxes amounting to TL 140.268 are accounted for under equity during the current period (December 31, 2013 – TL 112.448 gain). The losses amounting to TL 245 (December 31, 2013 – TL 164 gain) 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. In the current period TL 2.399 loss (December 31, 2013 – TL 4.684 loss) has been transferred from equity to income statement due to ineffectiveness or matured swaps.

As of December 31, 2014, the effectiveness tests of abovementioned hedge relationships have been found to be effective.

b) Tangible Assets

The Bank applies cash flow hedge accounting to hedge its foreign currency assets held for sale from foreign currency risk through foreign currency liabilities. As at balance sheet date foreign exchange losses amounting to TL 10.136 (December 31, 2013 – None) have been accounted under other comprehensive income.

6. Credit derivatives and risk exposures on credit derivatives

As of December 31, 2014, in the Bank's "other irrevocable commitments", there are commitments for "credit linked notes" with a nominal of USD 9.089.264 (December 31, 2013: USD 9.089.264).

As of December 31, 2014, "Credit Default Swaps" with nominal amount of USD 180.000.000 (December 31, 2013: USD 160.000.000) are included in Bank's "Swap Interest Sell Transactions." In aforementioned transaction, the Bank is the seller of the protection.

7. Information on contingent liabilities and assets

None. (December 31, 2013 – 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.

9. Information on the Bank's rating by international rating institutions

MOODY'S December 2013		FITCH April 2014		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 (YP)	NP	Long-Term TL	BBB-	Foreign Currency Rating	Stable
Short-Term Deposit Rating (TL)	NP	Short-Term TL	F3	TL Rating	Stable
Financial Strength	E+ (bl)	Long-Term National	AA+(tur)	Long Term (TL)	BB+
Appearance	Stable	Appearance	Stable	Short Term (TL)	B
		Support	3	Financial Strength Rating	BBB+
		Individual	bbb-	Financial Strength Apperance	Stable
				Support	3

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	2.550.276	56.914	2.487.150	38.922
Medium and Long-Term Loans	2.640.404	238.177	2.325.773	164.626
Non-Performing Loans	113.761	-	108.943	-
Resource Utilization Support Fund Premiums	-	-	-	-
Total	5.304.441	295.091	4.921.866	203.548

b) Information on interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank	-	-	-	-
Domestic Banks	1.549	7	464	3
Foreign Banks	232	86	304	178
Foreign Headquarters and Branches	-	-	-	-
Total	1.781	93	768	181

c) Information on interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Held-for-Trading Financial Assets	5.669	233	11.217	175
Financial Assets at FVTPL	16.499	881	30.174	1.196
Investment Securities Available for Sale	405.407	68.767	343.729	63.381
Investment Securities Held to Maturity	325.193	25.957	76.789	6.796
Total	752.768	95.838	461.909	71.548

As stated in Section Three disclosure VII, the Bank has inflation indexed (CPI) government bonds in its available for sale and held-to-maturity portfolios. As disclosed in 'Inflation Indexed Bonds Manual' published by Turkish Treasury, reference index used for the actual payments is determined based on inflation rates of two months before. The Bank determines the estimated inflation rates in line with this. Estimated inflation rate used is updated throughout the year as found necessary. In this context, as of December 31, 2014, estimated inflation rate used in valuation of such assets has been updated according to actual annual inflation rate of 8,96%. Had the above mentioned change in estimate related to those CPI linked securities had not been made, interest income would decrease by TL 68.778 and security value increase fund under equity would increase by TL 14.855 after tax effect.

d) Information on interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	2.626	3.511

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	6.652	3.393	5.934	3.161
Foreign Banks	57	184.288	25	143.758
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	7.425	-	-	-
Total	14.134	187.681	5.959	146.919

b) Information on interest expense paid to associates and subsidiaries

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	27.937	24.950

c) Information on interest expense paid to securities issued

As of December 31, 2014 interest paid to securities issued is TL 317.396 (December 31, 2013 – TL 252.784).

d) Information on maturity structure of interest expenses on deposits

Current Period		Time Deposits						
Account	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year	Accumulated Deposit Account	Total
Turkish Lira								
Bank Deposits	-	12.951	6.318	1.623	288	-	-	21.180
Saving Deposits	3	154.378	1.120.822	91.882	38.827	112.144	-	1.518.056
Public Sector Deposits	-	639	3.408	51	102.588	-	-	106.686
Commercial Deposits	-	155.720	422.401	31.933	17.600	6.518	-	634.172
Other Deposits	-	3.357	73.089	13.891	53.878	3.720	-	147.935
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	3	327.045	1.626.038	139.380	213.181	122.382	-	2.428.029
Foreign Currency								
Deposits	-	23.841	158.417	10.483	6.488	12.669	-	211.898
Bank Deposits	29	19.267	3.566	248	38	-	-	23.148
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	484	-	-	-	-	-	484
Total	29	43.592	161.983	10.731	6.526	12.669	-	235.530
Grand Total	32	370.637	1.788.021	150.111	219.707	135.051	-	2.663.559

Information on maturity structure of interest expense on deposits

Prior Period		Time Deposits						
Account	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year	Accumulated Deposit Account	Total
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								
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



e) Information on interest expense on repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expense on Repurchase Agreements ^(*)	211.828	7.448	93.100	6.498

(*) Disclosed in "Interest on Money Market Transactions".

f) Information on finance lease expenses

	Current Period	Prior Period
Finance Lease Expenses	330	314

g) Information on interest expense on factoring payables

None (December 31, 2013 – None)

3. Information on dividend income

	Current Period	Prior Period
From Trading Securities	83	-
From Financial assets at fair value through profit and loss	-	-
From Available for Sale Financial Assets	-	7
Other	8.959	12.145
Total	9.042	12.152

4. Information on trading income/loss

	Current Period	Prior Period
Trading Income	10.933.857	8.573.835
Gains on Capital Market Operations	81.784	223.815
Derivative Financial Instruments	3.496.133	2.577.006
Foreign Exchange Gains	7.355.940	5.773.014
Trading Loss (-)	11.196.634	8.788.840
Losses on Capital Market Operations	63.229	61.289
Derivative Financial Instruments	3.815.603	2.851.915
Foreign Exchange Losses	7.317.802	5.875.636
Net Trading Income/Loss	(262.777)	(215.005)

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. In current period, the Parent Bank has recorded a sales profit of TL 196.377 from the sale of its legally nonperforming loan receivables and the amount was recorded under "Other Operating Income."

6. Provision for losses on loans and other receivables

	Current Period	Prior Period
Specific Provisions For Loans and Other Receivables	868.348	873.777
Loans and Receivables in Group III	164.709	(49.797)
Loans and Receivables in Group IV	322.682	143.573
Loans and Receivables in Group V	380.957	780.001
Doubtful Fee, Commission and Other Receivables	-	-
General Provisions	126.370	198.607
General Reserves for Possible Risks	82.000	-
Provision Expenses for Possible Losses	4.310	2.277
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	(5.485)	5.987
Total	1.075.543	1.080.751

7. Information on other operating expenses

	Current Period	Prior Period
Personnel costs	941.283	904.751
Reserve for employee termination benefits	10.286	10.321
Provision for pension fund deficits	-	-
Impairment losses on tangible assets	-	705
Depreciation charge of tangible assets	133.290	102.658
Impairment losses on intangible assets	-	-
Impairment losses on goodwill	-	-
Amortization charge of intangible assets	78.967	61.865
Impairment losses on investments under equity method of accounting	-	-
Impairment losses on assets to be disposed of	83	1.048
Depreciation on assets to be disposed	3.906	5.470
Impairment charge of assets held for sale and discontinued operations	-	-
Other operating expenses	809.706	807.323
Operational lease related expenses	206.867	174.458
Repair and maintenance expenses	77.327	62.480
Advertisement expenses	69.291	103.776
Other expenses	456.221	466.609
Losses on sales of assets	640	334
Other	355.576	399.744
Total	2.333.737	2.294.219

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

For the period ended December 31, 2014, net interest income in regards to continued operations of TL 3.088.311 (December 31, 2013 – 3.163.146), net fees and commission income of TL 1.333.530 (December 31, 2013 – TL 1.031.522) and other operating income of TL 383.383 (December 31, 2013 – TL 320.749) 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, 2014, the Bank has recorded tax charge TL 221.066 (December 31, 2013 – TL 229.625) and a deferred tax charge of TL 43.715 (December 31, 2013 – TL 26.270 deferred tax gain) from its continuing operations.

9.2. Explanations on operating profit/loss after taxes

None (December 31, 2013 – None).

10. Explanations on net profit/(loss) from continued and discontinued operations

Net profit of the Bank from continued operations is TL 877.428 (December 31, 2013 – TL 734.239).

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, 2013 – None).

11.2. Effect of changes in accounting estimates on income statement for the current and for subsequent periods.

Please refer to Section V. No I.6.j.2

11.3. There is no profit or loss attributable to minority shares.**11.4. There are no changes in the nature and amount of 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, while fees and commissions given to credit cards are recorded in the "Others" line under "Fees and Commissions Paid" account by the Bank.

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 increase of TL 170.344 (December 31, 2013 – TL 486.124 net decrease) 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 27, 2014, it was decided to distribute the 2013 profit as follow:

2013 profit distribution table:

Current Year Profit	734.239
A - I. Legal Reserve (Turkish Commercial Code 466/1) at 5%	(36.712)
B - The First Dividend for Shareholders ^(*)	(135.000)
C - Profit from Disposal of Associates	-
D- II. Legal Reserves	-
E- Gains on Real estate Sales Fund	-
F - Extraordinary Reserves ((562.527)
^(*) Bedelsiz hisse senedi olarak dağıtılmıştır.	

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 Reserved from Retained Earnings	36.712	45.117

4. Information on issuance of share certificates

5.1. The rights, priorities and restrictions regarding the share capital including distribution of income and repayment of the capital

None (December 31, 2013- None).

6. 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.



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 1.131.101 (December 31, 2013 – TL 1.214.116) in "Operating profit before changes in operating assets and liabilities" consist of commissions paid amounting to TL 222.950 (December 31, 2013 – TL 140.131), net trading income/loss by TL 657.404 (December 31, 2013 – TL 1.043.417 net trading income/loss) and other operating expenses amounting to TL 250.747 (December 31, 2013 – TL 30.568).

"Other items" in changes in operating assets amounting to TL 29.943 (December 31, 2013- TL 49.928) consist of the decrease in collaterals given by TL 88.110 (December 31, 2013- TL 109.161 decrease) and the increase in other assets by TL 58.167 (December 31, 2013 - TL 59.233 decrease).

"Other items" in changes in operating liabilities amounting to TL 850.817 (December 31, 2013- TL 4.117.429) consist of the increase in money market borrowings by TL 444.711 (December 31, 2013- TL 1.975.516 increase) and the increase in sundry debtors and other liabilities by TL 406.106 (December 31, 2013- TL 2.201.913 increase).

"Other items" in changes in net cash provided from banking operations amounting to TL 104.610 (December 31, 2013 – TL 387.336) does not include the increase in intangible assets by TL 25.643 (December 31, 2013 – TL 90.749) and TL advances given (December 31, 2013 - TL 296.587).

Information regarding the balances of cash and cash equivalents at the beginning of the period

	Current Period	Prior Period
	January 1, 2014	January 1, 2013
Cash	1.047.161	653.019
Cash in TL	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	302.866	110.816
Money Market Placements	-	1.785.748
Less: Placements with Banks with Maturities Longer than 3 Months	(4.144)	(28)
Less: Accruals	(143)	-
Cash and Cash Equivalents	2.098.546	3.514.657

3. Information regarding the balances of cash and cash equivalents at the end of the period

	Current Period	Prior Period
	December 31, 2014	December 31, 2013
Cash	839.439	1.047.161
Cash in TL	590.424	633.496
Cash in Foreign Currencies	248.652	413.140
Other	363	525
Cash Equivalents	2.028.549	1.051.385
Balances with the T.R. Central Bank	1.601.665	752.806
Banks	238.219	302.866
Money Market Placements	200.062	-
Less: Placements with Banks with Maturities Longer than 3 Months	(10.369)	(4.144)
Less: Accruals	(1.028)	(143)
Cash and Cash Equivalents	2.867.988	2.098.546

4. Restricted cash and cash equivalents due to legal requirements or other reasons

A portion of foreign bank accounts amounting to TL 5.473 (December 31, 2013- TL 3.258) includes blocked cash for foreign money and capital market transactions and for 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.



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, 2014, the Bank's risk group has deposits, cash and non-cash loans at the Bank amounting to TL 417.132 (December 31, 2013 - TL 395.261) deposit, TL 159.272 (December 31, 2013 - TL 110.670) cash loan and TL 54.733 (December 31, 2013 - TL 58.604) non-cash loans respectively.

Current Period

Bank's Risk Group (*)			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	110.670	25.402	-	32.895	-	307
Balance at the End of the Period	157.557	19.742	1.716	34.288	-	702
Interest and Commission Income	2.626	84	6	75	-	5

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	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	-	-	-

(*) As described in the Article 49 of Banking Law No 5411.

(**) Includes the loans given to the Bank's indirect subsidiaries.

(***) Represents December 31, 2013 balance.

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	359.891	403.106	18.776	18.692	16.594	8.107
Balance at the End of the Period	380.996	359.891	17.036	18.776	19.100	16.594
Interest on deposits(***)	27.937	24.950	-	-	841	395

(*) As described in the Article 49 of Banking Law No 5411.

(**) Includes the deposits taken to the Bank's indirect subsidiaries.

(***) Prior Period represents December 31, 2013 balance.

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	130.397	393.221	177.748	4.711
End of the Period	140.998	-	134.496	130.397	102.824	177.748
Total Income/Loss ^(***)	(1.357)	544	(5.336)	22.706	1.070	1.367
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.

(***) Represents December 31, 2013 balance.

1.4. As of December 31, 2014, the total amount of remuneration and bonuses paid to top management of the Bank is TL 41.320 (December 31, 2013- TL 40.522).

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, 2014, cash loans of the risk group represented 0,3% of the Bank's total cash loans (December 31, 2013 – 0,3%), the deposits represented 0,9% of the Bank's total deposits (December 31, 2013 – 1,0%) and derivative transactions represented 0,2% of the Bank's total derivative transactions (December 31, 2013 – 0,3%).

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, 2014, the Bank has net finance lease payables to Finans Finansal Kiralama A.Ş. amounting to TL 2.546 (December 31, 2013 - TL 2.915) relating with finance lease agreements.

Total of investment 20 funds established by the Bank are all managed by 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 National Bank of Greece is explained under Section 5, Part II. footnote 12.

The Bank provides agency services to Cigna 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	657	12.823			
			Country		
Foreign Representation	-	-	-		
				Total Assets	Capital
Foreign Branch	-	-	-	-	-
Off-shore Banking and Region Branches	1	7	1- Bahrain	8.956.315	-

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

The Parent Bank has issued, on January 14, 2015, bonds with a nominal amount of TL 5.200 with 9,00% interest rate and 177 days maturity.

In addition, the Parent Bank has issued, on January 22, 2015, bonds with a nominal amount of USD 15 million with 2,05% interest rate and 366 days maturity.

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

The Bank's Board of Directors has decided to apply to Capital Markets Board ("CMB") along with the first draft of prospectus prepared for secondary public offering and within this framework has decided to increase the Bank's capital by TL 715.000 to TL 3.550.000 from TL 2.835.000 through right issues and for the increased amount to be received in cash, to restrict stock carrying rights of all existing shareholders of the secondary public offering in accordance with Turkish Commercial Code ("TCC") and CMB regulations and for the issued capital to be issued through public offering in accordance with CMB regulations; for the issued rights to be distributed to right owners as reserved rights in accordance with CMB's and Central Registry Agency ("MKK") regulations for reserved rights. Finans Yatırım Menkul Değerler A.Ş. has been appointed to carry out the public offering process. It has been decided to make necessary applications to BRSA and CMB and for the pricing to be determined by the Board of Directors separately. In accordance with subject Board of Directors decision application has been made to CMB on October 23, 2014.

SECTION SEVEN**INDEPENDENT AUDIT REPORT**

I. Explanations on the Independent Audit Report

The unconsolidated financial statements for the period ended December 31, 2014 have been audited by GüneyBağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of Ernst&Young Global Limited). The auditor's report dated February 5, 2015 is presented preceding the unconsolidated financial statements.

II. Explanations on the notes prepared by Independent Auditors

None (December 31, 2013 – None).

FİNANSBANK ANONİM ŞİRKETİ

**INDEPENDENT AUDITOR'S AUDIT
REPORT, CONSOLIDATED FINANCIAL
STATEMENTS AND NOTES FOR THE
PERIOD ENDED DECEMBER 31, 2014**



Güney Bağımsız Denetim ve
Serbest Muhasebeci
Mali Müşavirlik A.Ş. (Ernst & Young)
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To the Board of Directors of
Finansbank Anonim Şirketi

We have audited the consolidated balance sheet of Finansbank Anonim Şirketi ("the Bank") and its consolidated subsidiaries ("the Group") at December 31, 2014 and the related consolidated income statement, consolidated statement of income and expense items accounted under shareholders' equity, consolidated statement of cash flows, consolidated statement of changes in shareholders' equity for the period then ended and a summary of significant accounting policies and other explanatory notes.

Disclosure for the responsibility of the Bank's board of directors:

The Board of Directors of the Bank is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the "Regulation on the Principles and Procedures Regarding Banks' Accounting Applications and Safeguarding of 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 the Banking Regulation and Supervision Agency. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error and selecting and applying appropriate accounting policies.

Disclosure for the Responsibility of the Authorized Audit Firm:

Our responsibility, as independent auditors, is to express an opinion on these consolidated financial statements based on our audit. Our audit has been performed in accordance with "Regulation on Authorisation and Activities of Institutions to Conduct Independent Audit in Banks" published on the Official Gazette No.26333 dated November 1, 2006 and with the Independent Auditing Standards which is a part of Turkish Auditing Standards promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA"). We planned and conducted our audit to obtain reasonable assurance as to whether the financial statements are free of 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 opinion stated below.

Basis for Qualified Opinion

As of December 31, 2014, the accompanying consolidated financial statements include a general reserve for possible risks amounting to TL 82.000 thousands which is provided by the Bank management for the possible results of the circumstances which may arise from any changes in the economy and market conditions.

Independent Auditors' Opinion

In our opinion, except for the effect of the matter referred in the preceding paragraph on the consolidated financial statements, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Finansbank Anonim Şirketi at December 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with the prevailing accounting principles and standards set out as per Article 37 and 38 of the Banking Act No: 5411, and other regulations, communiqués, circulars and pronouncements made by the Banking Regulation and Supervision Agency in respect of accounting and financial reporting.

Report on other responsibilities arising from regulatory requirements

1) In accordance with Article 402 paragraph 4 of the Turkish Commercial Code ("TCC") no 6102; no significant matter has come to our attention that causes us to believe that the Bank's bookkeeping activities for the period January 1 – December 31, 2014 are not in compliance with the code and provisions of the Bank's articles of association in relation to financial reporting.

2) In accordance with Article 402 paragraph 4 of the TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

Other matters

The consolidated financial statements of the Bank as of and for the year ended December 31, 2013 prepared in accordance with the accounting principles and standards set out by regulations in conformity with Article No:37 and 38 of the Banking Act No. 5411 were audited by another independent audit firm, who in their report dated February 27, 2014 expressed an unqualified opinion on the consolidated financial statements as of and for the year ended December 31, 2013, results of operations and cash flows in accordance with accounting principles and standards set out by regulations in conformity with Article No:37 and 38 of the Banking Act No: 5411 and other regulations, interpretations and circulars published by the Banking Regulation and Supervision Agency on accounting and financial reporting principles.

Additional paragraph for English translation:

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

Istanbul, February 5, 2015

GÜNEY BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK ANONİM ŞİRKETİ
A Member Firm Of **ERNST & YOUNG GLOBAL LIMITED**



Hatice Dilek Çilingir Kösteri,
Partner in Charge, SMMM

THE CONSOLIDATED FINANCIAL REPORT OF FINANSBANK A.Ş. FOR THE YEAR ENDED DECEMBER 31, 2014

The Bank's;
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The consolidated financial report for the year ended December 31, 2014, 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 listed below:

- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE OF THE GROUP
- FOOTNOTES AND EXPLANATIONS ON CONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- INDEPENDENT AUDITOR'S AUDIT REPORT

Within the context of this financial report for the year ended, the consolidated subsidiaries, entities under common control and structured entities 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

Structured Entity

1. Bosphorus Financial Services Limited
2. Istanbul Bond Company S.A.

The consolidated financial statements and related disclosures and footnotes for the year ended December 31, 2014, 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



Ali Teoman Kerman
Member of the Board of
Directors and Chairman of the
Audit Committee



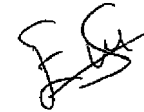
Ioannis Vagionitis
Member of the Board of
Directors and of the
Audit Committee



Feri 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,
Statutory 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, Statutory Reporting and Treasury Control
Phone Number : (0 212) 318 52 92
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SECTION ONE

GENERAL INFORMATION ABOUT THE GROUP

I. Explanatory Note on the Establishment Date, Nature of Activities and History of the Parent Bank

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 Borsa Istanbul ("BIST") (formerly known as Istanbul Stock Exchange ("ISE")) since the first public offering on February 3, 1990.

II. Information About the Parent Bank's Shareholding Structure, Shareholders Who Individually or Jointly Have the 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, 2014, 82,23% 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.

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 and commercial banking, assets management, intermediary services and investment banking.

III. Information About the Chairman and Members of Board of Directors, Members of Audit Committee, Managing Director 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	April 16, 2010	Phd
Sinan Şahinbaş	Deputy Chairman	April 16, 2010	Masters
Prof. Dr. Mustafa Aydın Aysan(*)	Board Member	March 9, 1993	Phd
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 Güzelöğlu	Board Member and Managing Director	April 16, 2010	Masters
Mustafa Hamdi Gürtin	Board Member	April 16, 2010	Masters
Ali Teoman Kerman (****)	Board Member and Head of Audit Committee	April 16, 2013	Masters
Paula Hadjisotiriou	Board Member	December 16, 2013	Masters
Georgios Koutsoudakis(*****)	Board Member	July 23, 2014	Graduate
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 19, 2008	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
Filiz Sonat	Assistant Managing Director	September 19, 2007	Graduate
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

(*) Prof. Dr. Mustafa Aydın Aysan resigned from Audit Committee as of April 24, 2014.

(**) Dr. Paul Mylonas has been appointed as member to the Audit Committee as of January 17, 2014.

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

(****) Ali Teoman Kerman has been appointed as the Head of Audit Committee as of April 24, 2014.

(*****) Georgios Koutsoudakis has been appointed as the Board Member as of July 23, 2014.

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



IV. Information About the Persons and Institutions That Have Qualified Shares on the Parent Bank

Name Surname/Trade Name	Amount of Shares	Percentage of Shares	Paid-up Shares	Unpaid Shares
National Bank of Greece S.A.	2.331.170	82,23%	2.331.170	-
NBG Finance (Dollar) PLC	274.411	9,68%	274.411	-
NBGI Holdings B.V.	223.965	7,90%	223.965	-

According to the Board of Directors decision dated September 16, 2014, it has been decided that 100 founder shares issued to National Bank of Greece in accordance with the Bank's Article of associates will be cancelled at no cost. Subject decision has been approved in the General Council meeting dated December 4, 2014. 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.

(*)According to a put option agreement between NBG and International Finance Corporation ("IFC") dated March 29, 2007, 5% of the Parent Bank's shares have been bought from IFC by the main shareholder of the Parent Bank, NBG, on September 26, 2014 and following the subject purchase as of December 31, 2014, NBG's share in the Parent Bank's capital has reached to 99,81%.

V. Explanations on the Parent Bank's Services and Activities

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, 2014, the Parent Bank operates through 656 domestic (December 31, 2013 - 672), 1 off-shore banking (December 31, 2013 - 1) and 1 Atatürk Airport Free Trade Zone (December 31, 2013 - 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

Parent Bank's joint venture Cigna Finans Emeklilik and Hayat Anonim Şirketi is consolidated using equity method as per the Regulation on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards.

Ibtech A.Ş. and E-finans Elektronik Ticaret ve Bilişim Hizmetleri A.Ş. included in investments in associates and Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. included in joint ventures are not consolidated to accompanying financial statements as per the Regulation on Preparation of Consolidated Financial Statements of Banks since they are nonfinancial investments. Bankalararası Kart Merkezi included in subsidiaries is carried at cost and not consolidated since the Parent Bank does not have material control and presence over it.

All other subsidiaries are fully consolidated.

VII. Current or Likely Actual or Legal Barriers to Immediate Transfer of Shareholders' Equity or Repayment of Debts Between Parent the Parent Bank and Its Subsidiaries

None.

SECTION TWO

CONSOLIDATED FINANCIAL STATEMENTS

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I. CONSOLIDATED BALANCE SHEET – ASSETS

		Section 5 Part I	Audited 31.12.2014			Audited 31.12.2013		
			TL	FC	Total	TL	FC	Total
I.	CASH AND BALANCES WITH THE CENTRAL BANK	(1)	1.503.288	7.160.632	8.663.920	887.790	7.320.692	8.208.482
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	1.247.255	151.764	1.399.019	1.423.069	253.498	1.676.567
2.1	Financial assets held for trading		1.149.112	151.764	1.300.876	1.237.995	253.498	1.491.493
2.1.1	Public sector debt securities		38.671	2.299	40.970	198.580	1.973	200.553
2.1.2	Equity securities		-	-	-	-	-	-
2.1.3	Assets on trading derivatives		1.103.005	149.465	1.252.470	1.029.956	251.525	1.281.481
2.1.4	Other securities		7.436	-	7.436	9.459	-	9.459
2.2	Financial assets at fair value through profit and loss		98.143	-	98.143	185.074	-	185.074
2.2.1	Public sector debt securities		-	-	-	-	-	-
2.2.2	Equity securities		-	-	-	-	-	-
2.2.3	Loans		98.143	-	98.143	185.074	-	185.074
2.2.4	Other securities		-	-	-	-	-	-
III.	BANKS	(3)	39.783	260.651	300.434	5.987	470.167	476.154
IV.	MONEY MARKET PLACEMENTS		244.425	-	244.425	3.433	-	3.433
4.1	Interbank money market placements		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money market placements		44.363	-	44.363	-	-	-
4.3	Receivables from reverse repurchase agreements	(4)	200.062	-	200.062	3.433	-	3.433
V.	INVESTMENT SECURITIES AVAILABLE-FOR-SALE (Net)	(5)	3.956.342	1.477.171	5.433.513	4.669.176	1.073.809	5.742.985
5.1	Equity securities		-	-	-	-	-	-
5.2	Public sector debt securities		3.924.071	1.444.438	5.368.509	4.633.866	1.059.507	5.693.373
5.3	Other securities		32.271	32.733	65.004	35.310	14.302	49.612
VI.	LOANS AND RECEIVABLES	(6)	42.749.678	7.333.602	50.083.280	38.052.309	4.618.996	42.671.305
6.1	Loans and receivables		42.178.321	7.333.602	49.511.923	37.543.584	4.618.996	42.162.580
6.1.1	Loans to risk group of the Bank		-	1.715	1.715	-	-	-
6.1.2	Public sector debt securities		-	-	-	-	-	-
6.1.3	Other		42.178.321	7.331.887	49.510.208	37.543.584	4.618.996	42.162.580
6.2	Non-performing loans		2.739.971	-	2.739.971	2.965.853	-	2.965.853
6.3	Specific provisions (-)		2.168.614	-	2.168.614	2.457.128	-	2.457.128
VII.	FACTORING RECEIVABLES	(7)	433.642	9.570	443.212	512.851	7.806	520.657
VIII.	INVESTMENT SECURITIES HELD TO MATURITY (Net)	(8)	3.052.566	674.657	3.727.223	2.446.859	378.920	2.825.779
8.1	Public sector debt securities		3.052.566	90.418	3.142.984	2.446.859	20.820	2.467.679
8.2	Other securities		-	584.239	584.239	-	358.100	358.100
IX.	INVESTMENT IN ASSOCIATES (Net)	(9)	3.766	-	3.766	3.766	-	3.766
9.1	Equity method associates		-	-	-	-	-	-
9.2	Unconsolidated		3.766	-	3.766	3.766	-	3.766
9.2.1	Financial Investments		-	-	-	-	-	-
9.2.2	Non-financial Investments		3.766	-	3.766	3.766	-	3.766
X.	INVESTMENT IN SUBSIDIARIES (Net)	(10)	18.054	-	18.054	18.048	-	18.048
10.1	Unconsolidated financial investments		-	-	-	-	-	-
10.2	Unconsolidated non-financial investments		18.054	-	18.054	18.048	-	18.048
XI.	ENTITIES UNDER COMMON CONTROL (JOINT VENTURES) (Net)	(11)	168.047	-	168.047	177.608	-	177.608
11.1	Equity method entities under common control		165.247	-	165.247	174.808	-	174.808
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)	617.794	912.498	1.530.292	468.975	833.813	1.302.788
12.1	Financial lease receivables		752.996	1.013.007	1.766.003	561.460	921.274	1.482.734
12.2	Operational lease receivables		-	-	-	-	-	-
12.3	Others		-	-	-	-	-	-
12.4	Unearned income (-)		135.202	100.509	235.711	92.485	87.461	179.946
XIII.	DERIVATIVE FINANCIAL ASSETS HEDGING PURPOSES	(13)	1.965.902	22.844	1.988.746	1.866.369	61.426	1.927.795
13.1	Fair value hedge		1.459.151	22.844	1.481.995	1.487.743	61.426	1.549.169
13.2	Cash flow hedge		506.751	-	506.751	378.626	-	378.626
13.3	Hedging of a net investment in foreign subsidiaries		-	-	-	-	-	-
XIV.	TANGIBLE ASSETS (Net)	(14)	1.472.085	10	1.472.095	533.983	63	534.046
XV.	INTANGIBLE ASSETS (Net)	(15)	235.294	-	235.294	209.767	-	209.767
15.1	Goodwill		8.969	-	8.969	8.969	-	8.969
15.2	Others		226.325	-	226.325	200.798	-	200.798
XVI.	INVESTMENT PROPERTIES (Net)	(16)	-	-	-	-	-	-
XVII.	TAX ASSETS	(17)	62.448	-	62.448	107.583	-	107.583
17.1	Current tax assets		269	-	269	-	-	-
17.2	Deferred tax assets		62.179	-	62.179	107.583	-	107.583
XVIII.	ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(18)	63.090	-	63.090	-	-	-
18.1	Held for sale		63.090	-	63.090	-	-	-
18.2	Discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	(19)	893.032	105.235	998.267	800.887	458.068	1.258.955
	TOTAL ASSETS		58.726.491	18.108.634	76.835.125	52.188.460	15.477.258	67.665.718

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

I. CONSOLIDATED BALANCE SHEET – LIABILITIES AND EQUITY

		Audited 31.12.2014			Audited 31.12.2013		
	Section 5 Part II	TL	FC	Total	TL	FC	Total
I. DEPOSITS	(1)	27.172.782	14.722.952	41.895.734	26.304.628	11.802.374	38.107.002
1.1 Deposits from risk group of the Bank		216.657	21.655	238.312	153.012	27.593	180.605
1.2 Other		26.956.125	14.701.297	41.657.422	26.151.616	11.774.781	37.926.397
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	1.092.817	159.483	1.252.300	1.112.851	198.046	1.310.897
III. FUNDS BORROWED	(3)	498.271	5.354.813	5.853.084	542.041	4.278.910	4.820.951
IV. MONEY MARKET BORROWINGS		2.784.569	1.431.183	4.215.752	2.638.931	1.141.561	3.780.492
4.1 Interbank money markets takings		-	-	-	50.000	-	50.000
4.2 Istanbul Stock Exchange money markets takings		59.332	-	59.332	62.210	-	62.210
4.3 Funds provided under repurchase agreements	(4)	2.725.237	1.431.183	4.156.420	2.526.721	1.141.561	3.668.282
V. SECURITIES ISSUED (Net)	(5)	2.325.486	3.500.012	5.825.498	2.160.812	1.793.767	3.954.579
5.1 Bills		2.000.828	262.040	2.262.868	2.057.078	-	2.057.078
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		324.658	3.237.972	3.562.630	103.734	1.793.767	1.897.501
VI. FUNDS		-	-	-	-	-	-
6.1 Borrower funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
VII. SUNDRY CREDITORS		1.647.221	2.178.437	3.825.658	1.417.764	2.031.963	3.449.727
VIII. OTHER LIABILITIES	(6)	935.304	131.185	1.066.489	867.142	76.561	943.703
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)	202.104	149.976	352.080	7.648	75.101	82.749
11.1 Fair value hedge		70.738	149.976	220.714	-	75.101	75.101
11.2 Cash flow hedge		131.366	-	131.366	7.648	-	7.648
11.3 Hedge of net investments in foreign subsidiaries		-	-	-	-	-	-
XII. PROVISIONS	(9)	1.451.752	-	1.451.752	1.207.228	84.572	1.291.800
12.1 General provisions		942.661	-	942.661	731.719	84.572	816.291
12.2 Restructuring provisions		-	-	-	-	-	-
12.3 Reserve for employee benefits		211.867	-	211.867	220.328	-	220.328
12.4 Insurance technical provisions (Net)		-	-	-	-	-	-
12.5 Other provisions		297.224	-	297.224	255.181	-	255.181
XIII. TAX LIABILITY	(10)	177.452	-	177.452	109.638	-	109.638
13.1 Current tax liability		175.964	-	175.964	108.308	-	108.308
13.2 Deferred tax liability		1.488	-	1.488	1.330	-	1.330
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)	-	2.121.712	2.121.712	-	1.950.719	1.950.719
XVI. SHAREHOLDERS' EQUITY		8.854.233	(56.619)	8.797.614	8.000.029	(136.568)	7.863.461
16.1 Paid-in capital	(13)	2.835.000	-	2.835.000	2.700.000	-	2.700.000
16.2 Capital reserves		(84.398)	(56.619)	(141.017)	(22.675)	(136.568)	(159.243)
16.2.1 Share premium	(14)	714	-	714	714	-	714
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Securities value increase fund	(15)	4.763	(56.619)	(51.856)	(85.632)	(136.568)	(222.200)
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)		-	-	-	-	-	-
16.2.8 Hedging funds (effective portion)		(40.479)	-	(40.479)	95.987	-	95.987
16.2.9 Accumulated valuation differences from assets held for sale and discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		(49.396)	-	(49.396)	(33.744)	-	(33.744)
16.3 Profit reserves		4.853.036	-	4.853.036	4.210.843	-	4.210.843
16.3.1 Legal reserves		402.779	-	402.779	363.631	-	363.631
16.3.2 Status reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		4.450.257	-	4.450.257	3.847.212	-	3.847.212
16.3.4 Other profit reserves		-	-	-	-	-	-
16.4 Profit or loss		1.072.420	-	1.072.420	948.925	-	948.925
16.4.1 Prior years' income/ (losses)		171.732	-	171.732	202.774	-	202.774
16.4.2 Current period income/ (loss)		900.688	-	900.688	746.151	-	746.151
16.5 Minority shares		178.175	-	178.175	162.936	-	162.936
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		47.141.991	29.693.134	76.835.125	44.368.712	23.297.006	67.665.718

II. CONSOLIDATED STATEMENT OF OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES

	Section 5 Part III	Audited 31.12.2014			Audited 31.12.2013		
		TL	FC	TOTAL	TL	FC	TOTAL
A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)		88.950.232	81.070.293	170.020.525	70.483.727	62.693.666	133.177.393
I. GUARANTEES	(1), (2), (3), (4)	5.214.732	3.945.677	9.160.409	4.170.445	2.947.967	7.118.412
1.1. Letters of guarantee		5.205.798	2.208.929	7.414.727	4.162.774	1.777.802	5.940.576
1.1.1. Guarantees subject to State Tender Law		238.293	28.417	266.710	173.860	24.805	198.665
1.1.2. Guarantees given for foreign trade operations		2.895.013	2.180.512	5.075.525	2.619.423	1.752.997	4.372.420
1.1.3. Other letters of guarantee		2.072.492	-	2.072.492	1.369.491	-	1.369.491
1.2. Bank loans		8.934	903.353	912.287	7.668	602.163	609.831
1.2.1. Import letter of acceptance		8.934	903.353	912.287	7.668	602.163	609.831
1.2.2. Other bank acceptances		-	-	-	-	-	-
1.3. Letters of credit		-	812.318	812.318	3	548.603	548.606
1.3.1. Documentary letters of credit		-	614.869	614.869	3	531.441	531.444
1.3.2. Other letters of credit		-	197.449	197.449	-	17.162	17.162
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		-	21.077	21.077	-	19.399	19.399
1.9. Other collaterals		-	-	-	-	-	-
II. COMMITMENTS		29.112.513	2.365.704	31.478.217	25.084.936	1.696.831	26.781.767
2.1. Irrevocable commitments		29.008.708	1.907.143	30.915.851	24.976.518	751.500	25.728.018
2.1.1. Forward asset purchase commitments		688.063	1.862.257	2.550.320	327.259	749.594	1.076.853
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		8.536.833	232	8.537.065	5.424.542	213	5.424.755
2.1.5. Securities underwriting commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7. Payment commitment for checks		2.420.299	-	2.420.299	2.060.004	-	2.060.004
2.1.8. Tax and fund liabilities from export commitments		7.626	-	7.626	6.988	-	6.988
2.1.9. Commitments for credit card expenditure limits		16.812.040	-	16.812.040	17.067.174	-	17.067.174
2.1.10. Commitments for promotions related with credit cards and banking activities		22.604	-	22.604	38.002	-	38.002
2.1.11. Receivables from short sale commitments		-	-	-	-	-	-
2.1.12. Payables for short sale commitments		-	-	-	-	-	-
2.1.13. Other irrevocable commitments		521.243	44.654	565.897	52.549	1.693	54.242
2.2. Revocable commitments		103.805	458.561	562.366	108.418	945.331	1.053.749
2.2.1. Revocable loan granting commitments		103.805	458.561	562.366	108.418	351.395	459.813
2.2.2. Other revocable commitments		-	-	-	-	593.936	593.936
III. DERIVATIVE FINANCIAL INSTRUMENTS	(5)	54.622.987	74.758.912	129.381.899	41.228.346	58.048.868	99.277.214
3.1. Derivative financial instruments for hedging purposes		13.357.379	16.633.829	29.991.208	10.309.736	13.695.907	24.005.643
3.1.1. Fair value hedge		6.870.913	12.335.168	19.206.081	6.675.930	10.559.020	17.234.950
3.1.2. Cash flow hedge		6.486.466	4.298.661	10.785.127	3.633.806	3.136.887	6.770.693
3.1.3. Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2. Held for trading transactions		41.265.608	58.125.083	99.390.691	30.918.610	44.352.961	75.271.571
3.2.1. Forward foreign currency buy/sell transactions		2.329.798	2.771.354	5.101.152	3.023.815	3.576.802	6.600.617
3.2.1.1. Forward foreign currency transactions-buy		1.305.411	1.244.832	2.550.243	1.406.707	1.895.433	3.302.140
3.2.1.2. Forward foreign currency transactions-sell		1.024.387	1.526.522	2.550.909	1.617.108	1.681.369	3.298.477
3.2.2. Swap transactions related to foreign currency and interest rates		35.823.945	47.942.651	83.766.596	21.637.234	30.774.780	52.412.014
3.2.2.1. Foreign currency swap-buy		19.228.003	17.891.715	37.119.718	12.583.337	9.313.810	21.897.147
3.2.2.2. Foreign currency swap-sell		15.666.682	21.437.538	37.104.220	7.761.087	14.046.448	21.807.535
3.2.2.3. Interest rate swaps-buy		464.630	4.306.699	4.771.329	646.405	3.536.517	4.182.922
3.2.2.4. Interest rate swaps-sell		464.630	4.306.699	4.771.329	646.405	3.878.005	4.524.410
3.2.3. Foreign currency, interest rate and securities options		3.110.969	6.955.232	10.066.201	6.257.051	9.817.419	15.874.470
3.2.3.1. Foreign currency options-buy		1.502.096	3.520.388	5.022.484	3.031.745	4.927.476	7.959.221
3.2.3.2. Foreign currency options-sell		1.608.873	3.434.844	5.043.717	3.225.306	4.689.943	7.915.249
3.2.3.3. Interest rate options-buy		-	-	-	-	-	-
3.2.3.4. Interest rate options-sell		-	-	-	-	-	-
3.2.3.5. Securities options-buy		-	-	-	-	-	-
3.2.3.6. Securities options-sell		-	-	-	-	-	-
3.2.4. Foreign currency futures		896	38.444	39.340	510	42.472	42.982
3.2.4.1. Foreign currency futures-buy		448	19.222	19.670	255	21.236	21.491
3.2.4.2. Foreign currency futures-sell		448	19.222	19.670	255	21.236	21.491
3.2.5. Interest rate futures		-	-	-	-	-	-
3.2.5.1. Interest rate futures-buy		-	-	-	-	-	-
3.2.5.2. Interest rate futures-sell		-	-	-	-	-	-
3.2.6. Other		-	417.402	417.402	-	341.488	341.488
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		407.530.063	69.547.687	477.077.750	315.542.822	66.407.768	381.950.590
IV. ITEMS HELD IN CUSTODY		15.754.863	2.011.045	17.765.908	10.043.403	1.183.406	11.226.809
4.1. Assets under management		4.064.430	1.590	4.066.020	3.513.680	6.252	3.519.932
4.2. Investment securities held in custody		1.232.314	757.722	1.990.036	2.005.410	337.766	2.343.176
4.3. Checks received for collection		2.310.295	309.252	2.619.547	1.756.326	231.738	1.988.064
4.4. Commercial notes received for collection		663.699	142.261	805.960	521.071	93.224	614.295
4.5. Other assets received for collection		-	-	-	-	-	-
4.6. Assets received for public offering		-	-	-	-	-	-
4.7. Other items under custody		7.484.125	800.220	8.284.345	2.246.913	514.426	2.761.339
4.8. Custodians		-	-	-	3	-	3
V. PLEDGED ITEMS		234.715.130	31.709.225	266.424.355	176.311.088	24.357.446	200.668.534
5.1. Marketable securities		620.378	2.260.821	2.881.199	503.325	643.935	1.147.260
5.2. Guarantee notes		181.761	52.651	234.412	142.011	38.261	180.272
5.3. Commodity		41.344	-	41.344	27.266	-	27.266
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		57.209.764	11.327.616	68.537.380	46.396.463	7.993.070	54.389.533
5.6. Other pledged items		176.661.883	18.068.137	194.730.020	129.242.023	15.682.180	144.924.203
5.7. Pledged items-depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		157.060.070	35.827.417	192.887.487	129.188.331	40.866.916	170.055.247
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		496.480.295	150.617.980	647.098.275	386.026.549	129.101.434	515.127.983

III. CONSOLIDATED INCOME STATEMENT

			Audited 01.01 - 31.12.2014	Audited 01.01 - 31.12.2013
		Section 5 Part IV.		
I.	INTEREST INCOME	(1)	6.700.863	5.818.835
1.1	Interest on loans		5.596.739	5.128.313
1.2	Interest received from reserve deposits		538	-
1.3	Interest received from banks		6.507	4.474
1.4	Interest received from money market placements		45.136	8.291
1.5	Interest received from marketable securities portfolio		853.052	534.363
1.5.1	Held-for-trading financial assets		10.344	13.341
1.5.2	Financial assets at fair value through profit and loss		17.384	31.379
1.5.3	Available-for-sale financial assets		474.174	406.058
1.5.4	Investments held-to-maturity		351.150	83.585
1.6	Finance lease income		132.799	102.774
1.7	Other interest income		66.092	40.620
II.	INTEREST EXPENSE	(2)	3.496.338	2.549.868
2.1	Interest on deposits		2.652.784	1.972.161
2.2	Interest on funds borrowed		282.935	206.385
2.3	Interest on money market borrowings		226.551	103.651
2.4	Interest on securities issued		328.255	252.784
2.5	Other interest expense		5.813	14.887
III.	NET INTEREST INCOME (I - II)		3.204.525	3.268.967
IV.	NET FEES AND COMMISSIONS INCOME		1.396.983	1.086.758
4.1	Fees and commissions received		1.616.280	1.231.675
4.1.1	Non-cash loans		50.706	42.670
4.1.2	Other		1.565.574	1.189.005
4.2	Fees and commissions paid		219.297	144.917
4.2.1	Non-cash loans		1.576	1.088
4.2.2	Other		217.721	143.829
V.	DIVIDEND INCOME	(3)	263	147
VI.	NET TRADING INCOME	(4)	(251.727)	(205.454)
6.1	Securities trading gains/ (losses)		20.270	162.360
6.2	Gains / (losses) Financial derivative transactions		(307.721)	(270.990)
6.3	Foreign exchange gains/ (losses)		35.724	(96.824)
VII.	OTHER OPERATING INCOME	(5)	385.552	321.674
VIII.	NET OPERATING INCOME (III+IV+V+VI+VII)		4.735.596	4.472.092
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)	1.100.491	1.103.391
X.	OTHER OPERATING EXPENSES (-)	(7)	2.443.011	2.382.845
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		1.192.094	985.856
XII.	AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-
XIII.	GAIN / (LOSS) ON EQUITY METHOD		(601)	(11.338)
XIV.	GAIN / (LOSS) ON NET MONETARY POSITION		-	-
XV.	PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)	(8)	1.191.493	974.518
XVI.	TAX CHARGE FOR CONTINUED OPERATIONS (±)	(9)	(275.554)	(216.428)
16.1	Current income tax charge		(235.839)	(250.376)
16.2	Deferred tax charge / benefit		(39.715)	33.948
XVII.	NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	(10)	915.939	758.090
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)	915.939	758.090
23.1	Group's profit/loss		900.688	746.151
23.2	Minority shares		15.251	11.939
	Earnings per share		0,03177	0,02632

IV. CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY

		Audited 01.01 – 31.12.2014	Audited 01.01 – 31.12.2013
I.	ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS		
II.	TANGIBLE ASSETS REVALUATION DIFFERENCES	247.740	(443.111)
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)	-	-
VI.	PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGE OF NET INVESTMENT IN FOREIGN OPERATIONS (EFFECTIVE PORTION OF FAIR VALUE DIFFERENCES)	(172.981)	127.832
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	-	-
IX.	DEFERRED TAX OF VALUATION DIFFERENCES	(19.565)	5.443
X.	TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)	(5.847)	77.157
XI.	PROFIT/LOSS	49.347	(232.679)
11.1	Change in fair value of marketable securities (Transfer to Profit/Loss)	(31.121)	(75.709)
11.2	Reclassification and transfer of derivatives accounted for cash flow hedge purposes recycled to Income Statement	(33.520)	(80.393)
11.3	Transfer of hedge of net investments in foreign operations recycled to Income Statement	2.399	4.684
11.4	Other	-	-
XII.	TOTAL PROFIT/LOSS ACCOUNTED FOR IN THE PERIOD (X±XI)	18.226	(308.388)

FINANSBANK ANONİM ŞİRKETİ

Consolidated statement of changes in shareholders' equity for the period ended december 31, 2014
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Audited	Section 2 Part V	Paid-in Capital	Effect of Inflation Accounting on Capital and Other Capital Reserves	Share Cancellation Premium	Share Certificate Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/ (Loss)	Prior Period 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 Assets from Disc. Op. Shareholders	Total Equity Attributable to the Parent Shareholders	Minority Shares	Total Shareholders' Equity
Prior period - 01.01.-																			
I. 31.12.2013		2.565.000	-	714	-	314.251	-	3.080.669	(38.098)	-	1.153.457	196.555	-	-	(10.026)	-	7.262.522	149.762	7.412.284
Changes in period																			
II. Increase/decrease related to merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Marketable securities valuation differences	(1)	-	-	-	-	-	-	-	-	-	-	(418.755)	-	-	-	-	(418.755)	-	(418.755)
IV. Hedging funds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Hedge of net Cash-flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Tangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Intangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonus shares obtained from associates, subsidiaries and entities under common control		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign exchange differences	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Effect of change in associates' equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Capital increase	(5)	135.000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal sources		135.000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Share premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Inflation adjustment to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other ^(*)		-	-	-	-	-	-	240(*)	4.354	-	-	-	-	-	-	-	-	1.235	5.829
XVII. Period net income/ (loss)		-	-	-	-	-	-	-	-	746.151	-	-	-	-	-	-	4.594	11.939	758.090
XVIII. Profit distribution	(3)	-	-	-	-	49.380	-	901.303	-	-	(950.683)	-	-	-	-	-	-	-	-
18.1 Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfers to reserves		-	-	-	-	49.380	-	901.303	-	-	(950.683)	-	-	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance (I+II+III+...+XVI+XVII+XVIII)		2.700.000	-	714	-	363.631	-	3.847.212	(33.744)	746.151	202.774	(222.200)	-	-	95.987	-	7.700.525	162.936	7.863.461

(*) Includes the effect of change in ownership of Finans Yatırım Ortaklığı A.Ş. Under Liquidation: from 82.2 % to 85.07 % in the prior year.

FINANSBANK ANONİM ŞİRKETİ

Consolidated statement of changes in shareholders' equity for the period ended december 31, 2014
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Audited	Section 5 Part II.13	Paid-in Capital	Effect of Inflation Accounting on Capital and Other Capital Reserves	Share Premium	Share Cancellation Profits	Legal Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/ (Loss)	Prior Period 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 Assets from Disc. Op.	Total Equity Attributable to the Parent Shareholders	Non- controlling interest	Total Shareholders' Equity
Current period - 01.01. -																		
31.12.2014																		
I. Beginning Balance		2.700.000	-	714	-	363.631	-	3.847.212	(33.744)	948.925	(222.200)	-	-	95.987	-	7.700.525	162.936	7.863.461
II. Increase/decrease related to merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Marketable securities valuation differences	(1)	-	-	-	-	-	-	-	-	-	170.344	-	-	-	-	170.344	-	170.344
IV. Hedging funds (effective portion)		-	-	-	-	-	-	-	-	-	-	-	-	(136.466)	-	(136.466)	-	(136.466)
4.1. Cash-flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	(136.466)	-	(136.466)	-	(136.466)
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. Disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Effect of change in associates' 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		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Period net income/ (loss)		-	-	-	-	-	-	-	900.688	-	-	-	-	-	-	(15.652)	(12) ^(*)	(15.664)
XVIII. Profit distribution	(3)	-	-	-	-	39.148	-	738.045	-	(777.193)	-	-	-	-	-	900.688	15.251	915.939
18.1. Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2. Transfers to reserves		-	-	-	-	39.148	-	738.045	-	(777.193)	-	-	-	-	-	-	-	-
18.3. Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance (I+II+III+...+ XVI+XVII+XVIII)		2.835.000	-	714	-	402.779	-	4.450.257	(49.396)	171.732	(51.856)	-	-	(40.479)	-	8.619.439	178.175	8.797.614

(*) Includes the effect of change in ownership of Finans Yatırım Ortaklığı A.Ş. Under Liquidation from 76,10 % to 76,13 % in the current year.

VI. CONSOLIDATED CASH FLOW STATEMENT

		Audited 01.01- 31.12.2014	Audited 01.01 – 31.12.2013
	Section 5 Part VI		
A.	CASH FLOWS FROM / (TO) BANKING OPERATIONS		
1.1	Operating profit before changes in operating assets and liabilities (+)	2.387.723	1.902.909
1.1.1	Interest received (+)	6.392.148	5.765.623
1.1.2	Interest paid (-)	(3.662.657)	(2.314.638)
1.1.3	Dividend received (+)	263	147
1.1.4	Fees and commissions received (+)	1.616.834	1.232.690
1.1.5	Other income (+)	335.263	307.354
1.1.6	Collections from previously written off loans (+)	645.732	410.479
1.1.7	Payments to personnel and service suppliers (-)	(1.891.296)	(1.787.004)
1.1.8	Taxes paid (-)	(203.668)	(386.800)
1.1.9	Other (+/-)	(1)	(1.324.942)
1.2	Changes in operating assets and liabilities	(3.043.443)	(492.204)
1.2.1	Net (increase) decrease in financial assets held for trading (+/-)	163.516	(80.881)
1.2.2	Net (increase) decrease in financial assets at fair value through profit or loss (+/-)	211.138	(75.218)
1.2.3	Net (increase) decrease in due from banks (+/-)	177.320	(2.705.482)
1.2.4	Net (increase) decrease in loans (+/-)	(8.660.029)	(6.924.139)
1.2.5	Net (increase) decrease in other assets (+/-)	(1)	(323.001)
1.2.6	Net increase (decrease) in bank deposits (+/-)	72.016	248.659
1.2.7	Net increase (decrease) in other deposits (+/-)	3.655.617	4.507.911
1.2.8	Net increase (decrease) in funds borrowed (+/-)	862.121	607.526
1.2.9	Net increase (decrease) in matured payables (+/-)	-	-
1.2.10	Net increase (decrease) in other liabilities (+/-)	(1)	4.252.421
I.	Net cash provided from / (used in) banking operations (+/-)	(655.720)	1.410.705
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
II.	Net cash provided from / (used in) investing activities (+/-)	(1.192.174)	(2.334.555)
2.1	Cash paid for purchase of entities under common control, associates and subsidiaries (-)	(4.523)	(3.060)
2.2	Cash obtained from sale of entities under common control, associates and subsidiaries (+)	-	1.476
2.3	Fixed assets purchases (-)	(716.545)	(203.041)
2.4	Fixed assets sales (+)	49.087	439
2.5	Cash paid for purchase of financial assets available for sale (-)	(3.885.078)	(12.464.123)
2.6	Cash obtained from sale of financial assets available for sale (+)	4.101.719	11.945.092
2.7	Cash paid for purchase of investment securities (-)	(631.485)	(1.222.906)
2.8	Cash obtained from sale of investment securities (+)	-	-
2.9	Other (+/-)	(105.349)	(388.432)
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
III.	Net cash provided from / (used in) financing activities (+/-)	2.320.881	(761.244)
3.1	Cash obtained from funds borrowed and securities issued (+)	7.333.900	4.613.983
3.2	Cash used for repayment of funds borrowed and securities issued (-)	(5.013.019)	(5.375.227)
3.3	Capital increase (+)	-	-
3.4	Dividends paid (-)	-	-
3.5	Payments for finance leases (-)	-	-
3.6	Other (+/-)	-	-
IV.	Effect of change in foreign exchange rate on cash and cash equivalents (+/-)	224.093	348.374
V.	Net increase / (decrease) in cash and cash equivalents (I+II+III+IV)	697.080	(1.336.720)
VI.	Cash and cash equivalents at the beginning of the period (+)	2.272.098	3.608.818
VII.	Cash and cash equivalents at end of the period (V+VI)	2.969.178	2.272.098



VII. CONSOLIDATED PROFIT APPROPRIATION STATEMENT

		Audited Current Year 31.12.2014 ^(**)	Audited Prior Period 31.12.2013
I.	DISTRIBUTION OF CURRENT YEAR INCOME		
1.1	CURRENT YEAR INCOME	1,142,209	937,594
1.2	TAXES AND DUTIES PAYABLE	264,781	203,355
1.2.1	CORPORATE TAX (INCOME TAX)	221,066	229,625
1.2.2	INCOME WITHHOLDING TAX	-	-
1.2.3	OTHER TAXES AND DUTIES	43,715	(26,270)
A.	NET INCOME FOR THE YEAR (1.1-1.2)	877,428	734,239
1.3	PRIOR YEAR LOSSES(-)	-	-
1.4	FIRST LEGAL RESERVES(-)	-	36,712
1.5	OTHER STATUTORY RESERVES (-)	-	-
B.	NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5))]	877,428	697,527
1.6	FIRST DIVIDEND TO SHAREHOLDERS(-)	-	135,000
1.6.1	TO OWNERS OF ORDINARY SHARES	-	135,000 ^(***)
1.6.2	TO OWNERS OF PRIVILEGED SHARES	-	-
1.6.3	TO OWNERS OF PREFERRED SHARES	-	-
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 PRIVILEGED SHARES	-	-
1.9.3	TO OWNERS OF PREFERRED SHARES	-	-
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	-	562,527
1.13	OTHER RESERVES	-	-
1.14	SPECIAL FUNDS	-	-
II.	DISTRIBUTION OF RESERVES		
2.1	APPROPRIATED RESERVES	-	-
2.2	SECOND LEGAL RESERVES (-)	-	-
2.3	DIVIDENDS TO SHAREHOLDERS(-)	-	-
2.3.1	TO OWNERS OF ORDINARY SHARES	-	-
2.3.2	TO OWNERS OF PRIVILEGED SHARES	-	-
2.3.3	TO OWNERS OF PREFERRED SHARES	-	-
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	0,03095	0,02719
3.2	TO OWNERS OF ORDINARY SHARES(%)	%3,09	%2,72
3.3	TO OWNERS OF PRIVILEGED SHARES	-	-
3.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV.	DIVIDEND PER SHARE		
4.1	TO OWNERS OF ORDINARY SHARES	-	-
4.2	TO OWNERS OF ORDINARY SHARES(%)	-	-
4.3	TO OWNERS OF PRIVILEGED SHARES	-	-
4.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(*) According to the legislation, companies do not distribute consolidated income. In accordance with this, the distribution of income shown above belongs to the Parent Bank.

(**) The decision regarding the distribution of income for 2014 will be made in the General Committee.

(***) Bonus share distribution to Shareholders.

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, 2014 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, which refers to "Turkish Accounting Standards" ("TAS"), put into effect by Public Oversight Accounting and Auditing Standards Authority ("KGG"), and "Turkish Financial Reporting Standards" ("TFRS") issued by the "Turkish Accounting Standards Board" ("TASB") and additional explanations and notes related to them and other decrees, notes and explanations related to accounting and financial reporting principles (all "Turkish Accounting Standards" or "TAS") published by the Banking Regulation and Supervision Agency ("BRSA"). The format and detail of the publicly announced consolidated financial statements and notes to these statements have been prepared in accordance with the "Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements", published in Official Gazette no. 28337, dated June 28, 2012, and amendments to this Communiqué.

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

Explanation for Convenience Translation to English

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

2. 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 and are consistent with the accounting policies applied in the annual financial statements of the year ended December 31, 2014. The amendments of TAS and TFRS, effective as of January 1, 2014, have no material impact on the the Group's accounting policies, financial position and performance. The aforementioned accounting policies and valuation principles are explained in Notes II to XXVI below.

The consolidated financial statements have been prepared in TL, under the historical cost convention except for the financial assets and liabilities carried at fair value, which are financial assets designated at fair value through profit or loss, available for sale financial assets, subsidiaries, joint ventures, trading derivative financial assets, and hedging derivative financial assets and liabilities. In addition, carrying value of assets subject to fair value hedge but are carried at historical cost is adjusted to reflect fair value changes related to risks being hedged.

The preparation of consolidated financial statements in conformity with TAS requires the use of certain critical accounting estimates by the Bank management to exercise its judgment on the assets and liabilities of the balance sheet and contingent matters as of the balance sheet date. These estimates, which include the fair value calculations of financial instruments and impairments of financial assets are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement. Assumptions and estimates that are used in the preparation of the accompanying financial statements are explained in the following related disclosures.

The amendments of TAS and TFRS, except TFRS 9 Financial Instruments, which have been published as of reporting date but have not been effective yet, have no impact on the accounting policies, financial condition and performance of the Bank. Aforementioned standard will mainly effect Bank's classification and valuation of financial assets. Since its impact will change based on financial asset management model used and assets held as of transition date, it has not yet been detected. The Bank is still assessing the impact of TFRS 9 Financial Instruments standard.



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 in accordance with their 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 mostly 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, 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.

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 (fixed TL interest rate and 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 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 Group's foreign currency available-for-sale debt securities are explained in foreign currency risk section and the applications regarding the hedging of interest rate cash flow risk resulting from deposits 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 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, 2014 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 period end and the resulting exchange differences are recorded as foreign exchange gains and losses. Foreign currency nonmonetary items measured at fair value are converted with currency exchange rates at the time of fair value measurement. The Bank's foreign currency exchange rates for the related period ends are as follows

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
US Dollar	2,3189 TL	2,1343 TL
Euro	2,8207 TL	2,9365 TL

2.2. Total exchange rate differences that are included in net profit or loss for the year

The net exchange gain for the period that ended at December 31, 2014 is TL 35.724 TL (December 31, 2013- 96.824 TL net exchange loss).

2.3. Foreign Associates

The parent Bank does not have any foreign associates as of December 31, 2014 and December 31, 2013.

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

The accompanying consolidated financial statements are prepared in accordance with TFRS 10 "Turkish Financial Reporting Standard in regards to Consolidated Financial Statements" and BRSA's "Regulation on Preparation of Consolidated Financial Statements of Banks" published on the Official Gazette numbered 26340 and dated November 8, 2006.

The corporations included in consolidation and their places of incorporation, nature of activities and shareholding percentages are as follows:

	Consolidation Method	Place of Establishment	Subject of Operations	Effective Share of the Group (%)	
				December 31, 2014	December 31, 2013
1. Finans Yatırım Menkul Değerler A.Ş. (Finans Yatırım)	Full consolidation	Turkey	Securities Intermediary Services	99,74	99,74
2. Finans Portföy Yönetimi A.Ş. (Finans Portföy)	Full consolidation	Turkey	Portfolio Management	99,72	99,71
3. Finans Yatırım Ortaklığı A.Ş. (Finans Yatırım Ortaklığı)	Full consolidation	Turkey	Mutual Fund	76,13	76,10
4. Finans Finansal Kiralama A.Ş. (Finans Leasing)	Full consolidation	Turkey	Financial Leasing	69,00	69,01
5. Finans Faktoring Hizmetleri A.Ş. (Finans Faktoring)	Full consolidation	Turkey	Factoring Services	100,00	100,00
6. Cigna Finans Emeklilik ve Hayat A.Ş. (Cigna Finans Emeklilik)	Equity Method	Turkey	Private Pension and Insurance	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 ("CMB") 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 subsidiaries and entities under common control and those of the Parent Bank are adjusted, if material. The financial statements of the subsidiaries and entities under common control are prepared as of December 31, 2014.

1. Subsidiaries

Subsidiaries are the entities controlled directly or indirectly by the Parent Bank.

Control is defined as the power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the Bank's returns.

Subsidiaries are consolidated using the full consolidation method based on the size of their asset equity, and result of operations. Financial statements of related subsidiaries are consolidated from the date when the control is transferred to the Bank and are put out of consolidation's scope as soon as control is removed. Accounting policies applied by subsidiaries that are included in consolidated financial statements are not different from Parent Bank's accounting policies.

According to full consolidation method, 100% of subsidiaries' asset, liability, income, expense and off balance sheet items are consolidated with the Parent Bank's asset, liability, income, expense and off balance sheet items. Book value of the Group's investment in each subsidiary is netted off with Group's equity shares. Unrealized gains and losses and balances that arise due to transactions between subsidiaries within consolidation scope, have been net off. Non-controlling interests are shown separately from earnings per share on consolidated balance sheet and income statement.

2. Associates and entities under common control

The Parent Bank does not have any financial associates that are consolidated in the accompanying financial statements.

The joint venture is established locally, has its primary operations in private pension and insurance, is controlled jointly with another group with a partnership agreement, and is included in Parent Bank's capital. Subject joint venture is included in consolidated financial statements by using equity method.

Equity method is a method of accounting whereby the book value of the investor's share capital in the subsidiary or the joint venture is either added to or subtracted in proportion with investor's share from the change in the subsidiary's or joint venture's equity within the period. The method also foresees that profit will be deducted from the subsidiary's or joint venture's accordingly recalculated value.

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 (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 fair value and subsequently measured at fair value. 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.

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 as of the balance sheet date and related unrealized gains and losses are presented in the current period income statement.

Fair value of credit default swaps is calculated using internal pricing models based on market data and related unrealized gains and losses are reflected in the current period income statement.

Upon valuation of derivative instruments that are not subject to hedge accounting, differences in fair value, except for currency revolution differences, are recorded in the income statement on Gains/Losses from Derivative transactions. These foreign currency valuation differences are accounted for under "Foreign Exchange Gains/Losses" account.

In cash flow hedge accounting:

The Bank applies cash flow hedge accounting using interest swaps to hedge its TL and FC customer deposits with an average maturity of 1 month against interest rate fluctuations. The Bank implements effectiveness tests at the balance sheet dates for hedge accounting; 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.

In cash flow hedge accounting, when the hedging instrument expires, is executed or sold and when the hedge relationship becomes ineffective or is discontinued as a result of the hedge relationship being revoked; the hedging gains and losses that were previously recognized under equity are transferred to profit or loss when the cash flows of the hedged item are realized.

In fair value hedge accounting:

The Parent Bank applies fair value hedge accounting within the framework of TAS 39 using swaps to hedge a portion of its long term, fixed rate mortgage and project finance loans against possible fair value change due to market interest rate fluctuations.

The Parent Bank applies fair value hedge accounting using fx swaps to hedge long term, fixed rate, foreign currency eurobonds in its portfolio against interest rate fluctuations.

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 applies fair value hedge accounting to hedge itself against the changes in the interest rates related to long term TL government bonds with fixed coupon payment using swaps as hedging instruments.

The Parent Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to the foreign currency bonds issued using interest rate swaps as hedging instruments.

At each balance sheet date the Parent Bank applies effectiveness tests for fair value hedge accounting.

When the hedging instrument expires, is executed or sold and when the hedge relationship becomes ineffective or is discontinued as a result of the hedge relationship being revoked, adjustments made to the carrying amount of the hedged item are transferred to profit and loss with straight line method for portfolio hedges or with effective interest rate method for micro hedges. In case the hedged item is derecognized, hedge accounting is discontinued and within context of fair value hedge accounting, adjustments made to the value of the hedged item are accounted in income statement.

V. Explanations on 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 accruals of non-performing loans are cancelled and not recorded as interest income until collected.

VI. Explanations on Fees and Commission Income and Expenses

Fee 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.

VII. Explanations and Disclosures 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 Group accounts for its trading securities at fair value. The interest income that is from trading securities is presented as 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, and fair value differences are presented as "Securities Trading Gains (Losses)" in order to be in compliance with the balance sheet presentation.

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

The fair value of loans presented under "Financial Assets at Fair Value through Profit or Loss" are determined under current market conditions, taking into consideration the estimated price of a transaction at the measurement date depending on sale of an asset or transfer of a liability between market participants (in other words, exit price at measurement date from the perspective of an owner of an asset or from a debtor's).

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 during the computation 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.

The Bank has inflation indexed (CPI) government bonds in its available for sale and held-to-maturity portfolios. CPI government bonds that are constant throughout their lives and their real principal amounts are preserved from inflation. These marketable securities are valued and accounted by using effective interest rate method by considering the real coupon rates and reference inflation index at the issue date together with the index calculated by considering the estimated inflation rate as disclosed by the Turkish Treasury. As disclosed in 'Inflation Indexed Bonds Manual' published by Turkish Treasury, reference index used for the real payments is determined based on the inflation rates of two months before. The estimated inflation rate used is updated during the year when necessary.

Some portion of the Eurobond portfolio which has been recognized as available for sale securities are designated as fair value hedged items, hedged against interest rate fluctuations, 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.

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

3. Investments 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 1.601.660 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. Fair value differences accounted under the equity until the transfer date, will be amortised through the equity until the maturity of the securities. Detailed information regarding the classification given in Section Five I/8.e

4. Loans and specific provisions

Loans and receivables are carried initially by adding transaction cost to its purchase cost reflecting the fair value; 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 fx 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 Parent Bank provides general provisions in accordance with the Communiqué dated November 1, 2006, published on the Official Gazette No: 28789 "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" and accounts such provision at the liability side of the balance sheet under general loan loss provision.

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.

The general provisions and special provisions provided for loans and other provisions provided for closely monitored 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 and standard and closely monitored loans are recorded under "Other Operating Income" and interest collections are recorded under the "Interest on Loans" account.

VIII. Explanations on Impairment of Financial Assets

It is assessed whether there is objective evidence for a financial asset or group of financial assets is impaired at each balance sheet date. Provision for impairment is provided when there is an objective evidence of impairment.

A financial asset or a group of financial assets can be impaired and impairment loss will occur only if there is objective evidence that one or more events ("loss/profit events") have occurred after the initial recording of subject asset and that subject loss event/s have an impairment effect on future, approximate cash flows which can accurately be guessed. Future events that are expected to occur are not accounted, no matter how probable.

Impairment for held-to-maturity financial assets carried at amortized cost is calculated as the difference between the present value of the expected future cash flows discounted based on the "Effective interest rate method" and its carrying value. Regarding available-for-sale financial assets, impairment loss is reclassified from equity to profit or loss and is the difference between acquisition cost (less all principal repayments and amortization) and fair value, after impairment losses previously accounted for under profit or loss have been deducted.

An explanation about the impairment of loans and receivables is given in Note VII of Section Four.

IX. Explanations on Netting of Financial Instruments and Derecognition of Financial Assets

Financial assets and liabilities are offset and the net amount is reported on the balance sheet when the Group has a legally enforceable right to offset the recognized amounts and there is an intention to collect/pay the related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

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 lent against securities purchased under agreements to resell ("Reverse repos") are accounted under "Receivables from reverse repurchase agreements" on the balance sheet. The difference between the purchase and resell price determined by these repurchase agreements is accrued over the life of repurchase agreements using the "Effective interest method".

Securities that are subject to repurchase agreements as at the balance sheet date amounted to TL 4.420.738 (December 31, 2013 - TL 3.834.984).



Securities of the Parent Bank that are subject to lending transactions as at the balance sheet date amounted to TL 1.345 (December 31, 2013 – TL 6.791).

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

In accordance with IFRS 5 ("Assets Held for Sale and Discontinued Operations"), assets classified as held for sale are measured at lower of carrying value or fair value less costs to sell. Amortisation on subject asset is ended and these assets are presented separately on financial statements. An asset (or a disposal group) is regarded as "asset held for sale" only when the sale is highly probable and the asset (disposal group) is available for immediate sale in its present condition. For a highly probable sale, there must be a valid plan prepared by the management for the sale of asset including identification of possible buyers and completion of sale process. Furthermore, the asset (or a disposal group) should be actively marketed at a price consistent with its fair value. Various events and conditions may prolong the sale procedures for more than one year. In case subject delay is caused by the events and conditions beyond the entity's control and there is enough evidence that plans to sell subject asset (or a disposal group) continue subject assets continue to be classified as assets held for sale. The Bank has re-classified its real estate property with a net book value of TL 63.090 from "Tangible Assets" to "Assets held for Sale" as of December 31, 2014.

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.

The Parent Bank classifies tangible assets that were acquired due to non-performing receivables, and that do not comply with TFRS 5 criteria, in accordance with the "Communiqué Regarding the Principles and Procedures for the Disposals of Immovables and Commodities Acquired due to Receivables and for Trading of Precious Metal" published in the Official Gazette dated November 1, 2006, no.26333 as other assets and accounts for these tangible assets according to the aforementioned Communiqué.

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. Softwares have been classified as other intangible fixed assets. The useful life of softwares 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.

XIII. Explanations on Tangible Assets

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 amortization 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 the 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.

XIII. Explanations on Tangible Assets

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 in regards to amortization duration, 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.

The Parent Bank has purchased a building amounting to TL 931.008 on March 11, 2014 to be used as its Headquarters.

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 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 "Communique on Accounting Principles and Financial Statements of Leasing, Factoring and Financing Companies". Those provisions are accounted 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. These provisions are accounted for under "Factoring Receivables" at the accompanying financial statements. The provisions for lease receivables are set as per BRSA communiqué numbered 28861 and dated December 24, 2013 "Communique on Accounting Principles 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 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 other than specific and general provisions for loans and other receivables are recorded under "Other Operating Expenses"; provisions provided in the prior periods but reversed in the current year are accounted for under "Other Operating Income".

XVII. Explanations on Obligations of the Group for Employees 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 Group has reflected the retirement pay liability amount, which was calculated by an independent actuary, in the accompanying financial statements. According to IAS 19, the Group 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 in accordance with IAS 19 and reflected to the financial statements.

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

XVIII. Explanations on Taxation

1. Corporate Tax

Turkish Tax Legislation does not allow the Parent Company to prepare tax declaration from the financial statements which subsidiaries and investment associates are consolidated into. Therefore, tax provision in accompanying consolidated financial statements is determined by calculating tax provision for each corporation in consolidation scope separately.

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 deducted from the corporate taxes of the current year and shown in current tax asset and current tax liabilities.

75% of gains on disposal of subsidiary shares and real estates held in Parent Bank assets for more than two years are excepted 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 recognized as "Current Tax Charge" in the income statement and current tax effect related to transactions directly recognized in equity are reflected to equity.

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. In calculating deferred tax, legalized tax rates effective as of balance sheet date are used as per tax legislations.

Deferred tax liabilities are recognized for all temporary differences whereas deferred tax assets calculated from deductible temporary differences are only recognized if it's highly probable that these will in the future create taxable profit would be available against which the deferred tax assets can be utilized. Deferred tax asset is not provided over general reserve for possible risks and general loan loss provisions according to the circular of BRSA numbered BRSA.DZM.2/13/1-a-3 and dated December 8, 2004.

According to TAS 12, deferred taxes and liabilities resulting from different subsidiaries subject to consolidation are not presented as net; rather they are presented separately as assets and liabilities in the financial statements.

XIX. Additional Explanations on Borrowings

The Parent Bank and consolidated Group companies generate funds from domestically and internationally resident people and institutions by using debt instruments such as syndication, securitization, collateralized debt and bond issuance. Aforementioned transactions are initially recorded at transaction cost plus acquisition cost, reflective of their fair value, and are subsequently measured at amortized cost by using effective interest rate method.

XX. Explanation on Share Issues

During the current period the Bank's paid in capital has been increased by TL 135.000, paid from first dividend as "bonus share". (January 1 – December 31, 2013 - The Bank issued TL 135.000 of bonus shares; where TL 128.250 was from first dividends, TL 6.750 were from share holding disposal funds).

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.

XXII. Explanations on Government Incentives

As of December 31, 2014, the Group does not have any unused investment incentives.

XXIII. Explanation on Reporting According to Segmentation

In addition to corporate banking, retail banking and commercial banking services, the Group also provides private banking, SME banking, treasury operations and credit card services through branches and alternative channels. The Group serves its retail banking clients with time, 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 finance lease operations.

The calculations based on the income statement for retail banking (consumer banking and plastic cards), corporate and commercial banking 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 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 Parent Bank and interest and foreign currency risks resulting from market conditions. This segment is in close relation with corporate, commercial, retail, SME 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 (January 1 - December 31, 2014)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Group
Net Interest Income	1.232.083	1.151.654	820.788	3.204.525
Net Fees and Commissions Income	1.067.346	294.426	35.211	1.396.983
Other Operating Income and Net Trading Income	330.629	74.381	(271.185)	133.825
Dividend Income	-	-	263	263
Operating Income	2.630.058	1.520.461	585.077	4.735.596
Other Operating Expenses	1.457.569	799.335	186.107	2.443.011
Provision for Loan Losses and Other Receivables	623.561	396.105	80.825	1.100.491
Gain / Loss on joint venture accounted for at equity method	-	-	(601)	(601)
Profit Before Taxes	548.928	325.021	317.544	1.191.493
Provision for Tax	-	-	-	(275.554)
Net Profit/Loss	-	-	-	915.939
Total Assets	37.337.427	14.437.762	20.819.549	76.835.125
Segment Assets	37.337.427	14.437.762	20.819.549	72.594.738
Associates, Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-	-	189.867
Undistributed Assets	-	-	-	4.050.520
Total Liabilities	29.485.416	10.906.083	21.124.661	76.835.125
Segment Liabilities	29.485.416	10.906.083	21.124.661	61.516.160
Undistributed Liabilities	-	-	-	6.521.351
Equity	-	-	-	8.797.614
Other Segment Accounts	254.433	135.384	1.024.332	1.414.149
Capital Expenditures	126.959	69.625	998.625	1.195.209
Depreciation and Amortization	127.474	65.759	25.707	218.940
Value Decrease/ (Increase)	-	-	-	-

Prior Period (January 1 - December 31, 2013)	Retail Banking	Corporate and Commercial Banking	Treasury and Head Office	Total Operations of the Group
Net Interest Income	1.584.181	983.372	701.414	3.268.967
Net Fees and Commissions Income	899.240	150.043	37.475	1.086.758
Other Operating Income and Net Trading Income	280.217	75.951	(239.948)	116.220
Dividend Income	-	-	147	147
Operating Income	2.763.638	1.209.366	499.088	4.472.092
Other Operating Expenses	1.431.893	731.191	219.761	2.382.845
Provision for Loan Losses and Other Receivables	823.328	517.646	(237.583)	1.103.391
Profit Before Taxes	508.417	(39.471)	516.910	985.856
Gain / Loss on joint venture accounted for at equity method	-	-	(11.338)	(11.338)
Provision for Tax	-	-	-	(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 (Joint Ventures)	-	-	-	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	67.665.718
Undistributed Liabilities	-	-	-	5.973.952
Equity	-	-	-	7.863.461
Other Segment Accounts	292.823	151.056	28.676	474.308
Capital Expenditures	186.517	96.217	16.888	299.622
Depreciation and Amortization	106.306	54.839	11.788	172.933
Value Decrease/ (Increase)	-	-	-	1.753

XXIV. Profit Reserves and profit distribution

At the General Assembly dated March 27, 2014, the profit distribution of the Parent Bank for the year 2013 is decided as follows:

2013 profit distribution table: Current period income / (loss)

734.239

A – First Legal Reserves (Turkish Commercial Code 519/A) 5%	(36.712)
B – First Dividend to Shareholders ^(*)	(135.000)
D – Extraordinary Reserves	(562.527)

(*)It was decided to distribute the shares issued by adding first dividend to shareholders amounting to TL 135.000 to the share capital.

XXV. Profit Per Share

Profit per share listed on income statement is calculated by dividing net profit to weighted average amount of shares issued within respective year.

	Current Period	Prior Period
Group's Net Profit for the Period	900.688	746.151
Weighted Average Amount of Shares Issued (Thousands)	28.350.000	28.350.000
Earnings per Share	0,03177	0,02632

In Turkey, companies can increase capital through "bonus share" distributed from previous year earnings to current shareholders. Such "bonus share" distributions are accounted as issued shares while calculating profit per share. Accordingly, weighted average amount of shares issued used in these calculations is found through taking into consideration retroactive effects of subject share distributions. In case amount of shares issued increases after the balance sheet date but before the date of financial statement preparation due to distribution of "bonus share", profit per share is calculated taking into consideration new amount of shares.

XXVI. Explanations on Other Matters

None

SECTION FOUR

INFORMATION ON GROUP'S FINANCIAL STRUCTURE

I. Explanations Related to Consolidated Capital Adequacy Ratio

As of December 31, 2014, the Parent Bank's consolidated capital adequacy ratio is 16,90%.(December 31, 2013 – 17,16%)

Capital adequacy ratio is calculated within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (the "Regulation")", "Regulation on Credit Risk Mitigation Techniques" and "Regulation on Calculation of Risk Weighted Amounts for Securitizations" published in the Official Gazette No.28337 dated June 28, 2012 and the "Regulation 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 book" and "banking book" according to capital adequacy account.

Calculation of the risk weighted assets is made on related assets by net basis after items deducted from capital base and depreciation and provisions are reduced.

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 made as per the rates stated in the Appendix-2 of the Regulation.

Balance sheet items and the rates stated in the Article 5 of the Regulation, and non-balance sheet items whose credit equivalent risk amount are calculated, 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 of credit risk mitigation techniques used under "Regulation on Credit Risk Mitigation Techniques" are presented in Section 4, Part X. under "Explanations related to Credit Risk Mitigation Techniques".

Capital requirement for the market risk is calculated by using the standard method. Market risk for the options is calculated within the scope of 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 within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (the Regulation)" published in the Official Gazette No:28337 dated June 28, 2012 by using Basic Indicator Approach.

Consolidated and unconsolidated capital adequacy ratio

	Parent Bank								
	Risk Weightings								
Current Period	0%	10%	20%	50%	75%	100%	150%	200%	250%
Value at Credit Risk	-	-	245.829	9.465.302	15.417.255	20.617.801	2.513.757	7.994.862	676.638
Exposure Categories:	15.690.061	-	1.229.146	18.930.604	20.556.340	20.617.801	1.675.838	3.997.431	270.655
Conditional and unconditional receivables from central governments or central banks	14.850.852	-							
Conditional and unconditional receivables from regional or local governments	-	-							
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-							
Conditional and unconditional receivables from multilateral development banks	-	-							
Conditional and unconditional receivables from international organizations	-	-							
Conditional and unconditional receivables from banks and brokerage houses	-	-							
Conditional and unconditional receivables from corporates	-	-							
Conditional and unconditional retail receivables	-	-							
Conditional and unconditional receivables secured by mortgages	-	-							
Past due receivables	-	-							
Receivables defined in high risk category by BRSA	-	-							
Securities collateralized by mortgages	-	-							
Securitization positions	-	-							
Short-term receivables from banks, brokerage houses and corporates	-	-							
Investments similar to collective investment funds	-	-							
Other receivables	839.209	-							

	Consolidated								
	Risk Weightings								
Current Period	0%	10%	20%	50%	75%	100%	150%	200%	250%
Value at Credit Risk	-	-	223.770	9.449.523	15.493.670	22.857.676	2.548.004	7.994.862	676.638
Exposure Categories:	15.690.064	-	1.118.848	18.899.046	20.658.226	22.857.676	1.698.669	3.997.431	270.655
Conditional and unconditional receivables from central governments or central banks	14.850.852	-	-	1.697.937	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	4.048	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	316	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	1.114.570	2.136.621	-	29.459	-	-	-
Conditional and unconditional receivables from corporates	-	-	-	-	-	17.459.834	-	-	-
Conditional and unconditional retail receivables	-	-	-	-	20.658.226	1.825.385	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	15.064.488	-	-	-	-	-
Past due receivables	-	-	-	-	-	575.708	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	1.698.669	3.997.431	270.655
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	26.414	-	-	-
Other receivables	839.212	-	230	-	-	2.940.560	-	-	-



	Parent Bank								
	Risk Weightings								
Prior Period	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 governments or 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	-	-	-

	Consolidated								
	Risk Weightings								
Prior Period	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 governments or 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	-	-	-

Summary information related to consolidated and unconsolidated capital adequacy ratio:

	Parent Bank	Consolidated	Parent Bank	Consolidated
	Current Period ^(*)	Current Period ^(*)	Prior Period	Prior Period
Capital Requirement for Credit Risk (Value at Credit Risk * 0,08) (CRCR)	4.554.516	4.739.531	4.045.762	4.200.047
Capital Requirement for Market Risk (MRCR)	98.679	98.483	80.017	94.166
Capital Requirement for Operational Risk (ORCR)	503.912	532.294	425.090	454.568
Shareholders' Equity	10.946.807	11.346.649	9.642.750	10.188.321
Shareholders' Equity/(CRCR+MRCR+ORCR) * 12,5 * 100	%16,98	%16,90	%16,95	%17,16
Additional Tier I Capital/((CRCR+CRMR+CROR)*12,5*100)	%12,97	%12,77	-	-
Common Equity/((CRCR+CRMR+CROR)*12,5*100)	%13,24	%13,05	-	-

CRCR : Capital Requirement for Credit Risk
 MRCR : Capital Requirement for Market Risk
 ORCR : Capital Requirement for Operational Risk

(*) As of January 1, 2014 the Bank is calculating its equity according to "Communique on Banks' Equity" published on September 5, 2013 in the Official Gazette no 28756 and calculated Capital Adequacy Standard Ratio accordingly.

Components of consolidated shareholders' equity items:

	Current Period December 31, 2014
COMMON EQUITY	
Paid-in capital following all debts in terms of claim in liquidation of the Bank's	2.835.000
Share premium	714
Share cancellation profits	
Reserves	4.803.640
Gains recognized in equity as per TAS	266
Profit	1.072.420
Current Period Profit	900.688
Prior Period Profit	171.732
Provisions for Possible Risks	82.000
Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures that are not recognized in Profit	2.689
Minority shares	178.175
Common Equity Before Deductions	8.974.904
Deductions from Common Equity	
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (-).	52.122
Leasehold improvements (-)	114.885
Goodwill or other intangible assets and deferred tax liability related to these items (-)	47.095
Net deferred tax asset/liability (-)	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law (-)	-
Direct and indirect investments of the Bank in its own common equity (-)	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-).	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-).	-
Portion of mortgage servicing rights exceeding 10% of the common equity (-).	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the common equity (-).	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital (-)	-
Excess amount arising from mortgage servicing rights (-).	-
Excess amount arising from deferred tax assets based on temporary differences (-).	-
Other items to be defined by the BRSA (-)	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-
Total Deductions From Common Equity	214.102
Total Common Equity	8.760.802



	December 31, 2014
ADDITIONAL TIER I CAPITAL	
Capital amount and related premiums corresponding to preference shares that are not included in common equity	-
Debt instruments and premiums deemed suitable by BRSA (issued/obtained after 1.1.2014)	-
Debt instruments and premiums deemed suitable by BRSA (issued before 1.1.2014)	-
Additional Tier I Capital before Deductions	-
Deductions from Additional Tier I Capital	-
Direct and indirect investments of the Bank in its own Additional Tier I Capital (-)	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Portion of the total of net long positions of investments made in Additional Tier I Capital and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Other items to be defined by the BRSA (-)	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-
Total Deductions From Additional Tier I Capital	-
Total Additional Tier I Capital	-
DEDUCTIONS FROM TIER I CAPITAL	188.381
Portion of goodwill and other intangible assets and the related deferred tax liabilities which not deducted from the Common Equity as per the 1 st clause of Provisional Article 2 of the Regulation on the Equity of Banks (-)	188.381
Portion of net deferred tax assets/liabilities which is not deducted from the common equity pursuant to Paragraph 1 Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
Total Tier I Capital	8.572.421
TIER II CAPITAL	
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained after 1.1.2014)	-
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained before 1.1.2014)	2.097.617
Sources pledged to the Bank by shareholders to be used in capital increases of the Bank	-
General Loan Loss Provisions	740.552
Share of 3 rd parties in Tier II Capital	-
Tier II Capital Before Deductions	2.838.169
DEDUCTIONS FROM TIER II CAPITAL	
Direct and indirect investments of the Bank in its own Tier II Capital (-)	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Portion of the total of net long positions of investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Other items to be defined by the BRSA (-)	-
Total Deductions from Tier II Capital	-
Total Tier II Capital	2.838.169
CAPITAL BEFORE DEDUCTIONS	11.410.590
Loans granted contrary to the 50 th and 51 st Article of the Law (-)	1.856
Net book value of amounts exceeding the limit mentioned in the 1 st Paragraph of Article 57 of the Law and assets acquired against overdue receivables which could not be disposed of even though five years have passed since their acquisition date (-)	11.289
Loans granted to banks and financial institutions, including those established abroad, and to eligible shareholders of the Bank and investments made in the borrowing instruments issued by them (-)	-
Amounts to be deducted from equity as per the 2 nd Clause of Article 20 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks (-)	-
Other items to be defined by the BRSA (-)	50.796
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier I Capital, Tier II Capital as per the 1 st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-
Portion of the total of net long positions of direct or indirect investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Additional Tier I Capital and Tier II Capital as per the 1 st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per the 1 st and 2 nd Paragraph of the 2 nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
TOTAL CAPITAL	11.346.649
Amounts below the Excess Limits as per the Deduction Principles	-
Amounts arising from the net long positions of investments made in Total Capital items of banks and financial institutions where the Bank owns 10% or less of the issued common share capital	-
Amounts arising from the net long positions of investments made in Tier I Capital items of banks and financial institutions where the Bank owns 10% or more of the issued common share capital	-
Amounts arising from mortgage servicing rights	-
Amounts arising from deferred tax assets based on temporary differences	-

	December 31, 2013
CORE CAPITAL	
Paid-in Capital	2.700.000
Nominal Capital	2.700.000
Capital Commitments (-)	-
Inflation Adjustments to Paid-in Capital	-
Share Premium	714
Share Cancellation Profits	-
Reserves	3.534.548
Inflation Adjustments to Reserves	-
Profit	948.925
Current Period's Profit	746.151
Prior Periods' Profit	202.774
Provision for Possible Losses (up to 25% of Core Capital)	102.025
Income on Sale of Equity Shares and Real Estates	642.551
Primary Subordinated Debts	-
Minority Interest	162.936
Loss (in excess of Reserves) (-)	-
Current Period's Losses	-
Prior Periods' Losses	-
Leasehold Improvements on Operational Leases (-)	140.275
Intangible Assets (-)	200.798
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
Total Core Capital	7.741.657
SUPPLEMENTARY CAPITAL	
General Provisions	741.997
45% of Revaluation Surplus on Movables	-
45% of Revaluation Surplus on Immovables	-
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
45% of Securities Value Increase Fund	(222.200)
Inflation Adjustments to Other Capital and Profit Reserves and Prior Periods' Profit/Loss	-
Minority Interest	-
Total Supplementary Capital	2.461.535
CAPITAL	10.203.192
DEDUCTIONS FROM CAPITAL	14.871
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
Securitization Positions to be Deducted from Equity	-
Other	1
TOTAL SHAREHOLDERS' EQUITY	10.188.321

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

	Parent Bank		Consolidated	
	Amount Included in Equity Calculation	Total Amount	Amount Included in Equity Calculation	Total Amount
Minority Interest in Tier I Capital	-	-	-	-
Shares of Third Parties in Additional Core Capital	-	-	-	-
Shares of Third Parties in Tier II Capital	-	-	-	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Issued before 1.1.2014)	1.940.559	1.940.559	2.097.617	2.097.617

FINANSBANK ANONİM ŞİRKETİ

Notes to the consolidated financial statements for the period ended december 31, 2014
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

Information on debt instruments included in the calculation of equity:

	1	2	3	4
Issuer	NATIONAL BANK OF GREECE S.A.	NATIONAL BANK OF GREECE S.A.	NATIONAL BANK OF GREECE S.A.	NATIONAL BANK OF GREECE S.A.
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	-	-	-	-
Governing law(s) of the instrument	BRSA	BRSA	BRSA	BRSA
Regulatory treatment	Supplementary Capital	Supplementary Capital	Supplementary Capital	Supplementary Capital
Transitional Basel III rules	Yes	Yes	Yes	Yes
Eligible at stand-alone / consolidated	Stand alone -Consolidated	Stand alone -Consolidated	Stand alone -Consolidated	Stand alone -Consolidated
Instrument type (types to be specified by each jurisdiction)	Loan	Loan	Loan	Loan
Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	741	464	290	603
Par value of instrument (Currency in million)	754	464	290	603
Accounting classification	Liability - Subordinated Loans - amortised cost	Liability - Subordinated Loans- amortised cost	Liability - Subordinated Loans- amortised cost	Liability - Subordinated Loans- amortised cost
Original date of issuance	April 24, 2008	October 06, 2009	December 28, 2009	December 20, 2011
Perpetual or dated	Dated	Dated	Dated	Dated
Original maturity date	12 years	12 years	12 years	10 years
Issuer call subject to prior BRSA approval	Yes	Yes	Yes	Yes
Optional call date, contingent call dates and redemption amount	-	-	-	-
Subsequent call dates, if applicable	-	-	-	-
Coupons / dividends	6 months	6 months	6 months	6 months
Fixed or floating dividend/coupon	Floating	Floating	Floating	Floating
Coupon rate and any related index	LIBOR + %4,50	LIBOR + %4,34	LIBOR + %4,34	LIBOR + %4,50
Existence of a dividend stopper	-	-	-	-
Fully discretionary, partially discretionary or mandatory	-	-	-	-

FINANSBANK ANONİM ŞİRKETİ

Notes to the consolidated financial statements for the period ended december 31, 2014
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

	1	2	3	4
Existence of step up or other incentive to redeem	-	-	-	-
Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative
Convertible or non-convertible	None	None	None	None
If convertible, conversion trigger (s)	-	-	-	-
If convertible, fully or partially	-	-	-	-
If convertible, conversion rate	-	-	-	-
If convertible, mandatory or optional conversion	-	-	-	-
If convertible, specify instrument type convertible into	-	-	-	-
If convertible, specify issuer of instrument it converts into	-	-	-	-
Write-down feature	None	None	None	None
If write-down, write-down trigger(s)	-	-	-	-
If write-down, full or partial	-	-	-	-
If write-down, permanent or temporary	-	-	-	-
If temporary write-down, description of write-up mechanism	-	-	-	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	After the senior creditors, before the TIER 1 subdebt, same with TIER 2	After the senior creditors, before the TIER 1 subdebt, same with TIER 2	After the senior creditors, before the TIER 1 subdebt, same with TIER 2	After the senior creditors, before the TIER 1 subdebt, same with TIER 2
Incompliance with article number 7 and 8 of "Own fund regulation"	Yes	Yes	Yes	Yes
Details of incompliances with article number 7 and 8 of "Own fund regulation"	8-2-ğ	8-2-ğ	8-2-ğ	8-2-ğ

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 12% in the total cash loans (December 31, 2013 - 10%).

The receivables of the Group from its top 200 cash loan customers are 15% in the total cash loans (December 31, 2013-12%).

The receivables of the Group from its top 100 non-cash loan customers are 43% in the total non-cash loans (December 31, 2013- 45%).

The receivables of the Group from its top 200 non-cash loan customers are 52% in the total non-cash loans (December 31, 2013- 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 14% (December 31, 2013 13%)

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 18% (December 31, 2013 16%)

The general loan loss provision related with the credit risk taken by the Group is TL 942.661 (December 31, 2013- TL 816.291)

Provision for probable risks in the Group's loan portfolio amounted to TL 106.334 (December 31, 2013- TL 102.025)

Exposure Categories	Current Period Risk Amount ^(**)	Average Risk Amount	Prior Period Risk Amount ^(**)	Average Risk Amount ^(*)
Conditional and unconditional receivables from central governments and Central Banks	18.832.057	16.508.359	15.602.002	12.973.783
Conditional and unconditional receivables from regional or local governments	4.069	5.549	2.473	3.665
Conditional and unconditional receivables from administrative bodies and noncommercial enterprises	316	890	1.040	880
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	6.533.104	4.152.477	4.045.252	2.002.151
Conditional and unconditional receivables from corporates	18.021.495	17.665.279	14.406.938	12.107.421
Conditional and unconditional receivables from retail portfolios	22.740.090	20.756.673	19.902.934	19.782.744
Conditional and unconditional receivables secured by mortgages	15.064.488	13.464.104	12.012.527	10.742.185
Past due receivables	575.762	545.972	530.867	475.415
Receivables defined in high risk category by BRSA	6.041.178	6.126.531	6.456.484	5.948.744
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	99.232
Investments similar to collective investment Funds	26.414	29.133	23.640	78.577
Other receivables	3.780.002	3.810.316	3.363.786	2.694.659

(*)The average risk amount was calculated by taking the arithmetic average of the risk amount after the conversion for the December 2013, December 2014 periods.

(**)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	11	10
Debtor has a good financial structure	42	60
Debtor has a moderate financial structure	28	19
Debtor has a financial structure which needs attention in medium term	17	8
Not Rated	2	3
Total	100	100

FINANSBANK ANONİM ŞİRKETİ

Notes to the consolidated financial statements for the period ended december 31, 2014
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

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	18.832.056	4.070	317	-	-	2.014.035	177.99.688	22.736.521	15.061.819	575.762	6.040.902	-	-	-	26.414	3.590.150	86.681.734
2. European Union Countries	-	-	-	-	-	4.180.758	187.341	286	2.508	-	107	-	-	-	-	-	4.371.000
3. OECD Countries ^(**)	-	-	-	-	-	18.445	-	4	-	-	-	-	-	-	-	-	18.449
4. Offshore Banking Areas	-	-	-	-	-	28.138	4.578	11	2	-	155	-	-	-	-	-	32.884
5. USA, Canada	-	-	-	-	-	260.240	18.396	4	-	-	-	-	-	-	-	-	278.640
6. Other Countries	-	-	-	-	-	31.487	11.491	3.265	160	-	14	-	-	-	-	-	46.417
7. Associates, Subsidiaries and Joint - Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	189.851	189.851
8. Unallocated Assets/ Liabilities ^(***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	18.832.056	4.070	317	-	-	6.533.103	18.021.494	22.740.091	15.064.489	575.762	6.041.178	-	-	-	26.414	3.780.001	91.618.975
	Exposure Categories ^(*)																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	Total
Prior Period																	
1. Domestic	15.602.002	2.473	1.040	-	-	896.606	141.35.816	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. Offshore Banking Areas	-	-	-	-	-	813	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

(*) 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 receivables from central governments and Central Banks
- 2- Conditional and unconditional receivables from regional or local governments
- 3- Conditional and unconditional receivables from administrative bodies and noncommercial enterprises
- 4- Conditional and unconditional receivables from multilateral development banks
- 5- Conditional and unconditional receivables from international organizations
- 6- Conditional and unconditional receivables from banks and brokerage houses
- 7- Conditional and unconditional receivables from corporates
- 8- Conditional and unconditional receivables from retail portfolios
- 9- Conditional and unconditional receivables secured by mortgages
- 10- Past due receivables
- 11- Receivables defined under high risk category by BRSA
- 12- Securities collateralized by mortgages
- 13- Securitization positions
- 14- Short-term receivables from banks, brokerage houses and corporates
- 15- Investments similar to collective investment Funds
- 16- Other receivables

- 1- Conditional and unconditional receivables from central governments and Central Banks
- 2- Conditional and unconditional receivables from regional or local governments
- 3- Conditional and unconditional receivables from administrative bodies and noncommercial enterprises
- 4- Conditional and unconditional receivables from multilateral development banks
- 5- Conditional and unconditional receivables from international organizations
- 6- Conditional and unconditional receivables from banks and brokerage houses
- 7- Conditional and unconditional receivables from corporates
- 8- Conditional and unconditional receivables from retail portfolios
- 9- Conditional and unconditional receivables secured by mortgages
- 10- Past due receivables
- 11- Receivables defined under high risk category by BRSA
- 12- Securities collateralized by mortgages
- 13- Securitization positions
- 14- Short-term receivables from banks, brokerage houses and corporates
- 15- Investments similar to collective investment Funds
- 16- Other receivables

Analysis of maturity-bearing exposures according to remaining maturities ^(*):

Current Period Exposure Categories	Term To Maturity				
	Up to 1 month	1-3 month	3-6 months	6-12 months	Over 1 year
Conditional and unconditional receivables from central governments and Central Banks	2.333.512	211.601	591.042	122.460	7.749.110
Conditional and unconditional receivables from regional or local governments	-	-	537	-	3.510
Conditional and unconditional receivables from administrative bodies and noncommercial enterprises	172	-	5	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	1.834.065	1.074.212	288.150	120.002	671.919
Conditional and unconditional receivables from corporates	2.077.192	1.752.803	2.256.118	3.062.911	7.605.678
Conditional and unconditional receivables from retail portfolios	2.013.425	1.212.584	3.375.816	2.102.200	2.517.245
Conditional and unconditional receivables secured by mortgages	160.754	347.576	855.910	1.127.452	12.362.864
Past due receivables	-	-	-	-	-
Receivables defined under high risk category by BRSA	-	-	-	354.542	5.653.834
Securities collateralized by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-
Other receivables	-	-	-	-	131
General Total	8.419.120	4.598.776	7.367.578	6.889.567	36.564.291

(*)Risk amounts prior to Loan Reduction, After the Loan conversion rates are given.

Prior Period Risk Classification	Term To Maturity				
	Up to 1 month	1-3 month	3-6 months	6-12 months	Over 1 year
Conditional and unconditional receivables from central governments and Central Banks	-	173.747	482.125	121.119	7.664.366
Conditional and unconditional receivables from regional or local governments	-	-	-	1.177	1.296
Conditional and unconditional receivables from administrative bodies and noncommercial enterprises	84	-	850	-	61
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	342.190	104.980	503.955	30.891	2.966.041
Conditional and unconditional receivables from corporates	2.224.875	1.249.108	1.818.472	1.533.218	6.225.592
Conditional and unconditional receivables from retail portfolios	340.287	662.363	1.141.575	1.485.038	3.017.380
Conditional and unconditional receivables secured by mortgages	119.130	251.095	560.335	691.675	10.357.885
Past due receivables	-	-	-	-	4.582.316
Receivables defined under high risk category by BRSA	-	-	-	-	-
Securities collateralized by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-
Other receivables	109.602	-	-	-	214
General Total	3.136.168	2.441.293	4.507.312	3.863.118	34.815.151

(*)Risk amounts prior to Loan Reduction, After the Loan conversion rates are given.



Information Regarding Risk Classifications

In accordance with the Legislation of the Calculation and Valuation of Banks' Capital Adequacy, rating notes that are open to public by Fitch Ratings International Rating Corporation are used for receivables from regional or local governments and receivables from multilateral development banks. Other receivables or receivables or assets that have no public rating note are subject to risk weight in accordance with the legislations Appendix-I ordinance.

The correlation between the rating notes that are provided by Fitch Ratings International Rating Corporation and loan quality levels that can be found in the Appendix-I of the Legislation is shown in the table below.

Credit Quality Grade	Fitch Risk Rating	Exposure Categories				
		Exposures to Central Governments or Central Banks	Exposures to Administrative Bodies and Non-Commercial Undertakings	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 Weight	%0	%10	%20	%50	%75	%100	150%	%200	%250	Deductions from Equity
1. Exposures Before Credit Risk Mitigation	17.973.332	-	2.035.559	6.170.322	30.574.817	28.823.767	1.727.349	4.043.174	270.655	
2. Exposures After Credit Risk Mitigation	15.690.064	-	1.118.848	18.899.046	20.658.226	22.857.676	1.698.669	3.997.431	270.655	

Prior Period

Risk Weight	%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

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	Credit Risks ^(*)			
Important Sectors /Other Parties	Impaired Loans	Past Due Loans	Value Adjustments	Provisions
1. Agriculture	40.172	12.879	852	29.417
1.1. Farming and Raising Livestock	37.850	12.632	794	27.918
1.2. Forestry	1.522	18	1	850
1.3. Fishing	800	229	57	649
2. Industrial	251.686	96.111	9.330	196.980
2.1. Mining and Quarrying	12.532	2.222	126	9.013
2.2. Production	238.417	93.730	9.192	187.371
2.3. Electricity, Gas, Water	737	159	12	596
3. Construction	161.621	55.545	6.232	110.282
4. Services	645.433	259.272	23.721	475.747
4.1. Wholesale and Retail Trade	431.842	172.726	16.752	299.825
4.2. Hotel, Food and Beverage Services	103.208	31.620	2.588	88.376
4.3. Transportation and Communication	45.604	26.727	2.047	33.262
4.4. Financial Institutions	11.189	4.179	354	9.407
4.5. Real Estate and Renting Services	5.042	1.986	189	2.942
4.6. Self-Employment Services	8.940	8.663	806	6.425
4.7. Educational Services	2.413	2.879	267	1.824
4.8. Health and Social Services	37.195	10.492	718	33.686
5. Other	1.801.999	1.188.886	86.468	1.465.973
6. Total	2.900.911	1.612.693	126.603	2.278.399

(*)Represents the distribution of cash loans.

Important Sectors/Other Parties	Credit Risks ^(*)			
Prior Period	Impaired	Past Due	Value	Provisions
1. Agriculture	43.810	8.128	768	34.714
1.1. Farming and Raising Livestock	42.398	7.854	743	33.419
1.2. Forestry	787	59	7	732
1.3. Fishing	625	215	18	563
2. Industrial	257.131	68.863	5.452	191.733
2.1. Mining and Quarrying	10.812	840	63	7.831
2.2. Production	245.818	67.774	5.365	183.523
2.3. Electricity, Gas, Water	501	249	24	379
3. Construction	179.070	38.739	2.982	131.504
4. Services	599.049	224.326	20.220	465.904
4.1. Wholesale and Retail Trade	359.671	141.546	13.977	268.663
4.2. Hotel, Food and Beverage Services	100.783	24.740	1.986	92.230
4.3. Transportation and Communication	84.699	26.388	2.150	60.132
4.4. Financial Institutions	9.153	2.868	315	7.598
4.5. Real Estate and Renting Services	1.665	9.427	323	1.176
4.6. Self-Employment Services	8.230	7.308	721	6.071
4.7. Educational Services	2.058	2.164	264	1.384
4.8. Health and Social Services	32.790	9.885	484	28.650
5. Other	2.030.962	1.122.964	74.855	1.723.399
6. Total	3.110.022	1.463.020	104.277	2.547.254

(*)Represents the distribution of cash loans.



Movements in value adjustments and provisions

Current Period	Opening Balance	Provisions for Period	Provision Reversals	Other Adjustments ^(*)	Closing Balance
1. Specific Provisions	2.457.128	1.772.817	(789.396)	(1.162.150)	2.278.399
2. General Provisions	816.291	126.370	-	-	942.661

(*)Represents the provision of loans written-off.

Prior Period	Opening Balance	Provisions for Period	Provision Reversals	Other Adjustments ^(*)	Closing Balance
1. Specific Provisions	2.135.194	1.349.946	(386.043)	(551.843)	2.547.254
2. General Provisions	617.684	198.607	-	-	816.291

(*)Represents the provision of loans written-off.

III. Information on 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 High Level 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 desirable 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	25.698	27.165
(II) Capital Requirement against Specific Risks - Standard Method	7.499	6.593
Capital Requirement against Specific Risks of Securitization Positions- Standard Method	-	-
(III) Capital Requirement against Currency Risk - Standard Method	44.929	34.596
(IV) Capital Requirement against Commodity Risks - Standard Method	320	908
(V) Capital Requirement against Settlement Risks - Standard Method	-	-
(VI) Capital Requirement against Market Risks of Options - Standard Method	2.692	1.762
(VII) Capital Requirement against Counterparty Credit Risk - Standard Method	17.345	23.142
(VIII) Capital Requirement against Market Risks of Banks applying Risk Measurement Models	-	-
(IX) Total Capital Obligations against Market Risk (I+II+III+IV+V+VI+VII+VIII)	98.483	94.166
(X) Value-At-Market Risk (12,5 x VIII) or (12,5 x IX)	1.231.038	1.177.075

2. Average market risk table regarding the market risk calculation at the end of every month

	Current Period			Prior Period		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	36.832	55.724	31.372	38.164	49.714	30.207
Common Share Risk	2.937	6.372	962	2.616	3.290	1.366
Currency Risk	29.148	45.445	7.171	19.888	34.596	11.700
Commodity Risk	506	1.375	46	1.464	3.947	94
Settlement Risk	-	-	-	-	-	-
Option Risk	1.627	2.975	426	1.024	1.762	631
Counterparty Credit Risk	23.202	30.658	17.345	18.454	23.142	12.151
Total Value at Risk(*)	94.252	142.549	57.322	81.610	116.451	56.149

(*) 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 2014 are 108.859 and 71.685 respectively. The maximum and minimum values of VaR for 2013 were 94.166 and 66.311.

3. Quantitative information on counterparty risk.(*)

	Current Period	Prior Period
	Amount	Amount
Interest Rate Contracts	8.381.763	3.536.949
Foreign-Exchange-Rate Contracts	121.196.364	99.983.614
Commodity Contracts	1.604.506	948.684
Equity-Shares Related Contracts	895	510
Other	417.402	385.188
Gross Positive Fair Values	1.305.369	1.187.949
Netting Benefits	782.379	762.885
Net Current Exposure Amount	522.990	425.064
Collaterals Received	177.661	153.107
Net Derivative Position	345.329	271.957

(*)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 the Operational Risk

Value at operational risk is calculated with basic indicator method by using the gross profits for the last three years' (2013, 2012 and 2011) as per 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, 2014, the value at operational risk is amounting to TL 6.653.675 (December 31, 2013 - TL 5.682.100).

Current Period Basic Indicator Method	2 PP Amount	1 PP Amount	CP Amount	Total / No. of Years of Positive Gross	Rate (%)	Total
Gross Income	2.963.312	3.686.775	3.995.793	3.548.627	15	532.294
Value at operational risk (Total*12,5)						6.653.675
Prior Period Basic Indicator Method	2 PP Amount	1 PP Amount	CP 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

The annual gross income is composed of net interest income and net non-interest income after deducting realized gains/losses from the disposal 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 Exchange 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, 2014, the net foreign currency exposure of the Group is TL 1.218.736 short position (December 31, 2013 – TL – 119.111 short) resulting from on balance sheet short position amounting to TL 8.707.667 (December 31, 2013 – TL 5.744.613 short) and long off balance sheet position amounting to TL 7.488.931 (December 31, 2013 – TL 5.625.502 long). The long off balance sheet position amounting to TL 7.991.220 (December 31, 2013 – TL 5.074.126) is related with the FC/TL swap transactions performed with banks and customers. The Group used these transactions to manage the 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.

Board of Directors have determined the limits considering the consistency with the "Foreign Currency Net General Position." Positions are being followed daily and limits are reviewed at least once a year depending on economic conditions and Group strategy and updated as deemed necessary.

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 hedges foreign currency borrowings with derivative instruments. The Group does not hedge net foreign currency investments with derivative instruments.

3. The spot foreign exchange bid rates of the Parent Bank as of the balance sheet date and for each of the five days prior to that date

US Dollars purchase rate in the balance sheet date	2,3189 TL
Euro purchase rate in the balance sheet date	2,8207 TL

<u>Date</u>	<u>US Dollar</u>	<u>Euro</u>
December 31, 2014	2,3189	2,8207
December 30, 2014	2,3235	2,8339
December 27, 2014	2,3182	2,8255
December 26, 2014	2,3177	2,8368
December 25, 2014	2,3209	2,8312
December 24, 2014	2,3165	2,8317

4. The basic arithmetical average of the Parent 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 2014 are TL 2,2877 and TL 2,8217; respectively.

5. Information on the consolidated foreign exchange risk of the Group (Thousands of TL)

Current Period	EUR	USD	Other FC	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⁾	1.088.222	4.312.403	1.760.007	7.160.632
Due From Banks	47.549	196.647	16.455	260.651
Financial Assets at Fair Value through Profit/Loss ⁽²⁾	32.888	85.218	15.192	133.298
Money Market Placements	-	-	-	-
Investment Securities Available-for-Sale	276.578	1.200.593	-	1.477.171
Loans and Receivables ⁽³⁾	4.008.400	6.176.789	24.659	10.209.848
Investments in Assoc., Subsidiaries and Entities under Common Control	-	-	-	-
Investment Securities Held-to-Maturity	12.571	662.086	-	674.657
Derivative Financial Assets Hedging Purposes	-	22.844	-	22.844
Tangible Assets	-	-	10	10
Intangible Assets	-	-	-	-
Other Assets ⁽⁴⁾	602.105	478.304	7.346	1.087.755
Total Assets	6.068.313	13.134.884	1.823.669	21.026.866
Liabilities				
Bank Deposits	250.292	815.596	53.447	1.119.335
Foreign Currency Deposits ⁽⁵⁾	3.990.907	8.805.842	806.868	13.603.617
Money Market Borrowings	227.390	1.203.793	-	1.431.183
Funds Provided from Other Financial Institutions ⁽⁶⁾	1.991.728	5.256.104	228.693	7.476.525
Securities Issued	170.124	3.311.829	18.059	3.500.012
Sundry Creditors	1.487.904	682.550	7.983	2.178.437
Derivative Fin. Liabilities Hedging Purposes	41.898	108.078	-	149.976
Other Liabilities ⁽⁷⁾	57.081	207.164	11.203	275.448
Total Liabilities	8.217.324	20.390.956	1.126.253	29.734.533
Net Balance Sheet Position	(2.149.011)	(7.256.072)	697.416	(8.707.667)
Net Off-Balance Sheet Position	1.456.668	6.663.293	(631.030)	7.488.931
Financial Derivative Assets	3.790.582	36.916.265	1.162.692	41.869.539
Financial Derivative Liabilities	2.333.914	30.252.972	1.793.722	34.380.608
Non-Cash Loans ⁽⁸⁾	1.093.104	2.718.582	133.991	3.945.677
Prior Period				
Total Assets	6.814.625	8.939.954	1.848.565	17.603.144
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 ⁽⁸⁾	839.099	1.940.762	168.107	2.947.968

(1) Cash and Balances with TR Central; Other FC include TL 1.747.613 (December 31, 2013 - 1.691.019 TL) precious metal deposit account.

(2) Does not include TL 18.466 (December 31, 2013 - 4.133 TL) of currency income accruals arising from derivative transactions.

(3) Includes TL 2.876.246 TL (December 31, 2013 - TL 2.098.813 TL) FC indexed loans.

(4) Does not include FC prepaid expenses amounting to TL 4.474(December 31, 2013 - TL 2.338) as per BRSA's Communique published in Official Gazette no 26085 on February 19, 2006. Does not include repealed financial leasing receivables amounting to TL 1.187 (December 31, 2013 - TL 1.402) accounted as FC in balance sheet. Includes FC indexed factoring receivables amounting to TL 66.113 (December 31, 2013 - TL 34.945) accounted as TL in balance sheet.

(5) Other foreign currency includes TL 634.454 (December 31, 2013 - TL 777.077) of precious metal deposit account.

(6) Does not include currency expense accruals of derivative financial instruments kept in FC accounts amounting to TL 15.220 (December 31, 2013 - TL 1.245)

(7) Does not have an effect on Net Off-Balance Sheet Position.



6. Sensitivity to the Exchange Rate

The Bank is subject to exchange rate risk mainly from Euro and USD. The table below shows the Bank's sensitivity to a 10% change in Euro and USD currencies. It is assumed that all other variables are constant.

	% change in the Foreign currency	Effect on Gain/Loss (After Tax)	Net Effect on Shareholders Equity (*)	Effect on Gain/Loss (After Tax)	Net Effect on Shareholders Equity (*)
		Current Period	Current Period	Prior Period	Prior Period
USD	%10 gain	(55.104)	(59.680)	18.804	8.167
	%10 loss	55.104	59.680	(18.804)	(8.167)
EURO	%10 gain	(42.638)	(42.592)	20.847	(21.134)
	%10 loss	42.638	42.592	(20.847)	21.134

(*)Effect on Shareholders Equity include the effect of the change of exchange rates on 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.

Parent Bank's asset and liabilities carry positive interest rate income and are repriced every nine months. Therefore the Bank holds limited amount of interest rate risk.

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 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.

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	912.654	-	-	-	-	7.751.266	8.663.920
Due from Banks	57.989	6.000	10.000	-	-	226.445	300.434
Financial Assets at Fair Value Through Profit/Loss (**)	7.630	6.560	35.955	12.576	82.786	3.242.258	3.387.765
Money Market Placements	244.425	-	-	-	-	-	244.425
Inv. Securities Available for Sale	1.347.973	677.591	1.454.350	195.492	1.508.473	249.634	5.433.513
Loans and Receivables	10.696.734	5.063.645	14.834.952	13.324.249	4.661.639	1.502.061	50.083.280
Inv. Securities Held to Maturity	158.930	811.585	1.759.766	684.905	256.315	55.722	3.727.223
Other Assets	388.039	202.054	464.215	830.031	26.133	3.084.093	4.994.565
Total Assets	13.814.374	6.767.435	18.559.238	15.047.253	6.535.346	16.111.479	76.835.125
Liabilities							
Bank Deposits	1.103.611	258.593	40.184	-	-	20.614	1.423.00
Other Deposits	24.402.663	7.764.205	2.199.172	102.961	-	6.003.731	40.472.732
Money Market Borrowings	3.481.177	730.965	-	-	-	3.610	4.215.752
Sundry Creditors	2.133.518	-	-	-	-	1.692.140	3.825.658
Securities Issued	241.279	1.588.783	1.090.068	2.848.641	-	56.727	5.825.498
Funds Borrowed	576.218	1.018.251	6.069.164	271.075	3.567	36.521	7.974.796
Other Liabilities (***)	87	154	3.345	1.551	-	13.092.550	13.097.687
Total Liabilities	31.938.553	11.360.951	9.401.933	3.224.228	3.567	20.905.893	76.835.125
On Balance Sheet Long Position	-	-	9.157.305	11.823.025	6.531.779	-	27.512.109
On Balance Sheet Short Position	(18.124.179)	(4.593.516)	-	-	-	(4.794.414)	(27.512.109)
Off-Balance Sheet Long Position	4.644.902	6.246.235	-	-	-	-	10.891.137
Off-Balance Sheet Short Position	-	-	(390.290)	(8.283.929)	(1.858.489)	-	(10.532.708)
Total Position	(13.479.277)	1.652.719	8.767.015	3.539.096	4.673.290	(4.794.414)	358.429

(*) Non Interest Bearing column includes accruals and derivative financial instruments' fair value valuation difference.

(**) Financial Assets at Fair Value Through Profit/Loss include TL 1.988.746 derivative financial assets used for hedging purposes.

(***) Other Liabilities include derivative financial liabilities used for hedging purposes amounting to TL 352.080.

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, 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
Inv. 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
Inv. 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 Borrowed	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 and derivative financial instruments' fair value valuation difference.

(**) Financial Assets at Fair Value Through Profit/Loss include TL 1.927.795 derivative financial assets used for hedging purposes.

(***) Other Liabilities include derivative financial liabilities used for hedging purposes amounting to TL 82.749.

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	0,10	1,48	-	10,66
Financial Assets at Fair Value Through Profit/Loss	3,50	4,65	-	7,33
Money Market Placements	-	-	-	11,04
Investment Securities Available for Sale	3,79	5,40	-	9,78
Loans and Receivables	4,88	4,47	4,37	13,65
Investment Securities Held for Trading	2,96	5,27	-	11,38
Liabilities				
Bank Deposits	0,51	0,90	-	10,60
Other Deposits	2,00	2,30	0,25	9,89
Money Market Borrowings	0,67	0,66	-	9,53
Sundry Creditors	2,00	1,97	-	5,67
Securities Issued	-	5,40	-	8,79
Funds Borrowed	3,40	3,68	-	10,10



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	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 to Maturity	-	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 Borrowed	1,16	2,89	-	8,40

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 Group 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, sensitivity of net interest income is monitored and the prepayment rates of loans is considered managing the interest rate risk.

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 Assets 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	(890.295)	%(8,13)
	(-) 400	859.299	%7,85
2. EURO	(+) 200	(23.023)	%(0,21)
	(-) 200	37.940	%0,35
3. USD	(+) 200	(91.694)	%(0,84)
	(-) 200	100.196	%0,92
Total (of negative shocks)		997.435	%9,12
Total (of positive shocks)		(1.005.012)	%(9,18)

VII. Position Risk of Equity Securities in Banking Book

Equity Securities (shares)	Comparison		
	Carrying Value	Fair Value	Market Value
1. Equity Investments Group A	5.561	-	5.561
Quoted Securities	5.561	-	5.561
2. Equity Investments Group B	3	-	3
Quoted Securities	3	-	3
3. Equity Investments Group C	-	-	-
Quoted Securities	-	-	-
4. Equity Investments Group Other^(*)	189.708^(*)	183.417^(**)	-

(*) Associates and subsidiaries not quoted to BIST and not classified as investment in shares by CMB.

(**) Refers to entity under common control accounted at fair value but not traded at the quoted markets.

Portfolio	Gains/Losses in Current Period	Revaluation Surpluses		Unrealized Gains and Losses		
		Total	Amount under Core Capital	Total	Amount under Core Capital	Amount under Supplementary Capital
1. Private Equity Investments	-	-	-	-	-	-
2. Quoted Shares	2.251	-	-	687	-	309
3. Other Shares	-	-	-	-	-	-
4. Total	2.251	-	-	687	-	309

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 insufficient 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 overcome the liquidity risk, the Parent Bank diversifies its funding sources. Besides, in order to secure short term liquidity requirements, the Parent Bank heads for bond issuances and long term foreign borrowings.

The Parent 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 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.

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 11% (December 31, 2013 – 12%) of the balance sheet is allocated as cash and equivalents.

4. Evaluation of the Group's cash flows and their resources

Cash flows of the Group are mainly denominated in Turkish Lira, US Dollars and Euro.



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	Un-Allocated ^(*)	Total
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the T.R. Central Bank	2.441.254	6.222.666	-	-	-	-	-	8.663.920
Due from Banks	225.417	58.036	6.612	10.369	-	-	-	300.434
Financial Assets at Fair Value Through Profit/Loss ^(**)	-	212.332	328.815	968.297	1.673.986	204.335	-	3.387.765
Money Market Placements	-	244.425	-	-	-	-	-	244.425
Investment Securities Available for Sale	31.990	641	137.423	288.236	1.574.007	3.401.216	-	5.433.513
Loans and Receivables	-	11.633.848	5.065.546	14.834.560	13.319.950	4.661.202	568.174	50.083.280
Investment Securities Held to Maturity	-	-	74.178	427.861	881.895	2.343.289	-	3.727.223
Other Assets	24.471	1.014.253	248.712	533.220	987.122	26.143	2.160.644	4.994.565
Total Assets	2.723.132	19.386.201	5.861.286	17.062.543	18.436.960	10.636.185	2.728.818	76.835.125
Liabilities								
Bank Deposits	17.791	1.105.752	259.084	40.375	-	-	-	1.423.002
Other Deposits	5.817.572	24.509.307	7.788.579	2.251.330	105.944	-	-	40.472.732
Funds Borrowed	224	352.775	711.738	3.968.904	815.772	2.125.383	-	7.974.796
Money Market Borrowings	-	3.484.132	731.620	-	-	-	-	4.215.752
Securities Issued	-	7.011	803.746	1.777.897	3.095.075	141.769	-	5.825.498
Sundry Creditors	-	3.785.762	1.455	-	-	38.441	-	3.825.658
Other Liabilities ^(***)	6.856	1.292.520	473.662	767.206	93.003	213.586	10.250.854	13.097.687
Total Liabilities	5.842.443	34.537.259	10.769.884	8.805.712	4.109.166	2.519.179	10.250.854	76.835.125
Liquidity Gap	(3.119.311)	(15.151.058)	(4.908.598)	8.256.831	14.327.166	8.117.006	(7.522.036)	-
Prior Period								
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
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
Net Liquidity Gap	(3.562.600)	(11.017.056)	(7.145.164)	8.141.949	14.201.782	6.745.131	(7.364.042)	-

(*) 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 include shareholders' equity amounting to TL 8.797.614, unallocated provisions amounting to TL 1.451.752 and tax liability amounting to TL 177.452.

(**) Financial Assets at Fair Value Through Profit/Loss include derivative financial assets held for hedging purposes amounting to TL 1.988.746

(***) Other Liabilities also include derivative financial liabilities held for hedging purposes amounting to TL 352.080.

5. Financial Liabilities according to the remaining maturities on the contract

The table below shows the maturity breakdown of the Bank's financial liabilities that are not classified as derivatives. These tables were prepared by taking the closest dates that the Bank will recognize its future cash flows. The interest payable through the said assets and liabilities are included in the tables below.

Current Period	Undated	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and longer	Total	Balance Sheet Value
Bank Deposits	19.173	1.106.943	279.100	41.426	-	-	1.446.642	1.423.002
Other Deposits	5.817.572	24.733.409	7.966.411	2.286.766	111.046	-	40.915.204	40.472.732
Payables to Money Market	-	3.485.794	732.214	-	-	-	4.218.008	4.215.752
Funds from other Financial Institutions	-	459.726	587.017	4.120.340	1.200.593	2.417.527	8.785.203	7.974.796
Securities Issued	-	10.194	735.019	1.837.449	3.401.198	109.483	6.093.343	5.825.498
Noncash Loans ^(*)	3.281.374	636.342	900.716	2.893.493	1.398.108	29.299	9.139.332	9.139.332

(*) *Other Guarantees" with the amount 21.077 TL does not include the foreign currency account.

Prior Period	Undated	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Longer	Total	Balance Sheet Value
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
Payables to Money Market	-	3.395.138	386.550	-	-	-	3.781.688	3.780.492
Funds 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
Noncash Loans ^(*)	3.064.783	328.402	587.544	2.166.381	776.362	175.541	7.099.013	7.099.013

(*) *Other Guarantees" with the amount 19.399 TL does not include the foreign currency account.

The table below shows the remaining maturity breakdown of the Bank's derivative assets and liabilities.

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Longer	Total
Forward contracts buying (**)	1.850.523	974.118	900.707	98.925	-	3.824.273
Forward contracts selling (**)	1.856.558	976.448	896.663	97.530	-	3.827.199
Swap contracts buying (*)	11.512.307	9.777.727	13.100.349	19.539.488	3.104.000	57.033.871
Swap contracts selling(*)	11.443.750	9.680.407	12.606.681	19.802.513	3.190.582	56.723.933
Futures buying	14.514	2.933	2.223	-	-	19.670
Futures selling	14.514	2.933	2.223	-	-	19.670
Options buying	780.633	2.555.631	1.485.964	200.256	-	5.022.484
Options selling	785.687	2.550.382	1.496.097	211.551	-	5.043.717
Other	-	-	-	417.402	-	417.402
Total	28.258.486	26.520.579	30.490.907	40.367.665	6.294.582	131.932.219

(*) Derivative financial assets held for cash flow hedges are included .

(**)Includes the Dated, Asset Value Buying and Selling obligations that are in Obligations.

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 years and Longer	Total
Forward contracts buying (**)	1.620.526	745.984	1.373.474	100.451	-	3.840.435
Forward contracts selling (**)	1.622.199	749.966	1.367.453	97.417	-	3.837.035
Swap contracts buying (*)	7.269.352	2.932.703	9.059.645	16.169.103	2.785.259	38.216.062
Swap contracts selling(*)	7.430.478	2.938.724	8.742.226	16.213.105	2.877.062	38.201.595
Futures buying	255	17.832	3.404	-	-	21.491
Futures selling	255	17.832	3.404	-	-	21.491
Options buying	2.266.981	1.282.435	4.409.805	-	-	7.959.221
Options selling	2.266.008	1.292.245	4.356.996	-	-	7.915.249
Other	-	-	-	341.488	-	341.488
Total	22.476.054	9.977.721	29.316.407	32.921.564	5.662.321	100.354.067

(*) Derivative financial assets held for cash flow hedges are included .

(**)Includes the Dated, Asset Value Buying and Selling obligations that are in Obligations.

IX. Explanations Related to Securitization Positions

As of December 31, 2014 the Group has no securitization positions.

X. Explanations Related to Credit Risk Mitigation Techniques

The Group applies Comprehensive Financial Collateral Method with Standard Volatility Adjustment Approach in compliance with the Article 34 and 37 of the "Regulation on Credit Risk Mitigation Techniques". In this method, the volatility adjustments regarding the exposures and collaterals are made as per the standard deduction ratio that attached to the Regulation.

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	Guarantees and Credit Derivatives
Conditional and unconditional receivables from central governments or central banks	18.832.057	2.283.268	-	-
Conditional and unconditional receivables from regional or local governments	4.185	43	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	868	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	6.768.070	3.253.423	-	-
Conditional and unconditional receivables from corporates	23.598.488	617.351	-	-
Conditional and unconditional retail receivables	44.023.027	325.169	-	-
Conditional and unconditional receivables secured by mortgages	15.654.502	-	-	-
Past due receivables	575.768	54	-	-
Receivables defined in high risk category by BRSA	6.041.475	74.423	-	-
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-
Investments similar to collective investment funds	26.414	-	-	-
Other receivables	3.780.002	-	-	-
Total	119.304.856	6.553.731	-	-

(*) Includes total risk amounts before credit risk mitigation and liquidity conversions.

(**) 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 Group'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 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 yield 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 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 management culture throughout the Group.

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.

The table below shows the fair value and book value of the Group's financial assets and liabilities.

	Book Value		Fair Value	
	Prior Period	Current Period	Prior Period	Current Period
Financial Assets	61.762.379	44.974.337	61.746.530	44.320.456
Banks	300.434	476.154	300.434	476.154
Receivables from Money Market	244.425	3.433	244.425	3.433
Loans and Receivables	50.083.280	42.671.305	49.860.402	41.990.085
Factoring Receivables	443.212	520.657	443.212	520.657
Leasing Receivables	1.530.292	1.302.788	1.584.168	1.330.127
Available for Sale Financial Assets	5.433.513	5.742.985	5.433.513	5.742.985
Securities Held to Maturity	3.727.223	2.825.779	3.880.376	2.764.475
Financial Liabilities	63.737.438	56.063.470	63.589.146	55.554.406
Bank Deposits	1.423.002	1.341.493	1.423.558	1.341.742
Other Deposits	40.472.732	36.765.509	40.457.114	36.784.491
Funds from Other Financial Institutions	7.974.796	6.771.670	7.779.726	6.279.287
Payables to Money Market	4.215.752	3.780.492	4.215.752	3.780.492
Securities Issued	5.825.498	3.954.579	5.887.338	3.918.667
Other Debts	3.825.658	3.449.727	3.825.658	3.449.727

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:

- a) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities (market value);
- b) 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);
- c) Level 3: Inputs that are not observable for the asset and liability (Fair value calculations which are not observable). Aşağıdaki tabloda, finansal tablolarda gerçeğe uygun değerleriyle taşınan finansal araçların gerçeğe uygun değer sınıflaması yer almaktadır:

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	5.475.428	3.247.707	98.143	8.821.278
Financial Assets at Fair Value through Profit/Loss	48.406	-	-	48.406
Assets on Trading Derivatives	126	1.252.344	-	1.252.470
Investment Securities Available for Sale	5.426.896	6.617	-	5.433.513
Loans and Receivables(*)	-	-	98.143	98.143
Subsidiaries, Associates and Entities Under Common Control	-	-	-	-
Derivative Financial Assets hedging Purposes	-	1.988.746	-	1.988.746
Financial Liabilities	47	1.604.333	-	1.604.380
Liabilities on Trading Derivatives	47	1.252.253	-	1.252.300
Derivative Financial Liabilities for Hedging Purposes	-	352.080	-	352.080

(*) 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	185.074	352.296
Change in total gain/loss	864	(19.163)
Accounted in income statement	864	(19.163)
Accounted in other comprehensive income	-	-
Purchases	-	-
Disposals	-	-
Matured Loans(*)	(87.795)	(148.059)
Sales from Level 3	-	-
Closing Balance	98.143	185.074

(*) Includes loans that are repaid before their maturity.

Prior 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
Financial Liabilities	168	1.393.478	-	1.393.646
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".

XIII. Explanations Related to Transactions Carried Out on Behalf of Customers, Items Held in Trust

The Group 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.



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	590.505	248.656	633.575	413.150
T.R. Central Bank	912.650	6.911.681	253.764	6.906.881
Others	133	295	451	661
Total	1.503.288	7.160.632	887.790	7.320.692

b) Balances with the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	912.650	689.015	253.764	499.042
Restricted Time Deposits	-	6.222.666	-	6.407.839
Total	912.650	6.911.681	253.764	6.906.881

As of December 31, 2014, the compulsory 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, 2013 – 5% to 11,5%) and the compulsory rates for the foreign currency liabilities are within an interval from 6% to 13% depending on the maturity of deposits (December 31, 2013 – 6% and 13%).

According to T.C. Central Bank press release No. 2014-72 dated October 21, 2014, interest payments on TL portion of Reserve Requirements have been started to be paid as of November 2014.. In accordance with the declaration by the T.C. Central Bank on January 2015 with the number 2015-1, beginning from the liability table of February 13, 2015 the Banks will begin to maintain reserve for their fc denominated deposits varying between at 6% and 18% as to the maturities of such deposits.

3. 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 ^(*)	25.285	-	103	-
Other	-	-	-	-
Total	25.285	-	103	-

(*) Government bonds given as collateral 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 (*)	4.902	-	140.916	-
Treasury Bills ^(*)	-	-	-	-
Other Debt Securities	4.952	-	-	-
Bonds Issued and Guaranteed by Banks	961	-	4.818	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	10.815	-	145.734	-

(*) Government bonds, bank bills and bank guaranteed bills subject to repurchase agreements presented above are classified under Held-for-Trading Financial Assets in the financial statements.

c) Positive differences on trading derivative instruments

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	43.664	-	107.327	-
Swap Transactions	1.059.341	83.399	922.629	61.661
Futures	-	126	-	486
Options	-	65.940	-	189.378
Other	-	-	-	-
Total	1.103.005	149.465	1.029.956	251.525

3. a) Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	19.605	773	5.985	2.301
Foreign	20.178	259.878	2	302.327
Foreign Head Offices and Branches	-	-	-	165.539
Total	39.783	260.651	5.987	470.167

b) Information on foreign bank accounts

	Unrestricted Amount		Restricted Amount (**)	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	53.161	44.881	1.550	1.730
USA and Canada	158.377	233.566	3.923	1.528
OECD Countries (*)	2.946	17.147	-	-
Off-shore Banking Regions	54.881	165.538	-	-
Other	5.218	3.478	-	-
Total	274.583	464.610	5.473	3.258

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

(**) Includes blocked placements at foreign banks amounting to TL 5.473 (December 31, 2013 - TL 3.258).

4. Information on receivables from reverse repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Domestic Transactions	200.062	-	3.433	-
T.R. Central Bank	-	-	-	-
Banks	200.062	-	-	-
Intermediary Institutions	-	-	3.433	-
Other Financial Institutions	-	-	-	-
Other Institutions	-	-	-	-
Real Persons	-	-	-	-
Foreign Transactions	-	-	-	-
Central Banks	-	-	-	-
Banks	-	-	-	-
Intermediary Institutions	-	-	-	-
Other Financial Institutions	-	-	-	-
Other Institutions	-	-	-	-
Real Persons	-	-	-	-
Total	200.062	-	3.433	-



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	443.810	284.954	393.114	-
Other	-	-	-	-
Total	443.810	284.954	393.114	-

b) Investment securities available for sale subject to repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Government bonds	1.744.037	1.111.796	1.290.612	973.547
Treasury bills	-	-	-	-
Other debt securities	-	-	-	-
Bonds issued or bank guaranteed by banks	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	1.744.037	1.111.796	1.290.612	973.547

c) Investment securities available for sale

	Current Period	Prior Period
Debt securities	5.416.289	5.444.796
Quoted on a stock exchange (*)	5.409.632	5.429.359
Unquoted on a stock exchange	6.657	15.437
Share certificates	32.418	512.730
Quoted on a stock exchange (**)	27.912	512.570
Unquoted on a stock exchange	4.506	160
Impairment provision (-)	(15.194)	(214.541)
Total	5.433.513	5.742.985

(*) The Eurobond Portfolio amounting to TL 1.199.653 (December 31, 2013 - TL 851.341) 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 106.392 (December 31, 2013 - 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 27.757 (December 31, 2013 - TL 30.913).

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	1.715	34.288	-	32.895
Corporate Shareholders	1.715	34.288	-	32.895
Individual Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees (*)	66.957	-	71.031	-
Total	68.672	34.288	71.031	32.895

(*) Include the advances given to the bank personnel.

b) Information on the first and second group loans and other receivables including rescheduled or restructured loans

Cash Loans ^(*)	Performing 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	46.867.445	558.858	-	2.742.621	704.540	-
Discount Notes	858.128	-	-	7.812	-	-
Export Loans	1.332.172	-	-	165.147	-	-
Import Loans	6.660	-	-	-	-	-
Loans Given to Financial Sector	1.051.386	-	-	-	-	-
Retail Loans	12.882.158	7.312	-	975.437	19.661	-
Credit Cards	8.004.085	428.900	-	591.545	337.312	-
Other	22.732.856	122.646	-	1.002.680	347.567	-
Specialized Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	46.867.445	558.858	-	2.742.621	704.540	-

(*) The loans and other receivables amounting to 98.143 (December 31, 2013 - TL 185.074) are classified under "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	521.096	704.492
3, 4 or 5 times	37.762	48
Over 5 times	-	-
Total	558.858	704.540

Extension Periods	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up
0 - 6 months	57.112	78.254
6 -12 months	39.914	43.675
1 - 2 years	211.054	182.621
2 - 5 years	236.032	330.100
5 years and over	14.746	69.890
Total	558.858	704.540

c) Loans according to their maturity structure

Cash Loans ^(*)	Performing 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
Short-term Loans	22.148.555	428.900	591.545	337.312
Non-specialized Loans	22.148.555	428.900	591.545	337.312
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-term Loans	24.718.890	129.958	2.151.076	367.228
Non-specialized Loans	24.718.890	129.958	2.151.076	367.228
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	46.867.445	558.858	2.742.621	704.540

(*) The loans and other receivables amounting to TL 98.143 (December 31, 2013 - TL 185.074) are classified under "Loans at Fair Value Through Profit/Loss" in the financial statements.

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	210.055	11.621.817	11.831.872	234.135
Housing Loans	1.164	5.697.708	5.698.872	172.759
Automobile Loans	434	49.453	49.887	447
Personal Need Loans	208.457	5.874.656	6.083.113	60.929
Other	-	-	-	-
Consumer Loans-FC Indexed	-	22.050	22.050	15.481
Housing Loans	-	21.172	21.172	14.751
Automobile Loans	-	-	-	-
Personal Need Loans	-	878	878	730
Other	-	-	-	-
Consumer Loans-FC	-	-	-	-
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Individual Credit Cards-TL	7.127.401	325.411	7.452.812	83.790
Installment	2.648.565	325.411	2.973.976	33.433
Non- Installment	4.478.836	-	4.478.836	50.357
Individual Credit Cards-FC	3.047	-	3.047	22
Installment	-	-	-	-
Non- Installment	3.047	-	3.047	22
Personnel Loans-TL	5.030	35.000	40.030	218
Housing Loans	-	155	155	1
Automobile Loans	-	58	58	-
Personal Need Loans	5.030	34.787	39.817	217
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	24.493	-	24.493	-
Installment	9.542	-	9.542	-
Non-Installment	14.951	-	14.951	-
Personnel Credit Cards-FC	74	-	74	-
Installment	-	-	-	-
Non-Installment	74	-	74	-
Overdraft Accounts-TL (Real Persons)	1.609.143	-	1.609.143	104.666
Overdraft Accounts-FC (Real Persons)	-	-	-	-
Total	8.979.243	12.004.278	20.983.521	438.312

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	747.708	7.963.839	8.711.547	126.174
Real Estate Loans	1.130	196.154	197.284	3.718
Automobile Loans	6.224	329.069	335.293	4.549
Personal Need Loans	740.354	7.438.616	8.178.970	117.907
Other	-	-	-	-
Commercial Loans with Installment Facility - FC Indexed	60.102	1.175.299	1.235.401	111.002
Real Estate Loans	-	30.265	30.265	5.422
Automobile Loans	255	71.570	71.825	5.725
Personal Need Loans	59.847	1.073.464	1.133.311	99.855
Other	-	-	-	-
Commercial Loans with Installment Facility - FC	-	-	-	-
Real Estate Loans	-	-	-	-
Automobile Loans	-	-	-	-
Personal Need Loans	-	-	-	-
Other	-	-	-	-
Corporate Credit Cards -TL	1.018.246	1.431	1.019.677	11.426
Installment	271.301	1.431	272.732	3.056
Non-Installment	746.945	-	746.945	8.370
Corporate Credit Cards -FC	287	-	287	2
Installment	-	-	-	-
Non-Installment	287	-	287	2
Overdraft Accounts-TL (Legal Entities)	803.803	-	803.803	1.444
Overdraft Accounts-FC (Legal Entities)	-	-	-	-
Total	2.630.146	9.140.569	11.770.715	250.048

f) Loans according to borrowers (*)

	Current Period	Prior Period
Public	163.249	150.108
Private	49.446.817	42.197.546
Total	49.610.066	42.347.654

(*) The loans and other receivables amounting to TL 98.143 (December 31, 2013 - TL 185.074) are classified under "Loans at Fair Value Through Profit/Loss" in the financial statements.

g) Domestic and foreign loans (*)

	Current Period	Prior Period
Domestic Loans	49.403.189	42.155.909
Foreign Loans	206.877	191.745
Total	49.610.066	42.347.654

(*) The loans and other receivables amounting to TL 98.143 (December 31, 2013 - TL 185.074) are classified under "Loans at Fair Value Through Profit/Loss" in the financial statements.

h) Loans granted to subsidiaries and associates

There are no loans granted to subsidiaries and associates

i) Specific provisions for loans

	Current Period	Prior Period
Specific Provisions		
Loans and Receivables with Limited Collectability	85.654	167.353
Loans and Receivables with Doubtful Collectability	440.187	483.952
Uncollectible Loans and Receivables	1.642.773	1.805.823
Total	2.168.614	2.457.128



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)	133	4.457	78.247
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	133	4.457	78.247
Prior 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

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	419.095	740.935	1.805.823
Additions (+)	1.346.176	101.092	126.070
Transfers from Other Categories of Non-Performing Loans (+)	-	1.217.475	1.208.850
Transfers to Other Categories of Non-Performing Loans (-)	1.217.475	1.208.850	-
Collections (-)	123.310	170.148	345.348
Write-offs (-) ^(**)	71	7.721	1.152.622
Corporate and Commercial Loans	64	7.456	286.160
Consumer Loans	7	265	338.639
Credit Cards	-	-	527.823
Others	-	-	-
Current Period End Balance	424.415	672.783	1.642.773
Specific Provision (-)	85.654	440.187	1.642.773
Net Balances on Balance Sheet	338.761	232.596	-

(*) 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 Parent Bank provided specific provisions for its 3rd group commercial loans with 100% provision rate in the prior period, whereas in the current period the Parent Bank provided provision by using minimum provision ratios. After the stated change, the Bank has provided TL 79.169 less provision in the current period as compared to the provisioning method used in the prior period.

(**) In current period, legally nonperforming loan receivables amounting to TL 571.958 have been sold for TL 127.600 whereas loan receivables amounting to TL 254.341 have been sold for TL 8.550 cash and share from future collections. Loan receivables that amount to 326.412 TL, have been sold for 64.000 TL.

j.3) Information on foreign currency of non-performing loans and other receivables

None (December 31, 2013 – None).

j.4) Information regarding gross and net amounts of non-performing loans with respect to user groups

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
Current Period (Net)	338.761	232.596	-
Loans to Real Persons and Legal Entities (Gross)	424.415	672.783	1.631.886
Specific provision (-)	(85.654)	(440.187)	(1.631.886)
Loans to Real Persons and Legal Entities (Net)	338.761	232.596	-
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	10.887
Specific provision (-)	-	-	10.887
Other Loans and Receivables (Net)	-	-	-
Prior 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)	-	-	-

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 in 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	432.339	9.570	512.851	7.806
Medium and Long Term	1.303	-	-	-
Total	433.642	9.570	512.851	7.806

As of December 31, 2014 and December 31, 2013, changes in provision for non-performing factoring receivables are as follows:

	Current Period	Prior Period
Prior Period End Balance	7.120	2.936
Provided Provision / (reversal), Net	6.424	4.924
Collections	(128)	(740)
Written off	-	-
Current Period End Balance	13.416	7.120

8. Information on investment securities held-to-maturity

a) Information on held-to-maturity financial assets held as collateral/blocked

	Current Period		Prior Period	
	TP	YP	TP	YP
Share certificates	-	-	-	-
Bond, Treasury bill and similar marketable securities	398.384	-	126.049	-
Other	-	-	-	-
Toplam	398.384	-	126.049	-

b) Information on held-to-maturity financial assets subject to repurchase agreements

Held-to-maturity financial assets subject to repurchase agreements amount to TL 1.554.090 TL (31December 2013: TL 1.425.091) as of balance sheet date.

c) Information on financial government debt securities held-to-maturity

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bond	3.003.772	90.418	2.446.859	20.820
Treasury Bill	48.794	-	-	-
Other Public Sector Debt Securities	-	-	-	-
Total	3.052.566	90.418	2.446.859	20.820

d) Information on investment securities held-to-maturity

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt Securities	3.052.566	674.657	2.446.859	378.920
Publicly-traded	3.052.566	674.657	2.446.859	378.920
Non-publicly traded	-	-	-	-
Provision for losses (-)	-	-	-	-
Total	3.052.566	674.657	2.446.859	378.920

e) Movement of held-to-maturity investments

	Current Period	Prior Period
Value at the beginning of the period	2.825.779	-
Exchange differences on monetary assets	32.352	29.197
Acquisitions during the year (*)	631.486	2.768.37 ^(*)
Disposals through sales and redemptions	-	-
Provision for losses (-)	-	-
Valuation Effect	237.606	28.212
The sum of end of the period	3.727.223	2.825.779

(*) Debt securities with the nominal value of TL 1.601.660 reclassified to held-to-maturity investments from available for sale financial assets on June 21, 2013 are classified under acquisitions during the year.

9. Investments in associates (Net)

9.1. 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
54.167	31.256	33.312	639	-	8.874	4.171	-

(*) Current period information is obtained from financial statements as of December 31, 2014, prior period profit and loss information is obtained from financial statements as of December 31, 2013.

9.2. Movements of investments in associates

	Current Period	Prior Period
Balance at the Beginning of Period	3.766	7.977
Movements During the Period	-	(4.211)
Acquisitions	-	-
Bonus Shares Received	-	-
Dividends From Current Year Profity	-	-
Sales	-	-
Reclassifications	-	(4.211) ^(*)
Increase/Decrease in Market Values	-	-
Currency Differences on Foreign Associates	-	-
Impairment Losses (-)	-	-
Balance at the End of the Period	3.766	3.766
Capital Commitments		-
Share Percentage at the end of the Period		-

(*) Represents classification of TL 4.211 share of Kredi Garanti Fonu A.Ş. to available for sale assets.

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	3.766
Total	3.766	3.766

9.4. Quoted Associates

None (December 31, 2013 - None).

9.5. Valuation of investments in associates

	Current Period	Prior Period
Valued at Cost	3.766	3.766
Valued at Fair Value	-	-
Valued at Equity Method	-	-
Total	3.766	3.766

9.6. Investments in associates sold during the current period

None (December 31, 2013 - None).

9.7. Investments in associates acquired during the current period

None (December 31, 2013 - None).



10. Investments in subsidiaries (Net)

a) Information on the Parent Bank's unconsolidated subsidiaries:

Subsidiaries below have not been consolidated since they are non financial investments, they are instead valued by cost method.

	Title	Address (City/Country)	Bank's Share - If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1.	İbtech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek San. Ve Tic. A.Ş.	Istanbul/Turkey	%99,91	%99,99
2.	EFİNAS Elektronik Ticaret ve Bilişim Hizmetleri A.Ş.	Istanbul/Turkey	%51,00	%51,00

(*)	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.	46.521	22.106	17.153	-	-	6.989	3.782	-
2. (**)	8.173	6.397	4.927	209	-	397	-	-

(*) Current period information is obtained from financial statements as of December 31, 2014, prior period profit and loss information is obtained from financial statements as of December 31, 2013.

(**) Represents the investment for the foundation of EFİNAS Elektronik Ticaret ve Bilişim Hizmetleri A.Ş. amounting to TL 3.060. In the Board of Directors meeting 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 EFİNAS Elektronik Ticaret ve Bilişim Hizmetleri Anonim Şirketi which is located in İstanbul 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	69,00
3.	Finans Yatırım Ortaklığı A.Ş. (**)	Istanbul/Turkey	76,06(**)	76,13
4.	Finans Portföy Yönetimi A.Ş.	Istanbul/Turkey	0,01	99,72
5.	Finans Faktoring Hizmetleri A.Ş.	Istanbul/Turkey	99,99	100,00

(*) The share of the Parent Bank is 10.01 %, the remaining 66.05% shareholding represents the purchases of publicly traded shares on the Borsa İstanbul (BİST).

(**) As per Board of Directors meeting dated 21 May 2014, it has been decided for the liquidation of Finans Investment Trust. Liquidation decision will be presented for the approval of the shareholders at the General Board Meeting and those who vote and oppose will be granted the right to resign from the Company. The Extraordinary General Meeting is done in October 20, 2014. The decisions of The Extraordinary General Meeting have been registered as of November 7, 2014. The shares of Finans Yatırım Ortaklığı A.Ş. have been unquoted from the exchange list and markets of İstanbul Stock exchange and banned for trade as of November 10, 2014. Finans Yatırım Ortaklığı A.Ş. Under Liquidation is referred to as "Finans Yatırım Ortaklığı A.Ş. Under Liquidation" since November 7, 2014.

Information on subsidiaries in the order as 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. (*)	270.385	152.640	3.119	16.130	3.727	1.841	1.570	112.610
2. (*)	1.765.458	557.552	2.853	146.746	-	48.029	41.496	260.125(**)
3. (*)	21.267	21.141	1	1.241	715	1.498	(2.101)	14.513(**)(***)
4. (*)	11.240	10.261	544	1.144	4	540	991	-
5. (*)	458.119	32.577	1.056	53.522	-	4.192	1.612	39.565

(*) Current period information represents December 31, 2014 figures, and prior period profit/loss amounts represent December 31, 2013 figures as per the financial statements prepared in accordance with the BRSa regulations.

(**) Fair values of publicly traded subsidiaries reflect their Borsa İstanbul (BİST) values as of the balance sheet date.

(***) Shows the stock market value of Finans Yatırım Ortaklığı A.Ş. as of November 7, 2014

b.2) Movement of investments in subsidiaries

	Current Period	Prior Period
Balance at the Beginning of the Period	405.170	476.617
Movements during the Period	21.148	(71.447)
Purchases	-	-
Bonus Shares Received	-	-
Dividends from Current Year Profit	-	-
Sales	-	(1.069)
Changes Due to Reclassification	-	-
Revaluation Difference	21.148	(70.378)
Impairment Provision	-	-
Balance at the End of the Period	426.318	405.170
Capital Commitments	-	-
Share Percentage at the end of the Period (%)	-	-

b.3) Sectoral distribution of the consolidated subsidiaries

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	39.213	20.000
Leasing Companies	260.125	284.787
Finance Companies	-	-
Other Subsidiaries	126.980	100.383
Total	426.318	405.170

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	274.637	302.448
Quoted on International Stock Exchanges	-	-
Total	274.637	302.448

b.5) Explanation to capital adequacy of the significant subsidiaries

None.

11. 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 Year Profit/Loss
Cigna Finans Emeklilik ve Hayat A.Ş. (*)	49,00%	49,00%	237.682	444.852	506.277	20.855	8.403
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. (*)	33,33%	33,33%	11.990	10.436	720	3.052	2.712

(*) Current period information represents December 31, 2014 figures, and prior period profit/loss amounts represent December 31, 2013 figures.

12. Information on finance lease receivables (Net)

12.1. Maturity analysis of financial lease receivables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	726.887	616.586	629.447	543.853
Between 1-4 years	942.507	824.705	797.021	706.442
Over 4 years	96.609	89.001	56.266	52.493
Total	1.766.003	1.530.292	1.482.734	1.302.788

Finance lease receivables include non-performing finance lease receivables amounting to TL 143.995 (December 31, 2013 - TL 133.665) and specific provisions amounting to TL 96.339 (December 31, 2013 - TL 83.006).

Changes in non-performing finance lease receivables provision as of December 31, 2014 and December 31, 2013, are as follows:

	Current Period	Prior Period
End of prior period	83.006	64.549
Provided provision / (reversal), Net	20.131	23.831
Collections	6.798	(5.374)
Provision at the end of the period	96.339	83.006

12.2. Information on net investment on leases

	Current Period	Prior Period
Gross Finance Lease Investments	1.766.003	1.482.734
Unearned Finance Income (-)	(235.711)	(179.946)
Cancelled Leasing Agreements (-)	-	-
Net Investment on Leases	1.530.292	1.302.788

12.3. Information of finance 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 (*)	1.459.151	22.844	1.487.743	61.426
Cash Flow Hedge	506.751	-	378.626	-
Net Investment Hedge	-	-	-	-
Total	1.965.902	22.844	1.866.369	61.426

(*) Derivative financial instruments designated for the fair value hedge purposes comprise of swaps. As of December 31, 2014, TL 36.343 (December 31, 2013 - TL 84.918) represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in debt securities issued, TL 20.170 (December 31, 2013 - TL 56.290) worth of securities issued, and TL 1.425.482 (December 31, 2013 - TL 1.464.251) represents the fair value of derivatives which are designated as hedging instruments to hedge the fair value changes in loans.

14. Explanations on tangible assets

	Land and Buildings	Fixed Assets under Finance Lease	Vehicles	Other Fixed Assets	Total
Prior Period End					
Cost	67.779	330.471	2.247	952.617	1.353.114
Accumulated Depreciation (-)	8.584	249.380	1.598	559.506	819.068
Net Book Value	59.195	81.091	649	393.111	534.046
Current Period End					
Cost at the Beginning of the Period	67.779	330.471	2.247	952.617	1.353.114
Additions (*)	1.046.654	619	-	89.266	1.136.539
Transfer (-)	6.794	65.626	-	10.746	83.166
Disposals (-)	-	-	185	3.607	3.792
Impairment (-)/ (increase)	(453)	-	-	-	(453)
Current Period Cost	1.108.092	265.464	2.062	1.027.530	2.403.148
Accumulated Depreciation at the Beginning of the Period	8.584	249.380	1.598	559.506	819.068
Disposals (-)	-	-	115	3.036	3.151
Transfer (-)	427	14.969	-	4.680	20.076
Depreciation amount	16.118	3.856	234	115.004	135.212
Accumulated Depreciation at the End of the Period (-)	24.275	238.267	1.717	666.794	931.053
Net Book Value at the End of the Period	1.083.817	27.197	345	360.736	1.472.095

(*)As mentioned in Section 3 footnote 5.1.d, the fair value currency difference income of 60.269 TL that belongs to the real estate, subject to the accounting of protection from the fair value risk by the Bank, is shown in the "Entries" line of the Financial Fixed Assets movement table.

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 453 has been booked. (December 31, 2013 - TL 705 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, 2013- 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, 2013- None).

15. Explanations on Intangible Assets

	Rights	Goodwill	Total
Prior Period End			
Cost	473.341	19.209	492.550
Accumulated Amortization(-)	272.554	10.229	282.783
Net Book Value	200.787	8.980	209.767
Current Period End			
Cost at the Beginning of the Period	473.341	19.209	492.550
Entries	105.349	-	105.349
Disposals (-)	2	-	2
Current Period Cost	578.688	19.209	597.897
Acc. Amort. At the Beginning of the Period	272.554	10.229	282.783
Disposals(-)	2	-	2
Amortization charge	79.822	-	79.822
Current Period Accumulated Amortization(-)	352.374	10.229	362.603
Net Book Value-End of the Period	226.314	8.980	235.294

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, 2013- None).

b) Disclosure for intangible fixed assets acquired through government grants and accounted for at fair value at initial recognition:

None (December 31, 2013- 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, 2013- None).

d) The book value of intangible fixed assets that are pledged or restricted for use:

None (December 31, 2013- None).

e) Amount of purchase commitments for intangible fixed assets:

None (December 31, 2013- None).

f) Information on revalued intangible assets according to their types:

None (31 Aralık 2013- 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 3.807 (December 31, 2013 – TL 4.525) .

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, 2013 – 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, 2013- None).

17. Information on tax asset

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 62.179 (December 31, 2013 – TL 107.583) and deferred tax liability is TL 1.488 (December 31, 2013- TL 1.330) 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 34.544 are netted under equity. (December 31, 2012 – TL 28.697 deferred tax liability).

	Accumulated Temporary Differences		Deferred Tax Assets/(Liabilities)	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Provision for Employee Rights	211.867	220.328	42.373	44.066
Difference Between the Book Value of Financial Assets and Tax Base	698.434	457.250	139.687	91.450
Other	191.234	392.946	38.247	78.590
Deferred Tax Assets			220.307	214.106
Difference Between the Book Value Financial Fixed Assets and Tax Base	(257.159)	(144.882)	(51.432)	(28.976)
Difference Between the Book Value of Financial Assets and Tax Base	(289.395)	(145.362)	(57.879)	(29.072)
Other	(251.523)	(249.018)	(50.305)	(49.805)
Deferred Tax Liabilities			(159.616)	(107.853)
Deferred Tax Assets/(Liabilities), Net			60.691	106.253

	Current Period	Prior Period
Deferred Tax as of January 1 Active/ (Passive) - Net	106.253	(4.852)
Deferred Tax (Loss) / Gain	(39.715)	33.948
Deferred Tax that is Realized Under Shareholder's Equity	5.847	77.157
December 31 Deferred Tax Active/ (Passive) - Net	60.691	106.253

18. Information on assets held for sale and discontinued operations

As of December 31, 2014, The Bank has re-classified its real estate property with a net book value of TL 63.090 from Tangible Assets to Assets held for Sale.

The auction regarding the sale of the Bank's Gayrettepe Headquarter Building on İstanbul, Şişli, Mecidiyeköy, map section 307, Isle 1997, Parcel 41 has been approved by the Board of Directors and a "Real Estate Sale Contract" has been signed by both parties. The building in question will be sold for USD 65.250.000. The deed transfer will take place no later than March 25, 2015 after the conditions on the contract are fulfilled. Also, as a result of the auction regarding the sale of the floors in Akmerkez, the Group will receive an amount of USD 19.670.000.

The auction regarding the sale of the Bank's Gayrettepe Headquarter Building on İstanbul, Şişli, Mecidiyeköy, map section 307, Isle 1997, Parcel 29 has been approved by the Board of Directors. It is decided to be sold for USD 28.000.000.

In addition it has been decided that floors owned by the Group in Akmerkez will be sold for USD 19.670.000.

19. Information on other assets:

19.1. Information on prepaid expense, tax and similar items

	Current Period	Prior Period
Other Prepaid Expenses	325.068	299.361
Cheques Receivables from Other Banks	254.690	188.161
Miscellaneous Receivables	138.126	159.080
Assets Held for Resale (net)	73.789	109.767
Prepaid rent expenses	66.453	83.362
Collateral Given for Derivative Transactions	31.765	30.352
Advances Given	9.670	307.905
Prepaid Agency Commissions	6.564	3.643
Other	92.142	77.324
Total	998.267	1.258.955

19.2 If other assets exceed 10% of total assets, excluding off balance sheet commitments, the names and the balances of these accounts, the name and the amount of the subaccounts which create at least 20% of them are:

Details of the other assets are described in note 16.1 section of disclosure.

20. 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	1.965.902	22.844	1.866.369	61.426
Derivative Financial Instruments Held for Hedging	1.103.007	149.465	1.029.956	251.525
Loans	670.666	119.800	632.960	73.137
Investment Securities Available for Sale	132.088	100.324	95.011	11.539
Investment securities held to maturity	48.794	6.927	23.336	4.876
Lease Receivables	5.461	7.455	4.135	6.869
Banks and Other Financial Institutions	997	31	143	-
Trading Securities	664	116	(1.164)	37
Other Accruals	4.954	173	1.418	105
Total	3.932.533	407.135	3.652.164	409.514



SECTION FIVE

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	1.478.602	-	2.302.799	11.989.509	479.169	287.251	1.491.669	3.859	18.032.858
Foreign Currency Deposits	1.839.631	-	1.415.763	8.626.554	441.796	159.241	482.581	3.521	12.969.087
Residents in Turkey	1.780.013	-	1.396.851	8.445.573	417.655	141.878	456.424	3.521	12.641.915
Residents Abroad	59.618	-	18.912	180.981	24.141	17.363	26.157	-	327.172
Public Sector Deposits	329.657	-	7.469	44.378	506	281	-	-	382.291
Commercial Deposits	1.560.852	-	1.398.650	4.157.214	139.228	121.681	89.369	-	7.466.994
Other Ins. Deposits	26.723	-	67.314	556.455	42.042	117.491	176.947	-	986.972
Precious Metal Deposits	582.107	-	-	3.920	42.910	5.586	7	-	634.530
Bank Deposits	17.791	-	1.105.752	259.084	34.475	5.900	-	-	1.423.002
T.R. Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	2.259	-	-	14.220	-	4.081	-	-	20.560
Foreign Banks	15.299	-	1.105.752	244.864	34.475	1.819	-	-	1.402.209
Participation Banks	233	-	-	-	-	-	-	-	233
Other	-	-	-	-	-	-	-	-	-
Total	5.835.363	-	6.297.747	25.637.114	1.180.126	697.431	2.240.573	7.380	41.895.734

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	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

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	9.502.043	7.860.834	8.529.289	8.280.585
Foreign Currency Savings Deposits	1.833.144	1.653.084	5.793.036	5.382.496
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	11.335.187	9.513.918	14.322.325	13.663.081

1.2. Savings deposits in Turkey are not covered under insurance in another country since the headquarter 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	38.539	32.736
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	2.632	32.652
Total	41.171	65.388

2. Information on trading purpose derivatives

a) Negative value of trading purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forwards	51.369	-	108.202	-
Swaps	1.041.448	109.145	1.004.649	62.406
Futures	-	47	-	168
Options	-	50.291	-	135.472
Other	-	-	-	-
Total	1.092.817	159.483	1.112.851	198.046

3. a) Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank Loans	-	-	-	-
Domestic Banks and Institutions	437.490	384.554	391.541	313.408
Foreign Banks, Institutions and Funds	60.781	4.970.259	150.500	3.965.502
Total	498.271	5.354.813	542.041	4.278.910

b) Maturity information on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	329.764	3.914.272	461.350	2.553.062
Medium and Long-Term	168.507	1.440.541	80.691	1.725.848
Total	498.271	5.354.813	542.041	4.278.910

The Bank obtained securitization loan amounting to USD 397 in November 26, 2014 and EUR 356 million in November 27, 2013 with one year maturity according to the Board of Directors' decision No: 221 October 23, 2014.



c) Additional information on concentrations of the Group's liabilities

As of December 31, 2014, the Group's liabilities comprise; 55% deposits (December 31, 2013 – 56%), 8% funds borrowed (December 31, 2013 – 7%), 8% issued bonds (December 31, 2013 – 6%) and 5% funds provided under repurchase agreements (December 31, 2013 – 5%).

4. Information on funds provided under repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
From domestic transactions	2.715.336	-	2.518.556	-
Financial institutions and organizations	2.679.239	-	2.470.009	-
Other institutions and organizations	12.101	-	32.319	-
Real persons	23.996	-	16.228	-
From foreign transactions	9.901	1.431.183	8.165	1.141.561
Financial institutions and organizations	-	1.431.183	-	1.141.561
Other institutions and organizations	9.901	-	8.165	-
Real persons	-	-	-	-
Total	2.725.237	1.431.183	2.526.721	1.141.561

5. Information on securities issued (Net)

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bonds	2.000.828	262.040	2.057.078	-
Bills	324.658	3.237.972	103.734	1.793.767
Total	2.325.486	3.500.012	2.160.812	1.793.767

The Parent Bank has government bond issue program (Global Medium Term Note Programme) amounting to USD 1,5 Billion.

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 does not exceed 10% of total liabilities excluding the off-balance sheet items (December 31, 2013 – Does not exceed 10%).

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. Changes in agreements and further commitments arising

No changes have been made to the leasing agreements in the current period (December 31, 2013 – None).

7.2. Financial lease payables

The leasing balances between the Parent Bank and the subsidiaries have been eliminated as part of the consolidation principles.

7.3. Information on operational lease

Operational lease payments are recognized as an expense in the income statement on a straight-line basis over the lease terms. The Bank arranges operating lease arrangements for some of its ATM and branches. The lease contract is done on a yearly basis and the payment is made upfront each year and realized as an expense under the "Other Assets" account.

7.4. Information on "Sale -and- lease back" agreements

The Group does not have any sale-and-lease back transactions in the current period (December 31, 2013 – None).

8. Information on liabilities arising from hedging purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge (*)	70.738	149.976	-	75.101
Cash Flow Hedge (**)	131.366	-	7.648	-
Net Investment Hedge	-	-	-	-
Total	202.104	149.976	7.648	75.101

(*) Derivative financial instruments for hedging purposes include swaps. As of December 31, 2014, TL 98.050 (December 31, 2013 - TL 20.901) represents the fair value of derivatives which are the hedging instruments of hedged loan portfolio, TL 122.664 (December 31, 2013 - TL 54.200) represents the fair value of derivatives which are the hedging instruments of hedged investment securities available for sale portfolio.

(**) Represents the fair values of derivatives which are the hedging instruments of deposits' cash flow risk.

9. Information on provisions

9.1. Information on general provisions

	Current Period	Prior Period
Provisions for Loans and Receivables in Group I	680.928	608.997
-Additional Provision for Loans and Receivables with Extended Maturities	55.947	56.116
Provisions for Loans and Receivables in Group II	125.096	88.573
-Additional Provision for Loans and Receivables with Extended Maturities	36.679	30.920
Provisions for Non - Cash Loans	75.473	63.599
Other	61.164	55.122
Total	942.661	816.291

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 (*)	21.043	146

(*) 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 47.736 (December 31, 2013 - TL 53.760).

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, 2014, TL 120.546 (December 31, 2013 - TL 90.390) reserve for employee termination benefits was provided in the accompanying financial statements.

As of December 31, 2014, the Group accrued TL 33.190 (December 31, 2013 - TL 30.354) for the unused vacations under reserve for employee benefits account in the accompanying financial statements.

As of December 31, 2014, TL 58.131 (December 31, 2013 - TL 99.584) 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 01.01-31.12.2014	Prior Period 01.01-31.12.2013
As of January 1	90.395	85.243
Service cost	14.640	13.845
Interest Cost	8.635	6.298
Settlement / curtailment / termination loss	10.474	5.558
Actuarial Difference	19.565	(5.443)
Paid during the period	(23.163)	(15.111)
Total	120.546	90.390



9.5. Information on other provisions

9.5.1. Information on provisions for possible risks

Apart from the information provided in 9.3, the other provisions are given below as follows:

	Current Period	Prior Period
Provision for Closely Monitored Loans	106.334	102.025
General Reserves for Possible Risks	82.000	-
Provision for Promotion Expenses of Credit Cards	12.495	20.138
Other Provisions	48.659	79.258
Total	249.488	201.421

10. Taxation

10.1. Current taxes

10.1.1. Current tax liability

As of December 31, 2014, the Group has current tax liability of TL 240.905(December 31, 2013 - TL 319.023) and advance taxes of TL 64.941 (December 31, 2013 - TL 210.715).

The current tax liability and the advance taxes of the consolidated subsidiaries have been offset separately in their financial statements. As of December 31, 2014, after the offsetting, the current tax liability amounting TL 175.964 (December 31, 2013 - TL 108.308) is disclosed.

10.1.2. Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	175.964	108.308
Banking and Insurance Transaction Tax (BITT)	39.417	32.349
Taxation on Securities Income	41.034	33.750
Taxation on Real Estates Income	1.893	1.803
VAT Payable	1.879	2.080
Other	19.157	18.403
Total	279.344	196.693

The Group presents The "Corporate Taxes Payable" balance in the "Current Tax Liability" account and other taxes are presented in the "Other Liabilities" account in the accompanying consolidated financial statements.

10.1.3 Information on premiums

	Current Period	Prior Period
Social Security Premiums - Employee Share	7.054	7.336
Social Security Premiums - Employer Share	7.687	7.881
Pension Fund Fee and Provisions - Employee Share	4	-
Pension Fund Fee and Provisions - Employer Share	12	-
Unemployment Insurance - Employee Share	495	517
Unemployment Insurance - Employer Share	992	1.032
Other	12	11
Total	16.256	16.777

10.2. Information on deferred tax liabilities

According to TAS 12, the deferred tax assets and liabilities are netted off in the accompanying financial statements.

Deferred tax asset is TL 62.179(December 31, 2013 - TL 107.583) and deferred tax liability is TL 1.488 (December 31, 2013 - 1.330) after deferred tax asset and liability balances in the financial statements of 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 liability amounting to TL 34.544 is netted under equity (December 31, 2013 -TL 28.697 deferred tax liability).

	Temporary Differences		Deferred Tax Asset / (Liability)	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Reserve for employee benefits	211.867	220.328	42.373	44.066
The differences between carrying and taxable amounts of financial assets	698.434	457.250	139.687	91.450
Unused investment incentive certificates	-	-	-	-
Other	191.234	392.946	38.247	78.590
Deferred Tax Asset			220.307	214.106
The differences between carrying and taxable amounts of tangible assets	(257.159)	(144.882)	(51.432)	(28.976)
The differences between carrying and taxable amounts of financial assets	(289.395)	(145.362)	(57.879)	(29.072)
Other	(251.523)	(249.018)	(50.305)	(49.805)
Deferred Tax Liability			(159.616)	(107.853)
Deferred Tax Asset / (Liability), Net			60.691	106.253

	Current Period 01.01-31.12.2014	Prior Period 01.01-31.12.2013
Deferred Tax Asset / (Liability) as of January 1 (Net)	106.253	(4.852)
Deferred Tax (Charge) / Benefit	(39.715)	33.948
Deferred Tax Items Accounted for under the Equity	(5.847)	77.157
Deferred Tax Asset/ (Liability) as of December 31 (Net)	60.691	106.253

11. Information on payables related to assets held for sale

None. (December 31, 2013- None)

12. Information on subordinated loans

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	2.121.712	-	1.950.719
From Other Foreign Institutions	-	-	-	-
Total	-	2.121.712	-	1.950.719

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 loan amounting to USD 325 million which was received in 2008 was paid back in 2010 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. Aforementioned loans are subject to interest payment every 6 months and principal payment at maturity. USD 585 million of existing subordinate loans will mature in 2021, USD 325 million will mature in 2020.

13. Information on shareholder's equity

13.1. Paid-in capital

	Current Period	Prior Period
Common Stock	2.835.000	2.700.000
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	2.835.000	12.000.000

(*) According to the Board of Directors decision dated September 16, 2014, the Bank has decided to increase the registered capital ceiling from TL 6.000.000 to TL 12.000.000 and subject decision has been approved in the Extraordinary General Assembly for approval.



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

Increase Date	Increase Amount	Cash	Profit Reserves held subject to the Increase	Capital Reserves held subject to the Increase
June 24, 2014	135.000	-	135.000	-

13.4. Information on share capital increases from revaluation funds

None (December 31, 2013 - 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 commitments, all of 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, 2013 - None).

13.7. Information on the privileges given to stocks representing the capital

According to the Board of Directors decision dated September 16, 2014, it has been found that 100 dividend shares issued to National Bank of Greece in accordance with the Bank's Articles of Association will be cancelled at no cost. Subject decision has been approved in the General Assembly meeting in December 4, 2014. 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.

14. Common stock issue premiums, shares and equity instruments

	Current Period	Prior Period
Number of Stocks (Thousands)	28.350.000	27.000.000
Preferred Capital Stock	-	-
Common Stock Issue Premiums (*)	714	714
Common Stock Withdrawal Profits	-	-

(*) Due to the Parent Bank's capital increase at the prior periods, common stock issue premiums accounted amounting to TL 714.

15. Marketable securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, Subsidiaries and Entities under Common Control	-	-	-	-
Valuation Differences	-	-	-	-
Foreign Exchange Rate Differences	-	-	-	-
Securities Available-for-Sale	4.763	(56.619)	(85.632)	(136.568)
Valuation Differences	4.763	(56.619)	(85.632)	(136.568)
Foreign Exchange Rate Differences	-	-	-	-
Total	4.763	(56.619)	(85.632)	(136.568)

16. 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	169.606	19.121	157.980	25.541
Derivative Financial Liabilities Held for Trading	1.092.817	159.483	1.112.851	198.046
Funds Borrowed	25.513	38.708	6.281	31.700
Money Market Borrowings	2.227	1.382	821	1.660
Derivative Financial Liabilities Held for Hedging	202.104	149.976	7.648	75.101
Other Accruals	44.220	44.237	27.734	41.583
Total	1.536.487	412.907	1.313.315	373.631

SECTION FIVE

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
Credit Cards Limit Commitments	16.812.040	17.067.174
Commitment For Use Guaranteed Credit Allocation	8.537.065	5.424.755
Forward Asset Purchase Commitments	2.550.320	1.076.853
Payment Commitments for Cheques	2.420.299	2.060.004
Other Irrevocable Commitments	565.897	54.242
Credit Cards and Promotions in regards to Banking Services Uyg. Taah.Iliş Prom. Uyg. Taah	22.604	38.002
Tax and Fund Liabilities due to Export Commitments	7.626	6.988
Total	30.915.851	25.728.018

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

Specific provision is provided for the non-cash loans amounting to TL 47.736 (December 31, 2013 – TL 53.760) followed in the off-balance sheet accounts that are not indemnified and not liquidated yet. Tax and Fund Liabilities due to Export Commitments

1.3. Final guarantees, provisional guarantees, sureties and similar transactions

	Current Period	Prior Period
Bank Loans	912.287	609.831
Letters of Credit	812.318	548.606
Other Guarantees	21.077	19.399
Total	1.745.682	1.177.836

1.4. Final guarantees, provisional guarantees, sureties and similar transactions

	Current Period	Prior Period
Provisional Letters of Guarantee	412.514	290.037
Final Letters of Guarantee	4.054.914	3.640.553
Advance Letters of Guarantee	201.394	191.920
Letters of Guarantee Given to Customs Offices	266.710	198.665
Other Letters of Guarantee	2.479.195	1.619.401
Total	7.414.727	5.940.576

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans granted for Obtaining Cash Loans	477.125	317.804
Less Than or Equal to One Year with Original Maturity	63.872	14.451
More Than One Year with Original Maturity	413.253	303.353
Other Non-Cash Loans	8.683.284	6.800.608
Total	9.160.409	7.118.412

3. Information on risk concentration in sector terms in non-cash loans

	Current Period				Prior Period			
	TL	%	FC	%	TL	%	FC	%
Agricultural	38.340	0,73	10.157	0,26	16.207	0,39	2.362	0,08
Farming and Raising Livestock	35.181	0,67	8.106	0,21	13.627	0,33	2.033	0,07
Forestry	746	0,01	-	-	1.440	0,03	-	-
Fishing	2.413	0,05	2.051	0,05	1.140	0,03	329	0,01
Manufacturing	977.016	18,74	1.987.079	50,63	882.213	21,15	1.523.356	52,02
Mining and Quarrying	27.120	0,52	-	-	25.599	0,61	771	0,03
Production	692.665	13,28	1.557.967	39,70	554.277	13,29	1.213.207	41,43
Electricity, gas and water	257.231	4,93	429.112	10,93	302.337	7,25	309.378	10,56
Construction	1.274.329	24,44	550.172	14,02	932.925	22,37	369.150	12,61
Services	2.838.584	54,43	1.364.461	34,77	2.256.615	54,1	1.016.629	34,72
Wholesale and Retail Trade	1.663.568	31,90	699.396	17,82	1.289.108	30,91	504.487	17,23
Hotel, Food and Beverage Services	54.015	1,04	60.312	1,54	36.356	0,87	13.353	0,46
Transportation&Communication	109.173	2,09	47.105	1,20	94.292	2,26	97.140	3,32
Financial Institutions	602.922	11,56	402.638	10,26	491.441	11,78	301.735	10,3
Real Estate and Renting Services	2.517	0,05	2.158	0,05	2.684	0,06	1.868	0,06
Self Employment Services	173.592	3,33	30.618	0,78	155.682	3,73	84.051	2,87
Educational Services	5.087	0,10	10	0,00	4.044	0,10	9	-
Health and Social Services	227.710	4,37	122.224	3,11	183.008	4,39	13.986	0,48
Other (*)	86.463	1,66	12.731	0,32	82.007	1,99	17.071	0,57
Total	5.214.732	100,00	3.924.600	100,00	4.169.967	100,00	2.928.568	100,00

(*) Does not include foreign currency balance of "Other Guarantees" amounting to TL 21.077 (December 31, 2013 - TL 19.399).

4. Information on non-cash loans classified in first and second groups (*)

	I. Group		II. Group	
	TL	FC	TL	FC
Letters of Guarantee	5.059.147	2.145.703	119.260	42.881
Bill of Exchange and Acceptances	8.934	891.831	-	11.522
Letters of Credit	-	811.958	-	360
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	-	21.077	-	-
Non-cash Loans	5.068.081	3.870.569	119.260	54.763

(*) Does not include non-cash loans amounting to TL 47.736, for which provision is provided, but which are not indemnified and not liquidated yet.

5. Information related to derivative financial instruments

	Current Period	Prior Period
Types of trading transactions		
Foreign Currency Related Derivative Transactions (I)	91.980.951	67.299.604
Forward transactions (*)	7.651.472	7.677.470
Swap transactions	74.223.938	43.704.682
Futures transactions	39.340	42.982
Option transactions	10.066.201	15.874.470
Interest Related Derivative Transactions (II)	9.542.658	8.707.332
Forward rate transactions	-	-
Interest rate swap transactions	9.542.658	8.707.332
Interest option transactions	-	-
Futures interest transactions	-	-
Security option transactions	-	-
Other trading derivative transactions (III)	417.402	341.488
A. Total Trading Derivative Transactions (I+II+III)	101.941.011	76.348.424
Types of hedging transactions	29.991.208	24.005.643
Fair value hedges	19.206.081	17.234.950
Cash flow hedges	10.785.127	6.770.693
Net investment hedges	-	-
B. Total Hedging Related Derivatives	29.991.208	24.005.643
Total Derivative Transactions (A+B)	131.932.219	100.354.067

(*) This line also includes Forward Asset Purchase Commitments accounted for under Commitments.

As of December 31, 2014, 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	Futures Buy	Futures Sell	Other
Current Period									
TL	1.824.574	1.193.287	20.750.021	28.431.303	1.502.096	1.608.873	448	448	-
USD	1.158.737	2.152.924	33.457.398	25.860.241	2.234.524	2.220.577	19.222	19.222	417.402
Euro	505.723	379.428	2.685.574	1.297.779	599.284	656.707	-	-	-
Other	335.237	101.562	140.878	1.134.610	686.580	557.560	-	-	-
Total	3.824.271	3.827.201	57.033.871	56.723.933	5.022.484	5.043.717	19.670	19.670	417.402

(*) This column also includes hedging purpose derivatives.

(**) This column also includes Forward Asset Purchase Commitments and accounted for under Commitments.

	Forward Buy ^(**)	Forward Sell ^(**)	Swap Buy ^(*)	Swap Sell ^(*)	Option Buy	Option Sell	Futures Buy	Futures Sell	Other
Prior Period									
TL	1.564.585	1.786.489	13.399.385	18.547.585	3.031.745	3.225.306	255	255	-
USD	1.379.951	1.493.252	23.467.275	16.994.810	2.476.355	2.961.723	21.236	21.236	341.488
Euro	852.426	533.866	1.326.918	1.653.592	2.334.809	1.694.057	-	-	-
Other	43.473	23.428	22.484	1.005.608	116.312	34.163	-	-	-
Total	3.840.435	3.837.035	38.216.062	38.201.595	7.959.221	7.915.249	21.491	21.491	341.488

(*) This column also includes hedging purpose derivatives.

(**) This column also includes Forward Asset Purchase Commitments and accounted for under Commitments.

As of December 31, 2014, the Bank has no derivative transactions for hedge of net investment.

5.1 Fair value hedge accounting

a) Loans

The Parent 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 balance sheet date; the mortgage loans amounting to TL 5.529.871 (December 31, 2013 – TL 5.098.190) were subject to hedge accounting by swaps with a nominal of TL 5.683.996 (December 31, 2013 – TL 6.557.217). On December 31, 2014 the net market valuation difference loss amounting to TL 33.986 due to the gains from the loans amounting to TL 199.124 (December 31, 2013 – TL 523.221 loss) and loss from swaps amounting to TL 165.139 (December 31, 2013 – TL 536.942 income) is accounted for under "gains / (losses) from financial derivatives transactions" line in the accompanying financial statements.

As of balance sheet date project finance loans amounting to TL 148.712 (December 31, 2013 – TL 164.290) have been subject to hedge accounting with swaps with a nominal amount of TL 144.000 (December 31, 2013 – TL 159.732). In 2014 TL 1.504 net fair valuation difference income, net of TL 8.087 (December 31, 2013 – TL 17.493 income) income from loans and TL 6.583 (December 31, 2013 – TL 16.536 loss) expense from swaps has been recorded under "Gains / (losses) from financial derivatives transactions" on 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 Parent Bank has booked the valuation effect amounting to TL 31.322 (December 31, 2013 – TL 52.638) 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 Parent Bank applies fair value hedge accounting to hedge itself against 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 a nominal of USD 301 million and EUR 70.8 million (December 31, 2013 – USD 333 million and EUR 26 million) were subject to hedge accounting by interest rate swaps with the same nominal value. On December 31, 2014, the net market valuation difference loss due to income from Eurobonds amounting to TL 97.880 (December 31, 2013 – TL 100.381 loss) and loss from swaps amounting to TL 97.948 (December 31, 2013 – TL 100.155 gain) is accounted as TL 68 (losses) from financial derivatives transactions" line in the accompanying financial statements.

The Parent Bank applies fair value hedge accounting to hedge itself against 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 a nominal of TL 102.030 (December 31, 2013 – TL 198.305) were subject to hedge accounting by swaps with the same nominal value. On December 31, 2014, the net market valuation difference loss, net of TL 10.377 (December 31, 2013 – TL 7.034 gain) income from issued bonds and TL 934 loss (December 31, 2013 – TL 12.760 loss) and gains from swaps amounting to TL 1.019 (December 31, 2013 – TL 14.013 gain) is accounted for under "gains / (losses) from financial derivatives transactions" line in the accompanying financial statements.

c) Bonds issued

The Parent Bank applies fair value hedge accounting to hedge itself against the changes in the interest rates related to the foreign currency bonds issued using interest rate swaps as hedging instruments. As of the balance sheet date, bonds with nominal amount of USD 650 million (December 31, 2013 – USD 367 Million) have been subject to hedge accounting with the same nominal amount of swaps. As of December 31, 2014, TL 61 net fair valuation difference loss, net of TL 10.377 (December 31, 2013 – TL 7.034 gain) income from issued bonds and TL 10.438 (December 31, 2013 – TL 7.044 loss) expense from swaps, has been recorded under "Gains / (losses) from financial derivatives transactions" on accompanying financial statements.

d) Tangible Assets

Until December 31, 2014, the Parent Bank has designated fair value hedge accounting through foreign currency fundings to be hedged from fair value changes resulting from currency changes in real estate property which has been bought in foreign currency and has a market value denominated in foreign currency. As of December 31, 2014, aforementioned hedge has been ceased and TL 60.269 fair value foreign currency gain will be amortised through the economic life of the real estate.

As of December 31, 2014, the effectiveness tests of abovementioned hedge relationships have been found to be effective.

5.2 Cash flow hedge accounting

a) Deposit

The Parent Bank applies cash flow hedge accounting using interest rate swaps in order to hedge itself from the interest rate changes of deposits that have an average maturity of 3 months, the Bank implements cash flow hedge accounting with interest rate swaps. The Parent Bank implements efficiency tests at the balance sheet dates for hedging purposes; the effective portions are accounted for under equity "Hedging Funds", whereas the ineffective portions are accounted for at income statement as defined in TAS 39. As at the balance sheet date, swaps amounting to TL 1.057.388 are subject to hedge accounting as hedging instruments (December 31, 2013 – TL 169.643). As a result of the mentioned hedge accounting, fair value loss before taxes amounting to TL 20.178 are accounted for under equity during the current period (December 31, 2013 – TL 15.383 gain). The ineffective portion of gain amounting to TL 127 (December 31, 2013 – TL 5 gain) is accounted for at the income statement.

As at the balance sheet date, swaps amounting to USD 1.854 million are subject to hedge accounting as hedging instruments (December 31, 2013 – USD 1.470 million). As a result of the mentioned hedge accounting, fair value loss before taxes amounting to TL 140.268 are accounted for under equity during the current period (December 31, 2013 – TL 112.448 gain). The loss amounting to TL 245 (December 31, 2013 – TL 164 gain) 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 at periods when the expected cash flows subject to hedge accounting affect profit or loss (as in periods when interest income or expense is recognized). In the current period the transferred amount from equity to income statements is a TL 2.399 loss. (December 31, 2013 – TL 4.684 loss).

The measurements as of December 31, 2014, hedge of cash flow transactions stated above are determined as effective.

b) Tangible Assets

The Parent Bank applies cash flow hedge accounting to hedge its foreign currency assets held for sale from foreign currency risk through foreign currency liabilities. As at balance sheet date foreign exchange losses amounting to TL 10.136 (December 31, 2013 – None) have been accounted under other comprehensive income.

6. Credit derivatives and risk exposures on credit derivatives

As of December 31, 2014, in the Bank's "other irrevocable commitments", there are commitments for "credit linked notes" with a nominal of USD 9.089.264 (December 31, 2013- USD 9.089.264).

As of December 31, 2014, "Derivative Financial Instruments" with nominal amount of USD 180.000.000 (December 31, 2013- USD 160.000.000) are included in Parent Bank's "Swap Interest Sell Transactions." In aforementioned transaction, Bank is the seller of the protection.

7. Information on contingent liabilities and assets

None (December 31, 2013 – 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 2014		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 (YP)	NP	Long-Term TL	BBB-	Foreign Currency Rating	Stable
Short-Term Deposit Rating (TL)	NP	Short-Term TL	F3	TL Rating	Stable
Financial Strength	E+ (b1)	Long-Term National	AA+(tur)	Long Term (TL)	BB+
Appearance	Stable	Appearance	Stable	Short Term (TL)	B
		Support	3	Financial Strength Rating	BBB+
		Individual	bbb-	Financial Strength Appearance	Stable
				Support	3

SECTION FIVE

IV. EXPLANATIONS ON 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	2.550.276	56.914	2.493.761	38.922
Medium and Long-Term Loans	2.640.378	235.410	2.325.747	160.940
Non-Performing Loans	113.761	-	108.943	-
Resource Utilization Support Fund Premiums	-	-	-	-
Total	5.304.415	292.324	4.928.451	199.862

b) Information on interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
T.R. Central Bank	-	-	-	-
Domestic Banks	1.972	9	525	8
Foreign Banks	435	4.091	2.144	1.797
Foreign Headquarters and Branches	-	-	-	-
Total	2.407	4.100	2.669	1.805

c) Information on interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Held-for-Trading Financial Assets	10.111	233	13.166	175
Financial Assets at FVTPL	17.384	-	30.183	1.196
Investment Securities Available for Sale	405.407	68.767	343.729	62.329
Investment Securities Held to Maturity	325.193	25.957	76.789	6.796
Total	758.095	94.957	463.867	70.496

As stated in Section Three disclosure VII, the Parent Bank has inflation indexed (CPI) government bonds in its available for sale and held-to-maturity portfolios. As disclosed in 'Inflation Indexed Bonds Manual' published by Turkish Treasury, reference index used for the actual payments is determined based on inflation rates of two months before. The Parent Bank determines the estimated inflation rates in line with this. Estimated inflation rate used is updated throughout the year as found necessary. In this context, as of December 31, 2014, estimated inflation rate used in valuation of such assets has been updated according to actual annual inflation rate of 8,96%. Had the above mentioned change in estimate related to those CPI linked securities had not been made, interest income would decrease by TL 68.778 and security value increase fund under equity would increase by TL 14.855 after tax effect.

d) Information on interest income received from associates and subsidiaries

None (December 31, 2013 – 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	35.737	10.968	19.073	8.509
Foreign Banks	12.746	216.059	9.989	168.814
Foreign Headquarters and Branches	-	-	-	-
Other Institutions	7.425	-	-	-
Total	55.908	227.027	29.062	177.323

b) Information on interest expense paid to associates and subsidiaries

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	-	229

c) Information on interest expense paid to securities issued

As of December 31, 2014 the interest amount paid to securities issued is TL 328.255 (December 31, 2013 – TL 252.784)

d) Information on maturity structure of interest expenses on deposits

Current Period		Time Deposits						
Account Name	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year	Accumulated Deposit Account	Total
Turkish Lira								
Bank Deposits	-	12.951	6.318	1.623	288	-	-	21.180
Saving Deposits	3	154.378	1.120.822	91.882	38.827	112.144	-	1.518.056
Public Sector Deposits	-	639	3.408	51	102.588	-	-	106.686
Commercial Deposits	-	149.225	422.401	31.933	17.600	6.518	-	627.677
Other Deposits	-	3.357	73.089	13.891	53.878	3.720	-	147.935
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	3	320.550	1.626.038	139.380	213.181	122.382	-	2.421.534
Foreign Currency								
Deposits	-	19.561	158.417	10.483	6.488	12.669	-	207.618
Bank Deposits	29	19.267	3.566	248	38	-	-	23.148
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	484	-	-	-	-	-	484
Total	29	39.312	161.983	10.731	6.526	12.669	-	231.250
Grand Total	32	359.862	1.788.021	150.111	219.707	135.051	-	2.652.784

Prior Period	Time Deposits							
Account Name	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year	Accumulated Deposit Account	Total
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								
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

e) Information on interest expenses on repurchase agreements

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expenses on Repurchase Agreements (*)	213.296	7.448	93.486	6.498

(*) Disclosed in "Interest on Money Market Transactions".

f) Information on finance lease expenses

None (December 31, 2013 – None).



g) Information on interest expenses on factoring payables

None (December 31, 2013 – None).

3. Information on dividend income

	Current Period	Prior Period
Financial Assets Held for Trading	263	140
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets Available for Sale	-	7
Other	-	-
Total	263	147

4. Information on trading income/loss

	Current Period	Prior Period
Trading Gain	11.409.533	8.941.514
Gains on Capital Market Operations	125.539	275.775
Derivative Financial Instruments	3.508.198	2.582.412
Foreign Exchange Gains	7.775.796	6.083.327
Trading Loss (-)	11.661.260	(9.146.968)
Losses on Capital Market Operations	105.269	113.415
Derivative Financial Instruments	3.815.919	2.853.402
Foreign Exchange Losses	7.740.072	6.180.151
Net Trading Income/Loss	(251.727)	(205.454)

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. In current period, the Parent Bank has recorded a sales profit of TL 196.377 from the sale of its legally nonperforming loan receivables and the amount was recorded under "Other Operating Income."

6. Provision for losses on loans and other receivables

	Current Period	Prior Period
Specific Provisions For Loans and Other Receivables	875.804	873.777
Loans and Receivables in Group III	166.066	(49.797)
Loans and Receivables in Group IV	323.677	143.573
Loans and Receivables in Group V	386.061	780.001
Doubtful Fee, Commission and Other Receivables	-	-
General Provisions	126.370	198.607
General reserves for possible risks	82.000	-
Provision for Free Reserves on Possible Losses	4.310	2.278
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	12.007	28.626
Total	1.100.491	1.103.391

7. Information on other operating expenses

	Current Period	Prior Period
Personnel costs	1.004.628	959.234
Reserve for employee termination benefits	10.586	10.590
Provision for pension fund deficits	-	-
Impairment losses on tangible assets	-	705
Depreciation charge of tangible assets	135.212	104.429
Impairment losses on intangible assets	-	-
Impairment losses on goodwill	-	-
Amortization charge of intangible assets	79.822	63.034
Impairment losses on investments under equity method of accounting	-	-
Impairment losses on assets to be disposed of	83	1.048
Depreciation on assets to be disposed	3.906	5.470
Impairment charge of assets held for sale and discontinued operations	-	-
Other operating expenses	848.051	838.870
Operational lease related expenses	209.921	175.785
Repair and maintenance expenses	78.772	63.714
Advertisement expenses	70.761	105.271
Other expenses	488.597	494.100
Losses on sales of assets	640	334
Other	360.083	399.131
Total	2.443.011	2.382.845

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

For the period ended December 31, 2014, net interest income of TL 3.204.525 (December 31, 2013 - TL 3.268.967), net fees and commission income of TL 1.396.983 (December 31, 2013 - TL 1.086.758) and other operating income of TL 385.552 (December 31, 2013 - TL 321.674) constitute an important part of the period 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, 2014, the Group recorded current tax charge of TL 235.839 (December 31, 2013 - TL 250.376) and a deferred tax charge of TL 39.715 (December 31, 2013 - TL 33.948 deferred tax loss).

	Current Period	Prior Period
Current Tax Provision	(235.839)	(250.376)
Correction in regards to Corporate Tax from Prior Period	-	-
Deferred Tax Income/Expense	(39.715)	33.948
Total	(275.554)	(216.428)

9.2. Explanations on operating profit/loss after taxes

None (December 31, 2013 - None).

10. Explanations on net profit/ (loss) from continued and discontinued operations:

Net profit of the Group from continued operations is TL 915.939 (December 31, 2013 - TL 758.090).

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, 2013 – 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.

Please refer to Section IV. Footnote 1.c.

11.3. Profit or loss attributable to minority shares

	Current Period	Prior Period
Profit / Loss Attributable to Minority Shares	15.251	11.939

11.4. There is no change 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, while fees and commissions given to credit cards are recorded in the "Others" line under "Fees and Commissions Paid" account by the Parent Bank.

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 increase of TL 170.344 (December 31, 2013 – TL 418.755 net decrease) 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 dividends

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 27, 2014, it was decided to distribute the 2013 profit as follow:

2013 profit distribution table:

Current Year Profit	734.239
A - I. Legal Reserve (Turkish Commercial Code 466/I) at 5%	(36.712)
B - The First Dividend for Shareholders(*)	(135.000)
C - Profit from Disposal of Associates	-
D- II. Legal Reserves	-
E- Gains on Real estate Sales Fund	-
F - Extraordinary Reserves ((562.527)
(*) Has been 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, 2013- Profit distribution for 2013 is detailed in footnote 3.1).

3.3 Transfers to legal reserves

	Current Period	Prior Period
Amount Transferred to Reserved from Retained Earnings	39.148	49.380

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, 2013- 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.

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 844.896 (December 31, 2013 – TL 1.324.942) in "Operating profit before changes in operating assets and liabilities" consist of commissions paid amounting to TL 210.918 (December 31, 2013 – TL 140.131), net trading income/loss amounting to TL 385.954 (December 31, 2013 – TL 1.043.417 net trading income/loss) and other operating expenses amounting to TL 248.024 (December 31, 2012 – TL 141.394).



"Other items" in changes in operating assets amounting to TL 224.162 (December 31, 2013 - TL 323.001) consist of the decrease in collaterals given amounting to TL 35.978 (December 31, 2013 - TL 139.851 decrease), the decrease in lease receivables amounting to TL 251.335 (December 31, 2013 - TL 3.798 increase), the increase in factoring receivables amounting to TL 77.445 (December 31, 2013 - TL 2.614 increase) and the decrease in other assets amounting to TL 14.294 (December 31, 2013 - TL 189.562 decrease).

"Other items" in changes in operating liabilities amounting to TL 699.020 (December 31, 2013 - TL 4.252.421) consist of the increase in money market borrowings by TL 434.132 (December 31, 2013 - TL 1.991.618 increase) and the increase in sundry debtors and other liabilities by TL 264.888 (December 31, 2013 - TL 2.260.803 increase).

"Other items" in changes in net cash provided from banking operations amounting to TL 105.349 (December 31, 2013 - TL 388.432) consists of the decrease in intangible assets by TL 105.349 (December 31, 2013- TL 91.780) and no advances given (December 31, 2013 - TL 296.652).

2. Information regarding the balances of cash and cash equivalents at the beginning of the period

	Current Period	Prior Period
	January 1, 2014	January 1, 2013
Cash	1.047.250	653.081
Cash in TL	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	(4.143)	-
Less: Accruals	(143)	(1.387)
Cash and Cash Equivalents	2.272.098	3.608.818

3. Information regarding the balances of cash and cash equivalents at the end of the period

	Current Period	Prior Period
	December 31, 2014	December 31, 2013
Cash	839.524	1.047.250
Cash in TL	590.505	633.575
Cash in Foreign Currencies	248.656	413.150
Other	363	525
Cash Equivalents	2.129.654	1.224.848
Balances with the T.R. Central Bank	1.601.665	752.806
Banks and Other Financial Institutions	294.961	472.895
Money Market Placements	244.425	3.433
Less: Placements with Banks with Maturities Longer than 3 Months	(10.369)	(4.143)
Less: Accruals	(1.028)	(143)
Cash and Cash Equivalents	2.969.178	2.272.098

4. Restricted cash and cash equivalents due to legal requirements or other reasons

A portion of foreign bank accounts amounting to TL 5.473 (December 31, 2013- TL 3.258) includes blocked cash for foreign money and capital market transactions and for 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.

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, 2014, the Parent Bank's risk group has deposits amounting to TL 238.312 (December 31, 2013 - TL 180.605), non cash loans amounting to TL 34.991 (December 31, 2013 - TL 32.895). There cash loans granted to the risk group amount to 1.715 (31 Aralık 2013- 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	-	-	-	32.895	-	-
Balance at the End of the Period	-	-	-	34.288	1.715	702
Interest and Commission Income	-	-	6	75	-	5

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	-	-	-	29.498	-	-
Balance at the End of the Period	-	-	-	32.895	-	-
Interest and Commission Income ^(**)	-	-	1	-	-	-

(*) As described in the Article 49 of Banking Law No 5411.

(**) Represents December 31, 2013 balance.

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	145.235	186.538	18.776	18.692	16.594	8.186
Balance at the End of the Period	202.176	145.235	17.036	18.776	19.100	16.594
Interest on deposits ^(**)	-	229	3	-	838	395

(*) As described in the Article 49 of Banking Law No 5411.

(**) Prior Period represents December 31, 2013 balance.

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	-	-	130.397	393.221	177.748	4.711
End of the Period	-	-	132.176	130.397	103.093	177.748
Total Income/Loss ^(**)	-	-	-	22.706	-	1.367
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.

(**) Prior Period represents December 31, 2013 balance.

- 1.4. As of December 31, 2014, the total amount of remuneration and bonuses paid to top management of the Group is TL 50.484 (December 31, 2013- TL 47.104).

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 matters

As of December 31, 2014, the rate of cash loans of the risk group divided by to total loans is 0,003%.(December 31, 2013 – None) the deposits represented 0,5% (December 31, 2013 – 0,5%) of the Parent Bank's total deposits and the derivative transactions represented 0,2% (December 31, 2013 – 0,3%) of the total derivative transactions.

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.

Total of investment 20 funds established by The Parent Bank are all managed by Finans Portföy Yönetimi A.Ş.

The Parent Bank has signed an agreement with Ibtech 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 in regards to subordinate loans the Bank received from National Bank of Greece S.A. is explained in Section 5 Note II. 12.

The Parent Bank offers agency services to Cigna Finans Emeklilik and Hayat A.Ş. that is 49,00% jointly controlled for its insurance services.

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	657	12.823			
			Country		
Foreign Representation	-	-	-		
				Total Assets	Capital
Foreign Branch	-	-	-	-	-
Off-shore Banking and Region Branches	1	7	1- Bahrain	8.956.315	-

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

The Parent Bank has issued, on January 14, 2015, bonds with a nominal amount of TL 5.200 with 9,00% interest rate and 177 days maturity.

In addition, the Parent Bank has issued, on January 22, 2015, bonds with a nominal amount of USD 15 million with 2,05% interest rate and 366 days maturity.

2. Information about effects of significant changes in foreign exchange rates after balance sheet date that would effect 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

The Bank's Board of Directors has decided to apply to Capital Markets Board ("CMB") along with the first draft of prospectus prepared for secondary public offering and within this framework has decided to increase the Bank's capital by TL 715.000 to TL 3.550.000 from TL 2.835.000 through right issues and for the increased amount to be received in cash, to restrict stock carrying rights of all existing shareholders of the secondary public offering in accordance with Turkish Commercial Code ("TCC") and CMB regulations and for the issued capital to be issued through public offering in accordance with CMB regulations; for the issued rights to be distributed to right owners as reserved rights in accordance with CMB's and Central Registry Agency ("MKK") regulations for reserved rights. Finans Yatırım Menkul Değerler A.Ş. has been appointed to carry out the public offering process. It has been decided to make necessary applications to BRSA and CMB and for the pricing to be determined by the Board of Directors separately. In accordance with subject Board of Directors decision application has been made to CMB on October 23, 2014.

SECTION SEVEN**INDEPENDENT AUDIT REPORT**

I. Explanations on Independent Limited Audit Report

The consolidated financial statements for the period ended December 31, 2014 have been audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of Ernst&Young Global Limited). The auditor's report dated February 5, 2015 is presented preceding the consolidated financial statements.

II. Explanations on the notes prepared by Independent Auditors

None (December 31, 2013 – None).

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