

**CONVENIENCE TRANSLATION
OF PUBLICLY ANNOUNCED
CONSOLIDATED FINANCIAL STATEMENTS
AND REVIEW REPORT
AT 31 MARCH 2014,
SEE NOTE I OF SECTION THREE**

ARAP TURK BANK A.Ş.

**PUBLICLY ANNOUNCED
CONSOLIDATED FINANCIAL STATEMENTS
TOGETHER WITH REVIEW REPORT
AT 31 MARCH 2014**



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

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

We have reviewed the accompanying consolidated balance sheet of Arap Türk Bankası A.Ş. ("the Bank") and its consolidated subsidiary at 31 March 2014 and the related consolidated statements of income, cash flows and changes in shareholders' equity for the period then ended. These financial statements are the responsibility of the Bank's management. Our responsibility, as independent auditors is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Uniform Chart of Accounts of banks, accounting standards and the independent audit principles in conformity with Banking Law No. 5411. Those principles require that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries concerning the Bank's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not give a true and fair view of the financial position of Arap Türk Bankası A.Ş. and its consolidated subsidiaries at 31 March 2014 and the results of its operations and its cash flows for the period then ended in accordance with accounting principles and standards set out by regulations in conformity with Articles 37 and 38 of Banking Law 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 Convenience 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.

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

A handwritten signature in blue ink, appearing to read "Zeynep Uras", is positioned above the printed name.

Zeynep Uras, SMMM
Partner

Istanbul, 30 April 2014

**ARAP TÜRK BANKASI A.Ş. CONSOLIDATED INTERIM FINANCIAL REPORT
AS OF AND FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2014**

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

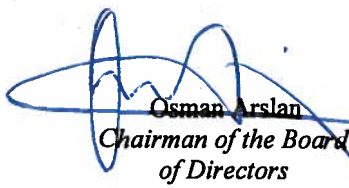
The consolidated interim financial report as of and for the three month period ended 31 March 2014 prepared in accordance with the communiqué of “Financial Statements and Related Disclosures and Footnotes to be Announced to Public” by Banks as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

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

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

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

The consolidated interim financial statements and related disclosures and footnotes that were subject to limited review, are prepared in accordance with the “Regulation on Accounting Applications for Banks and Safeguarding of Documents”, Turkish Accounting Standards, Turkish Financial Reporting Standards related appendices and interpretations on these. Unless stated otherwise, the accompanying interim consolidated financial statements are presented in thousands of Turkish Lira (TL) as of 31 March 2014 and have been subject to limited review.



Osman Arslan
Chairman of the Board
of Directors



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



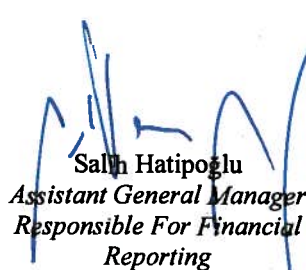
Ömer Muzaffer Baktır
Member of The Board
of Directors and The
Audit Committee



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



Sadek K.S. Abuhallala
General Manager



Salih Hatipoğlu
Assistant General Manager
Responsible For Financial
Reporting



Feyzullah Küpeli
Manager

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

Name / Title: Feyzullah Küpeli / Manager

Phone No : 0 212 225 05 00

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IN TURKISH, SEE NOTE I OF SECTION THREE**

ARAP TURK BANK A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2014

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

SECTION ONE

GENERAL INFORMATION ABOUT THE PARENT BANK

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

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

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

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

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

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

As of 31 March 2014, the Parent Bank’s share capital at the balance sheet date as follows:

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

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

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ARAP TURK BANK A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2014

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

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

Chairmen of the Board of Directors and Board Members

Name	Job Title - Description
Osman Arslan	Chairman of the Board of Directors
Ben Issa A. Hudanah	Deputy Chairman of the Board of Directors
Sadek K.S. Abuhallala	Member of the Board of Directors and General Manager
Abdurauf İbrahim Shneba	Member of the Board of Directors and Head of Audit Committee
Hüseyin Emre Yılmaz	Member of the Board of Directors and Audit Committee
Ömer Muzaffer Baktır	Member of the Board of Directors and Audit Committee
Abdulfatah A. Enaami	Member of the Board of Directors
Bahattin Özarslantürk	Member of the Board of Directors
Abdulahkim Ali Emhemed Khamag	Member of the Board of Directors

General Manager and Deputies

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

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

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

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

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ARAP TURK BANK A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2014

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

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

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

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

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

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

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

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IN TURKISH, SEE NOTE I OF SECTION THREE**

ARAP TURK BANK A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2014

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

SECTION TWO

CONSOLIDATED FINANCIAL STATEMENTS

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

Arap Türk Bankası Anonim Şirketi
Consolidated Balance Sheet (Consolidated Statement of Financial Position)
As of 31 March 2014

(Thousands of Turkish Lira)

ASSETS		Footnotes (5-I)	Reviewed			Audited		
			CURRENT PERIOD			PRIOR PERIOD		
			(31/03/2014)			(31/12/2013)		
			TL	FC	TOTAL	TL	FC	TOTAL
I.	CASH AND BALANCES WITH THE CENTRAL BANK OF TURKEY	(1)	3.923	392.141	396.064	2.200	392.180	394.380
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	(2)	-	88.346	88.346	-	84.771	84.771
2.1	Financial assets held for trading		-	88.346	88.346	-	84.771	84.771
2.1.1	Public sector debt securities		-	-	-	-	-	-
2.1.2	Securities representing a share in capital		-	-	-	-	-	-
2.1.3	Derivatives held for trading		-	-	-	-	-	-
2.1.4	Other marketable securities		-	88.346	88.346	-	84.771	84.771
2.2	Financial assets designated at fair value through profit or loss		-	-	-	-	-	-
2.2.1	Public sector debt securities		-	-	-	-	-	-
2.2.2	Equity securities		-	-	-	-	-	-
2.2.3	Loans granted		-	-	-	-	-	-
2.2.4	Other marketable securities		-	-	-	-	-	-
III.	BANKS	(3)	31.139	1.506.706	1.537.845	33.582	1.084.839	1.118.421
IV.	MONEY MARKET PLACEMENTS		2.001	-	2.001	31.907	-	31.907
4.1	Interbank money market placements		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3	Receivables from reverse repurchase agreements		2.001	-	2.001	31.907	-	31.907
V.	FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(4)	212	890	1.102	212	868	1.080
5.1	Securities representing a share in capital		212	890	1.102	212	868	1.080
5.2	Public sector debt securities		-	-	-	-	-	-
5.3	Other marketable securities		-	-	-	-	-	-
VI.	LOANS	(5)	547.227	926.855	1.474.082	537.773	878.401	1.416.174
6.1	Loans		544.475	926.855	1.471.330	537.484	878.401	1.415.885
6.1.1	Loans granted to the Bank's risk group		3.056	36.094	39.150	20.028	32.111	52.139
6.1.2	Public sector debt securities		-	-	-	-	-	-
6.1.3	Other		541.419	890.761	1.432.180	517.456	846.290	1.363.746
6.2	Loans under follow-up		11.301	-	11.301	8.735	-	8.735
6.3	Specific provisions (-)		8.549	-	8.549	8.446	-	8.446
VII.	FACTORING RECEIVABLES		-	-	-	-	-	-
VIII.	INVESTMENTS HELD TO MATURITY (Net)	(6)	69.106	113.258	182.364	65.279	123.905	189.184
8.1	Public sector debt securities		56.139	88.908	145.047	48.391	100.266	148.657
8.2	Other marketable securities		12.967	24.350	37.317	16.888	23.639	40.527
IX.	INVESTMENTS IN ASSOCIATES (Net)	(7)	-	-	-	-	-	-
9.1	Consolidated by equity method		-	-	-	-	-	-
9.2	Unconsolidated associates		-	-	-	-	-	-
9.2.1	Financial investments in associates		-	-	-	-	-	-
9.2.2	Non-financial investments in associates		-	-	-	-	-	-
X.	INVESTMENTS IN SUBSIDIARIES (Net)	(8)	-	-	-	-	-	-
10.1	Financial subsidiaries		-	-	-	-	-	-
10.2	Non-financial subsidiaries		-	-	-	-	-	-
XI.	INVESTMENTS IN JOINT- VENTURES (Net)	(9)	-	-	-	-	-	-
11.1	Consolidated by equity method		-	-	-	-	-	-
11.2	Unconsolidated joint ventures		-	-	-	-	-	-
11.2.1	Financial investments in joint ventures		-	-	-	-	-	-
11.2.2	Non-financial investments in joint ventures		-	-	-	-	-	-
XII.	LEASE RECEIVABLES (Net)	(10)	49.803	137.246	187.049	47.679	129.676	177.355
12.1	Finance lease receivables		60.679	151.573	212.252	59.048	143.038	202.086
12.2	Operational leasing receivables		-	-	-	-	-	-
12.3	Others		-	-	-	-	-	-
12.4	Unearned income (-)		10.876	14.327	25.203	11.369	13.362	24.731
XIII.	DERIVATIVE FINANCIAL ASSETS HELD FOR HEDGING	(11)	-	-	-	-	-	-
13.1	Fair value hedges		-	-	-	-	-	-
13.2	Cash flow hedges		-	-	-	-	-	-
13.3	Hedges for investments made in foreign countries		-	-	-	-	-	-
XIV.	TANGIBLE ASSETS (Net)		26.267	-	26.267	24.969	-	24.969
XV.	INTANGIBLE ASSETS (Net)		2.680	-	2.680	2.870	-	2.870
15.1	Goodwill		-	-	-	-	-	-
15.2	Other		2.680	-	2.680	2.870	-	2.870
XVI.	INVESTMENT PROPERTY (Net)	(12)	-	-	-	-	-	-
XVII.	TAX ASSET	(13)	3.439	-	3.439	3.698	-	3.698
17.1	Current tax asset		-	-	-	-	-	-
17.2	Deferred tax asset		3.439	-	3.439	3.698	-	3.698
XVIII.	ASSET HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS	(14)	10	-	10	11	-	11
18.1	Held for sale purpose		10	-	10	11	-	11
18.2	Held from discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	(15)	23.692	5.675	29.367	19.641	2.473	22.114
	TOTAL ASSETS		759.499	3.171.117	3.930.616	769.821	2.697.113	3.466.934

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

Arap Türk Bankası Anonim Şirketi
Consolidated Balance Sheet (Consolidated Statement of Financial Position)
As of 31 March 2014

(Thousands of Turkish Lira)

LIABILITIES and SHAREHOLDERS' EQUITY	Footnotes (5-II)	Reviewed			Audited		
		CURRENT PERIOD			PRIOR PERIOD		
		(31/03/2014)			(31/12/2013)		
		TL	FC	TOTAL	TL	FC	TOTAL
I. DEPOSITS	(1)	37.034	3.204.744	3.241.778	33.729	2.652.903	2.686.632
1.1 Deposits held by the Bank's risk group		398	2.268.912	2.269.310	8.115	1.878.119	1.886.234
1.2 Other		36.636	935.832	972.468	25.614	774.784	800.398
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	-	-	-	-	-	-
III. FUNDS BORROWED	(3)	3.695	117.844	121.539	7.571	202.317	209.888
IV. INTERBANK MONEY MARKET		-	-	-	36.508	-	36.508
4.1 Interbank money market payables		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market payables		-	-	-	-	-	-
4.3 Funds provided under repurchase agreements		-	-	-	36.508	-	36.508
V. MARKETABLE SECURITIES ISSUED (Net)		-	-	-	-	-	-
5.1 Bills		-	-	-	-	-	-
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
VI. FUNDS		-	-	-	-	-	-
6.1 Borrower funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
VII. MISCELLANEOUS PAYABLES		1.016	10.045	11.061	1.493	8.253	9.746
VIII. OTHER EXTERNAL RESOURCES	(4)	19.556	9.484	29.040	14.002	4.288	18.290
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. LEASE PAYABLES (Net)	(5)	-	-	-	-	-	-
10.1 Finance leasing payables		-	-	-	-	-	-
10.2 Operational leasing payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred finance leasing expenses (-)		-	-	-	-	-	-
XI. DERIVATIVE FINANCIAL LIABILITIES HELD FOR HEDGING	(6)	-	-	-	-	-	-
11.1 Fair value hedges		-	-	-	-	-	-
11.2 Cash flow hedges		-	-	-	-	-	-
11.3 Hedges for investments made in foreign countries		-	-	-	-	-	-
XII. PROVISIONS	(7)	30.244	806	31.050	29.186	592	29.778
12.1 General provisions		21.664	-	21.664	20.411	-	20.411
12.2 Restructuring reserves		-	-	-	-	-	-
12.3 Reserves for employee benefit		8.272	298	8.570	8.467	268	8.735
12.4 Insurance technical reserves (Net)		-	-	-	-	-	-
12.5 Other provisions		308	508	816	308	324	632
XIII. TAX LIABILITY	(8)	7.824	-	7.824	6.394	-	6.394
13.1 Current tax liability		7.824	-	7.824	6.394	-	6.394
13.2 Deferred tax liability		-	-	-	-	-	-
XIV. LIABILITIES FOR ASSETS HELD FOR RESALE AND ASSETS OF DISCONTINUED OPERATIONS	(9)	-	-	-	-	-	-
14.1 Held for sale purpose		-	-	-	-	-	-
14.2 Held from discontinued operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS	(10)	-	-	-	-	-	-
XVI. SHAREHOLDERS' EQUITY	(11)	488.324	-	488.324	469.698	-	469.698
16.1 Paid-in capital		240.000	-	240.000	240.000	-	240.000
16.2 Supplementary capital		7.523	-	7.523	7.611	-	7.611
16.2.1 Share premium		-	-	-	-	-	-
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Securities Value Increase Fund		-	-	-	-	-	-
16.2.4 Revaluation surplus on tangible assets		-	-	-	-	-	-
16.2.5 Revaluation surplus on intangible assets		-	-	-	-	-	-
16.2.6 Revaluation surplus on investment property		-	-	-	-	-	-
16.2.7 Bonus shares of associates, subsidiaries and joint-ventures		-	-	-	-	-	-
16.2.8 Hedging reserves (effective portion)		-	-	-	-	-	-
16.2.9 Revaluation surplus on assets held for sale and assets of discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		7.523	-	7.523	7.611	-	7.611
16.3 Profit reserves		13.649	-	13.649	10.920	-	10.920
16.3.1 Legal reserves		13.646	-	13.646	10.917	-	10.917
16.3.2 Status reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		3	-	3	3	-	3
16.3.4 Other profit reserves		-	-	-	-	-	-
16.4 Profit or loss		227.152	-	227.152	211.167	-	211.167
16.4.1 Prior years income/loss		208.438	-	208.438	162.633	-	162.633
16.4.2 Current year income/loss		18.714	-	18.714	48.534	-	48.534
16.5 Minority Interest		-	-	-	-	-	-
TOTAL LIABILITIES		587.693	3.342.923	3.930.616	598.581	2.868.353	3.466.934

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

Arap Türk Bankası Anonim Şirketi
Consolidated Off Balance Sheet Commitments
As of 31 March 2014
(Thousands of Turkish Lira)

	Footnotes (5-III)	Reviewed CURRENT PERIOD (31/03/2014)			Audited PRIOR PERIOD (31/12/2013)		
		TL	FC	TOTAL	TL	FC	TOTAL
A. OFF BALANCE SHEET COMMITMENTS		199.067	2.151.017	2.350.084	217.844	2.179.111	2.396.955
I. GUARANTEES AND WARRANTIES	(1),(2)	189.326	2.131.963	2.321.289	212.226	2.169.249	2.381.475
1.1 Letters of guarantee		188.778	1.656.093	1.844.871	211.678	1.577.824	1.789.502
1.1.1 Guarantees subject to State Tender Law		21.750	125	21.875	22.110	121	22.231
1.1.2 Guarantees given for foreign trade operations		29.101	1.365.098	1.394.199	50.525	1.479.268	1.529.793
1.1.3 Other letters of guarantee		137.927	290.870	428.797	139.043	98.435	237.478
1.2 Bank acceptances		-	657	657	548	116.180	116.728
1.2.1 Import letter of acceptance		-	-	-	-	-	-
1.2.2 Other bank acceptances		-	657	657	548	116.180	116.728
1.3 Letters of credit		-	361.266	361.266	-	475.245	475.245
1.3.1 Documentary letters of credit		-	-	-	-	-	-
1.3.2 Other letters of credit		-	361.266	361.266	-	475.245	475.245
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		548	113.947	114.495	-	-	-
1.9 Other warranties		-	-	-	-	-	-
II. COMMITMENTS	(1)	9.741	19.054	28.795	5.618	9.862	15.480
2.1 Irrevocable commitments		9.741	19.054	28.795	5.618	9.862	15.480
2.1.1 Asset purchase and sales commitments		2.112	3.234	5.346	-	-	-
2.1.2 Deposit purchase and sales commitments		-	-	-	-	19	19
2.1.3 Share capital commitment to associates and subsidiaries		-	-	-	-	-	-
2.1.4 Loan granting commitments		4.275	-	4.275	2.525	-	2.525
2.1.5 Securities issue brokerage commitments		-	-	-	-	-	-
2.1.6 Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7 Payment commitments for checks		3.354	-	3.354	3.093	-	3.093
2.1.8 Tax and fund liabilities from export commitments		-	-	-	-	-	-
2.1.9 Commitments for credit card expenditure limits		-	-	-	-	-	-
2.1.10 Commitments for credit cards and banking services promotions		-	-	-	-	-	-
2.1.11 Receivables from short sale commitments		-	-	-	-	-	-
2.1.12 Payables for short sale commitments		-	-	-	-	-	-
2.1.13 Other irrevocable commitments		-	15.820	15.820	-	9.843	9.843
2.2 Revocable commitments		-	-	-	-	-	-
2.2.1 Revocable loan granting commitments		-	-	-	-	-	-
2.2.2 Other revocable commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		-	-	-	-	-	-
3.1 Derivative financial instruments held for hedging		-	-	-	-	-	-
3.1.1 Fair value hedges		-	-	-	-	-	-
3.1.2 Cash flow hedges		-	-	-	-	-	-
3.1.3 Hedges for investments made in foreign countries		-	-	-	-	-	-
3.2 Trading transactions		-	-	-	-	-	-
3.2.1 Forward foreign currency buy/sell transactions		-	-	-	-	-	-
3.2.1.1 Forward foreign currency transactions-buy		-	-	-	-	-	-
3.2.1.2 Forward foreign currency transactions-sell		-	-	-	-	-	-
3.2.2 Swap transactions related to foreign currency and interest rates		-	-	-	-	-	-
3.2.2.1 Foreign currency swap-buy		-	-	-	-	-	-
3.2.2.2 Foreign currency swap-sell		-	-	-	-	-	-
3.2.2.3 Interest rate swaps-buy		-	-	-	-	-	-
3.2.2.4 Interest rate swaps-sell		-	-	-	-	-	-
3.2.3 Foreign currency, interest rate and security options		-	-	-	-	-	-
3.2.3.1 Foreign currency options-buy		-	-	-	-	-	-
3.2.3.2 Foreign currency options-sell		-	-	-	-	-	-
3.2.3.3 Interest rate options-buy		-	-	-	-	-	-
3.2.3.4 Interest rate options-sell		-	-	-	-	-	-
3.2.3.5 Securities options-buy		-	-	-	-	-	-
3.2.3.6 Securities options-sell		-	-	-	-	-	-
3.2.4 Foreign currency futures		-	-	-	-	-	-
3.2.4.1 Foreign currency futures-buy		-	-	-	-	-	-
3.2.4.2 Foreign currency futures-sell		-	-	-	-	-	-
3.2.5 Interest rate futures		-	-	-	-	-	-
3.2.5.1 Interest rate futures-buy		-	-	-	-	-	-
3.2.5.2 Interest rate futures-sell		-	-	-	-	-	-
3.2.6 Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGED SECURITIES (IV+V+VI)		374.458	288.095	662.553	356.035	276.475	632.510
IV. ITEMS HELD IN CUSTODY		256.605	21.200	277.805	328.200	143.687	471.887
4.1 Assets under management		-	-	-	-	-	-
4.2 Investment securities held in custody		-	-	-	-	-	-
4.3 Checks received for collection		254.689	19.696	274.385	245.444	18.520	263.964
4.4 Commercial notes received for collection		1.166	1.504	2.670	82.006	125.167	207.173
4.5 Other assets received for collection		-	-	-	-	-	-
4.6 Assets received for public offering		-	-	-	-	-	-
4.7 Other items under custody		750	-	750	750	-	750
4.8 Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		117.853	266.895	384.748	27.835	132.788	160.623
5.1 Marketable securities		-	-	-	-	-	-
5.2 Guarantee notes		80.993	130.523	211.516	-	-	-
5.3 Commodity		-	-	-	-	-	-
5.4 Warranty		-	-	-	-	-	-
5.5 Immovables		36.832	133.819	170.651	27.807	130.427	158.234
5.6 Other pledged items		28	2.553	2.581	28	2.361	2.389
5.7 Pledged items-depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET COMMITMENTS (A+B)		573.525	2.439.112	3.012.637	573.879	2.455.586	3.029.465

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

Arap Türk Bankası Anonim Şirketi

Consolidated Income Statement For The Period Ended 31 March 2014

(Thousands of Turkish Lira)

INCOME and EXPENSES		Footnotes (5-IV)	Reviewed CURRENT PERIOD (01/01/2014-31/03/2014)	Reviewed PRIOR PERIOD (01/01/2013-31/03/2013)
I.	INTEREST INCOME	(1)	40.197	27.813
1.1	Interest on loans		21.705	10.801
1.2	Interest received from reserve deposits		-	-
1.3	Interest received from banks		9.186	6.816
1.4	Interest received from money market transactions		318	2.243
1.5	Interest received from marketable securities portfolio		5.339	5.599
1.5.1	Financial assets held for trading		1.358	2.885
1.5.2	Financial assets valued at fair value through profit or loss		-	-
1.5.3	Financial assets available for sale		-	-
1.5.4	Investments held to maturity		3.981	2.714
1.6	Finance lease income		3.562	2.352
1.7	Other interest income		87	2
II.	INTEREST EXPENSE	(2)	8.881	5.230
2.1	Interest on deposits		7.796	937
2.2	Interest on funds borrowed		1.032	4.268
2.3	Interest on money market transactions		53	25
2.4	Interest on securities issued		-	-
2.5	Other interest expense		-	-
III.	NET INTEREST INCOME/EXPENSE (I - II)		31.316	22.583
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSE		10.800	8.666
4.1	Fees and commissions received		10.995	8.793
4.1.1	Non-cash loans		5.133	3.251
4.1.2	Other		5.862	5.542
4.2	Fees and commissions paid		195	127
4.2.1	Non-cash loans		-	1
4.2.2	Other		195	126
V.	DIVIDEND INCOME		-	-
VI.	NET TRADING INCOME/EXPENSE	(3)	512	(1.183)
6.1	Profit/losses on trading account securities		-	-
6.2	Loss/Profit on derivative transactions		52	(1.357)
6.3	Foreign exchange profit/losses		460	174
VII.	OTHER OPERATING INCOME	(4)	957	5.616
VIII.	TOTAL OPERATING INCOME/EXPENSE (III+IV+V+VI+VII)		43.585	35.682
IX.	PROVISION FOR LOAN LOSSES and OTHER RECEIVABLES (-)	(5)	1.957	4.054
X.	OTHER OPERATING EXPENSES (-)	(6)	17.777	13.069
XI.	NET OPERATING INCOME/LOSS (VIII-IX-X)		23.851	18.559
XII.	INCOME RESULTED FROM MERGERS		-	-
XIII.	INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING		-	-
XIV.	GAIN/LOSS ON NET MONETARY POSITION		-	-
XV.	INCOME/LOSS FROM CONTINUING OPERATIONS BEFORE TAXES (XI+...+XIV)		23.851	18.559
XVI.	PROVISION FOR TAXES FOR CONTINUING OPERATIONS (±)		(5.137)	(3.515)
16.1	Current tax provision	(7)	(4.855)	(2.884)
16.2	Deferred tax provision		(282)	(631)
XVII.	NET PROFIT/LOSSES FROM CONTINUING OPERATIONS (XV±XVI)	(8)	18.714	15.044
XVIII.	INCOME FROM DISCONTINUED OPERATIONS		-	-
18.1	Income from assets held for sale		-	-
18.2	Income from sale of associates, subsidiaries and joint-ventures		-	-
18.3	Other income from discontinued operations		-	-
XIX.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
19.1	Expense on assets held for sale		-	-
19.2	Expenses on sale of associates, subsidiaries and joint-ventures		-	-
19.3	Other expense from discontinued operations		-	-
XX.	INCOME/EXPENSE BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII-XIX)		-	-
XXI.	PROVISION FOR TAXES ON INCOME FROM DISCONTINUED OPERATIONS (±)		-	-
21.1	Current tax provision		-	-
21.2	Deferred tax provision		-	-
XXII.	NET PROFIT/LOSSES FROM DISCONTINUED OPERATIONS (XX±XXI)		-	-
XXIII.	NET PROFIT/LOSSES (XVII+XXII)		18.714	15.044
23.1	Group's profit/loss		18.714	15.044
23.2	Minority shares		-	-
	Earnings/Losses per share		0,0008	0,0006

Arap Türk Bankası Anonim Şirketi**Statement of Recognized Income and Expense In Consolidated Shareholders' Equity For the Period Ended 31 March 2014**

(Thousands of Turkish Lira)

STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED IN SHAREHOLDERS' EQUITY		Reviewed CURRENT PERIOD (01/01/2014-31/03/2014)	Reviewed PRIOR PERIOD (01/01/2013-31/03/2013)
I.	MARKET VALUE GAINS ON AVAILABLE FOR SALE ASSETS ACCOUNTED UNDER "SECURITIES VALUE INCREASE FUND"	-	-
II.	REVALUATION SURPLUS ON TANGIBLE ASSETS	-	-
III.	REVALUATION SURPLUS ON INTANGIBLE ASSETS	-	-
IV.	TRANSLATION DIFFERENCES FOR TRANSACTIONS IN FOREIGN CURRENCIES	-	-
V.	GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR CASH FLOW HEDGES (effective portion)	-	-
VI.	GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR HEDGES OF NET INVESTMENT (effective portion)	-	-
VII.	EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS	-	-
VIII.	OTHER INCOME/EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER TAS	(110)	(175)
IX.	DEFERRED TAXES ON VALUE INCREASES/DECREASES	22	35
X.	NET INCOME/EXPENSE ITEMS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)	(88)	(140)
XI.	CURRENT PERIOD PROFIT/LOSSES	18.714	15.044
11.1	Net changes in fair value of securities (transferred to income statement)	-	-
11.2	Gains/losses on hedges of cash flow hedges, reclassified and recorded in income statement	-	-
11.3	Gains/losses on hedges of net investment in foreign operations, reclassified and recorded in income statement	-	-
11.4	Other	18.714	15.044
XII.	TOTAL PROFIT/LOSS ACCOUNTED FOR THE CURRENT PERIOD (X+XI)	18.626	14.904

Arap Türk Bankası Anonim Şirketi
Statement of Changes In Consolidated Shareholders' Equity
For the Period Ended 31 March 2014

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY		PERIOD
		(MONTHS)
	Balance at the beginning of the period	
	Correction made on per TAB 8	
	Effect of correction	
	Effect of change in accounting policies (1)	
	Adjusted balance at the beginning of the period (4+1)	
	Changes within the period	
	Mergers	
	Securities Value Increase Fund	
	Hedges for Risk Management	
	Net Cash Flow Hedges	
	Net Foreign Investment Hedges	
	Translation surplus on tangible assets	
	Translation surplus on intangible assets	
	Bonus shares of associates, subsidiaries and joint ventures	
	Foreign exchange differences	
	Changes resulted from disposal of assets	
	Changes resulted from reclassification of assets	
	Effect of change in equities of associates on Bank's Equity	
	Capital Income	
	Cash	
	Internal sources	
	Share Issuance	
	Share Issuance profits	
	Capital Reserves From Inflation Adjustments To Paid-In Capital	
	Others	
	Current Period Net Profit	
	Profit Distribution	
	Dividends distributed	
	Transfers to Reserves	
	Others	
	Balance at end of period. (III+IV+.....+XIV+XV+XVI)	

CURRENT PERIOD		PERIOD
		(MONTHS)
	Balance at end of prior period	
	Changes within the period	
	Mergers	
	Securities Value Increase Fund	
	Hedges for Risk Management	
	Net Cash Flow Hedges	
	Net Foreign Investment Hedges	
	Translation surplus on tangible assets	
	Translation surplus on intangible assets	
	Bonus shares of associates, subsidiaries and joint ventures	
	Foreign exchange differences	
	Changes resulted from disposal of assets	
	Changes resulted from reclassification of assets	
	Effect of change in equities of associates on Bank's Equity	
	Capital Income	
	Cash	
	Internal sources	
	Share Issuance	
	Share Issuance profits	
	Capital Reserves From Inflation Adjustments To Paid-In Capital	
	Others	
	Current Period Net Profit	
	Profit Distribution	
	Dividends distributed	
	Transfers to legal reserve	
	Others	
	Closing balances (4+10+III+.....+XIV+XV+XVI)	

Updated 1.25.19 - Standard of Employee's benefits was min force as the date of 1 January 2013. Changes brought by the

Arap Türk Bankası Anonim Şirketi

Consolidated Statement of Cash Flows For The Period Ended 31 March 2014

(Thousands of Turkish Lira)

		Reviewed	Reviewed
		CURRENT PERIOD (31/03/2014)	PRIOR PERIOD (31/03/2013)
A.	CASH FLOWS FROM BANKING OPERATIONS		
1.1	Operating Profit Before Changes in Operating Assets and Liabilities	(14.231)	2.099
1.1.1	Interests Received	40.852	27.022
1.1.2	Interest Paid	(8.416)	(3.431)
1.1.3	Dividend Received	-	-
1.1.4	Fees and Commissions Received	10.995	8.793
1.1.5	Other Income	1.009	1.663
1.1.6	Collections From Previously Written-off Loans and Other Receivables	41	-
1.1.7	Payments to Personnel and Service Suppliers	(15.294)	(10.353)
1.1.8	Taxes Paid	(3.448)	(4.586)
1.1.9	Others	(39.970)	(17.009)
1.2	Changes in Operating Assets and Liabilities	352.433	(223.834)
1.2.1	Net Decrease in Financial Assets Held For Trading	(2.377)	56.050
1.2.2	Net (Increase) Decrease in Financial Assets Valued at Fair Value Through Profit or Loss	-	-
1.2.3	Net Decrease in Due From Banks and Other Financial Institutions	4.574	(216.112)
1.2.4	Net (Increase) in Loans	(51.537)	(152.418)
1.2.5	Net Decrease in Other Assets	(7.382)	7.795
1.2.6	Net Increase/(Decrease) in Bank Deposits	456.854	(472.719)
1.2.7	Net Increase (Decrease) in Other Deposits	49.708	(13.526)
1.2.8	Net Increase/(Decrease) in Funds Borrowed	(73.161)	556.982
1.2.9	Net Increase/(Decrease) in Matured Payables	-	-
1.2.10	Net Increase in Other Liabilities	(24.246)	10.114
I.	Net Cash Flow From Banking Operations	338.202	(221.735)
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
II.	Net Cash Flow From Investing Activities	18.728	6.795
2.1	Cash Paid For Purchase of Associates, Subsidiaries, and Joint-Ventures	-	-
2.2	Cash Obtained From Sale of Associates, Subsidiaries and Joint-Ventures	-	-
2.3	Purchases of Tangible Assets	(2.013)	(28)
2.4	Sales of Tangible Assets	6	282
2.5	Cash Paid For Purchase of Financial Assets Available-For-Sale	-	-
2.6	Cash Obtained From Sale of Financial Assets Available-For-Sale	-	-
2.7	Cash Paid For Purchase of Investments Held-to-Maturity	(5.299)	(9.962)
2.8	Cash Obtained From Sale of Investments Held-to-Maturity	26.138	16.816
2.9	Others	(104)	(313)
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
III.	Net Cash Flows From Financing Activities	-	-
3.1	Cash Obtained From Funds Borrowed and Securities Issued	-	-
3.2	Cash Used For Repayment of Funds Borrowed and Securities Issued	-	-
3.3	Equity Instruments Issued	-	-
3.4	Dividends Paid	-	-
3.5	Payments For Financial Leases	-	-
3.6	Others	-	-
IV.	Effect of Change in Foreign Exchange Rate On Cash and Cash Equivalents	34.172	7.808
V.	Net (Decrease)/Increase in Cash and Cash Equivalents	391.102	(207.132)
VI.	Cash and Cash Equivalents at Beginning of Period	1.247.222	1.395.002
VII.	Cash and Cash Equivalents at the End of Period	1.638.324	1.187.870

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

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

ARAP TURK BANK A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2014

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

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES

I. EXPLANATIONS FOR BASIS OF PRESENTATION AND NOTES

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

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

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

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

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

Explanation for convenience translation into English:

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

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

ARAP TURK BANK A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2014

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

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

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

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

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

III. INFORMATION ON CONSOLIDATED ASSOCIATES AND SUBSIDIARIES

The accompanying consolidated financial statements are prepared in accordance with "Communiqué on Preparation of Consolidated Financial Statements" which is published in the Official Gazette No. 26340 dated November 8, 2006. The Parent Bank directly owns the shares of A&T Finansal Kiralama A.Ş. and this subsidiary is consolidated accordingly. As at 31 March 2014 and 31 December 2013, the Parent Bank has no associates.

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

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

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

The major principles applied in the consolidation of subsidiaries

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

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

The financial statements which have been used in the consolidation are prepared as of 31 March 2014 and appropriate adjustments are made to financial statements to use uniform accounting policies for similar transactions and events in similar circumstances.

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IV. INFORMATION ON FORWARD TRANSACTIONS, OPTIONS AND DERIVATIVE INSTRUMENTS

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

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

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

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

V. INFORMATION ON INTEREST INCOME AND EXPENSE

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

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

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

VI. INFORMATION ON FEES AND COMMISSION

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

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VII. INFORMATION ON FINANCIAL ASSETS

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

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

a. Financial Assets at Fair Value through Profit or Loss

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

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

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

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

b. Financial Assets Available-for-Sale

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

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

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

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VII. INFORMATION ON FINANCIAL ASSETS (Continued)

c. Loans and Receivables

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

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

d. Financial Assets Held to Maturity

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

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

VIII. INFORMATION ON IMPAIRMENT OF FINANCIAL ASSETS

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

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

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

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

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

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IX. INFORMATION ON OFFSETTING FINANCIAL INSTRUMENTS

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

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

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

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

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

XI. INFORMATION ON ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

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

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

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

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XII. INFORMATION ON GOODWILL AND OTHER INTANGIBLE ASSETS

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

The Group's intangible assets consist of software.

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

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

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

XIII. INFORMATION ON TANGIBLE ASSETS

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

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

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

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

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

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

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

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XIV. INFORMATION ON LEASING ACTIVITIES

Finance leasing activities as the lessee

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

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

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

Finance leasing activities as the lessor

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

Operational leases

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

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

XV. INFORMATION ON PROVISIONS AND CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

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

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XVI. INFORMATION ON LIABILITIES REGARDING EMPLOYEE BENEFITS

Reserve for employee termination benefits

In accordance with existing Turkish Labour Law, the Group is required to make lump-sum termination indemnities to each employee who has completed one year of service with the Bank and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The computation of the liability is based upon the retirement pay ceiling announced. The applicable ceiling amount as at 31 March 2014 is TL 3,438 (full TL) (31 December 2013: TL 3,254 (full TL)).

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

As at 31 March 2014 and 31 December 2013, the major actuarial assumptions used in the calculation of the total liability are as follows:

The Parent Bank	Current Period	Prior Period
Discount Rate	%3.26	%2.83
Expected Rate of Salary/Limit Increase	%7.50	%6.00
Estimated Employee Turnover Rate	%5.44	%5.42

Subsidiary	Current Period	Prior Period
Discount Rate	%3.77	%2.38
Expected Rate of Salary/Limit Increase	%6.00	%5.00
Estimated Employee Turnover Rate	%0.00	%0.00

Other benefits to employees

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

XVII. INFORMATION ON TAX APPLICATIONS

Corporate tax

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

Dividends paid to the resident institutions and the institutions working through local offices or representatives are not subject to withholding tax. The withholding tax rate on the dividend payments other than the ones paid to the non-resident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions is 15%.

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In applying the withholding tax rates on dividend payments to the non-resident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

The prepaid taxes are calculated and paid at the rates valid for the earnings of the related years. The payments can be deducted from the annual corporate tax calculated for the whole year earnings.

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

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

Investment incentive

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

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

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

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XVII. INFORMATION ON TAX APPLICATIONS (Continued)

Deferred taxes

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

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

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

Transfer Pricing

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

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

XVIII. ADDITIONAL INFORMATION ON BORROWINGS

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

The Group did not issue any stocks convertible into bonds.

The Group does not have borrowing instruments issued by itself.

XIX. INFORMATION ON SHARE ISSUANCES

The Group has not issued any share in the year.

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XX. INFORMATION ON BILLS OF EXCHANGES AND ACCEPTANCES

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

There are no acceptances presented as liabilities against any assets.

XXI. INFORMATION ON GOVERNMENT INCENTIVES

As of 31 March 2014, A&T Finansal Kiralama A.Ş has TL 5,781 (31 December 2013: TL 10,366) of unutilized investment incentive.

XXII. INFORMATION ON SEGMENT REPORTING

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

XXIII. OTHER DISCLOSURES

Profit reserves and profit distribution

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

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

Related parties

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

Cash and cash equivalents

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

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SECTION FOUR

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP

I. INFORMATION ON CONSOLIDATED CAPITAL ADEQUACY RATIO

The capital adequacy ratio calculations are applied in accordance with the "Regulation on Measurement and Evaluation of Capital Adequacy of Banks" published in Official Journal No 28337 of 28 June 2012 from 1 July 2012. The consolidated basis capital adequacy ratio of the Bank in accordance with the "Regulation on Measurement and Evaluation of Capital Adequacy of Banks" is 13.79% as of 31 March 2014 (31 December 2013: 14.31%).

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

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

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

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

In the calculation of the the amount subject to credit risk for Derivative Financial Instruments and Credit Derivative Contracts transactions in the banking accounts, the counterparty receivables are converted into credit by using conversion rates stated in Annex-2 of the regulation and subjected, be subjected to risk mitigation regarding "Regulation on Credit Risk Mitigation Techniques", classified to the relevant risk class by regarding the 6th article of regulation and the risk is weighted in accordance with Annex-1 of the regulation. In accordance with Article 5 of regulation, "Counterparty Credit Risk" is calculated for repo transactions, securities, commodities lending transactions. "Fair Value Valuation Method" is used in counterparty credit risk calculation.

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

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I. INFORMATION ON CONSOLIDATED CAPITAL ADEQUACY RATIO (Continued)

Information on Parent Bank and consolidated capital adequacy standard ratio

	The Parent Bank							
	%0	%10	%20	%50	%75	%100	%150	%200
The amount subject to credit risk	456,814	-	193,255	2,492,272	-	1,681,902	94,744	-
<i>Risk Types</i>								
Contingent and Non-Contingent Receivables from Sovereign Governments and Central Banks	450,160	-	-	88,907	-	-	-	-
Contingent and Non-Contingent Receivables from Regional Governments and Local Authorities	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables from Administrative Units and Non-commercial Enterprises	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables from Multilateral Development Banks	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables from International Organizations	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables from Banks and Financial Intermediaries	2,001	-	193,255	2,363,311	-	16,918	-	-
Contingent and Non-Contingent Corporate Receivables	-	-	-	-	-	1,542,433	-	-
Contingent and Non-Contingent Retail Receivables	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables Secured by Property	-	-	-	40,054	-	25,897	-	-
Past Due Loans	-	-	-	-	-	2,383	-	-
Higher-Risk Receivables Defined by BRSA	-	-	-	-	-	-	94,744	-
Marketable Securities Collateralized Mortgages	-	-	-	-	-	-	-	-
Securitization Exposures	-	-	-	-	-	-	-	-
Short-Term Receivables from Banks and Corporate	-	-	-	-	-	-	-	-
Undertakings for Collective Investments in Mutual Funds	-	-	-	-	-	-	-	-
Other Receivables	4,653	-	-	-	-	94,271	-	-

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I. INFORMATION ON CONSOLIDATED CAPITAL ADEQUACY RATIO (Continued)

	Consolidated							
	%0	%10	%20	%50	%75	%100	%150	%200
The amount subject to credit risk	458,163	-	218,007	2,484,771	-	1,810,40	94,744	-
<i>Risk Types</i>								
Contingent and Non-Contingent Receivables from Sovereign Governments and Central Banks	451,509	-	-	88,907	-	-	-	-
Contingent and Non-Contingent Receivables from Regional Governments and Local Authorities	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables from Administrative Units and Non-commercial Enterprises	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables from Multilateral Development Banks	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables from International Organizations	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables from Banks and Financial Intermediaries	2,001	-	218,007	2,355,810	-	16,918	-	-
Contingent and Non-Contingent Corporate Receivables	-	-	-	-	-	1,729,482	-	-
Contingent and Non-Contingent Retail Receivables	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables Secured by Property	-	-	-	40,054	-	25,897	-	-
Past Due Loans	-	-	-	-	-	2,383	-	-
Higher-Risk Receivables Defined by BRSA	-	-	-	-	-	-	94,744	-
Marketable Securities Collateralized Mortgages	-	-	-	-	-	-	-	-
Securitization Exposures	-	-	-	-	-	-	-	-
Short-Term Receivables from Banks and Corporate	-	-	-	-	-	-	-	-
Undertakings for Collective Investments in Mutual Funds	-	-	-	-	-	-	-	-
Other Receivables	4,653	-	-	-	-	35,727	-	-

Capital adequacy ratio

	Consolidated	
	Current period	Prior Period
Required Capital for Credit Risk (Amount Based to Credit Risk*0.08) (RCFCR)	259,081	241,231
Required Capital for Market Risk (RCFMR)	15,589	10,866
Required Capital for Operational Risk (RCFOR)	18,905	16,469
Shareholders' Equity	506,221	485,955
Shareholders' Equity/((RCFCR+RCFMR+RCFOR) *12.5*100)	13.79	14.31
Tier 1 Capital/((RCFCR+RCFMR+RCFOR) *12.5*100)	13.26	13.71
Common Equity Tier 1 Capital/((RCFCR+RCFMR+RCFOR) *12.5*100)	13.20	

(*) In accordance with the BDDK.BYD.126.01 numbered and 7 February 2008 dated BRSA circular, capital adequacy ratio as at 2014, value at operational risk is being calculated based on gross incomes for the years ended 2013, 2012 and 2011.

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I. INFORMATION ON CONSOLIDATED CAPITAL ADEQUACY RATIO (Continued)

Information on Consolidated Shareholder's Equity

Information on capital adequacy has been presented in accordance with the new regulation published in Official Journal with No 28983 on 26 April 2014.

	Current Period
COMMON EQUITY TIER 1 CAPITAL	486,711
Paid-in capital(*)	247,523
Share premium	-
Share cancellation profit	-
Legal reserves	13,649
Income passed on to shareholders' equity in accordance with Turkey Accounting Standards (TAS).	-
Profit	227,152
Net Income for current period	18,714
Prior period profit	208,438
Provisions for possible risks	-
Bonus shares of Associates, Subsidiaries and Joint-Ventures	-
Common Equity Tier 1 Capital Before Deductions	488,324
Deductions From Common Equity Tier 1 Capital	1,613
Loss excess of reserves and loss passed on to shareholders' equity in accordance with Turkey Accounting Standards (TAS) (-)	-
Leasehold Improvements (-)	1,077
Goodwill and other intangible assets and related deferred tax liabilities. (-)	536
Net deferred tax income/expense (-)	-
Shares noncompliant with article 56/4 of the Law (-)	-
Direct or indirect investments on Bank's own Common Tier 1 Capital (-)	-
Total net long position exceeding 10% of Bank's Common Tier 1 capital, belonging to investments on own funds of banks and financial institutions that are not consolidated, with a shareholding of 10% and below	-
Total net long position exceeding 10% of Bank's Common Tier 1 capital, belonging to investments on own funds of banks and financial institutions that are not consolidated, with a shareholding of 10% and above	-
Rights of providing mortgage service exceeding 10% of Common Tier 1 capital (-)	-
Deferred tax assets based on temporary differences exceeding 10% of Common Tier 1 capital (-)	-
Balances in accordance with the temporary article 2/2 of Regulation on Shareholders' Equity of Banks exceeding 15% of Common Tier 1 capital (-)	-
Excess amount arising from total net long position belonging to investments on Common Tier 1 Capital of banks and financial institutions that are not consolidated, with a shareholding above 10%	-
Excess amount arising from rights of providing mortgage service (-)	-
Excess amount arising from deferred tax assets based on temporary differences (-)	-
Other items determined by board (-)	-
Deduction amount from Common Tier 1 Capital in case of shortage of additional Tier 1 capital or supplementary capital (-)	-
Total Deductions From Common Equity Tier 1 Capital	1,613
Total Common Equity Tier 1 Capital	486,711
ADDITIONAL TIER 1 CAPITAL	-
Premiums of privilege share capital not included in Common Equity Tier 1 capital	-
Debt instruments which is seen appropriate by corporation and premiums in accordance with these instruments (Issued after 1.1.2014)	-
Debt instruments which is seen appropriate by corporation and premiums in accordance with these instruments (Issued before 1.1.2014)	-
Supplementary capital shares of third parties	-
Additional Tier 1 Capital Before Deductions	-
Deductions From Additional Tier 1 Capital	-
Direct or indirect investments which bank provides for its' own additional Tier 1 capital (-)	-
10% exceed part of Common Tier 1 capital of bank from the sum of partnership share on banks and financial institutions that are not consolidated, with a shareholding less than 10% (-)	-
10% exceed part of Common Tier 1 capital of bank from the sum of partnership share on banks and financial institutions that are not consolidated, with a shareholding of 10% and above (-)	-
Other items determined by board (-)	-
Deduction amount of additional core capital in case of there is not enough additional core capital or supplementary capital (-)	-
Total Deductions From Additional Tier 1 Capital	-
Total Additional Tier 1 Capital	-
Deductions From Tier 1 Capital	2,144
Non deducted Common Tier 1 capital part in accordance with deferred tax expense and goodwill impairment and other intangible fixed assets which is in temporary article 2/1 of Regulation of Shareholders' Equity of Banks. (-)	2,144
Non deducted Common Tier 1 capital part in accordance with net deferred tax income/expense which is in temporary article 2/1 of Regulation of Shareholders' Equity of Banks. (-)	-
Total Tier 1 Capital	484,567

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I. INFORMATION ON CONSOLIDATED CAPITAL ADEQUACY RATIO (Continued)

Information on Consolidated Shareholder's Equity (Continued)

SUPPLEMENTARY CAPITAL	21,664
Debt instruments which is seen appropriate by corporation and premiums in accordance with these instruments (Exported after 1.1.2014)	-
Debt instruments which is seen appropriate by corporation and premiums in accordance with these instruments (Exported before 1.1.2014)	-
Pledged sources to bank from shareholders which is used for share capital increasing of bank	-
General Provisions	21,664
Supplementary capital shares of third parties	-
Supplementary Capital Before Deductions	21,664
Deductions From Supplementary Capital	-
Direct or indirect investments which bank provides for its' own supplementary capital (-)	-
10% exceed part of Common Tier 1 capital of bank from the sum of partnership share on banks and financial institutions that are not consolidated, with a shareholding less than 10% (-)	-
10% exceed part of Common Tier 1 capital of bank from the sum of partnership share on banks and financial institutions that are not consolidated, with a shareholding of 10% and above (-)	-
Other items determined by board (-)	-
Total Deductions From Supplementary Capital	-
Total Supplementary Capital	21,664
CAPITAL	506,231
Loans extended being noncompliant with articles 50 and 51 of the Law (-)	-
Net book values of properties owned, exceeding 50% of banks' equity and properties, and trade goods overtaken in exchange for loans and receivables that should be disposed within five years in accordance with article 57 of the Law, but not yet disposed (-)	10
Investments to loans extended to banks, financial institutions (domestic and abroad) and qualified shareholders, like secondary subordinated loan and debt instruments purchased from these institutions issued, like primary and secondary subordinated loan (-)	-
Deduction from equity in accordance with 2nd article of 20th item in Regularity of Measurement and Valuation of Capital Adequacy of Banks (-)	-
Other accounts determined by board (-)	-
Non deducted part of Common Tier 1 capital, additional core and supplementary capital in accordance with temporary article 2/1 of Regulation of Shareholders' Equity of Banks which is 10% exceed part of Common Tier 1 capital of bank from the sum of partnership share on banks and financial institutions that are not consolidated, with a shareholding less than 10% (-)	-
Non deducted part of Common Tier 1 capital, additional core and supplementary capital in accordance with temporary article 2/1 of Regulation of Shareholders' Equity of Banks which is 10% exceed part of Common Tier 1 capital of bank from the sum of partnership share on banks and financial institutions that are not consolidated, with a shareholding of 10% or above (-)	-
Non deducted part of Common Tier 1 capital generating from exceed amount generating from investments to Common Tier 1 capital of partnership share on banks and financial institutions that are not consolidated, with a shareholding of 10% and above, temporary differences of deferred tax income and the right of offering mortgage services explained in the 1st and 2nd paragraphs of temporary article 2 of Regulation of Shareholders' Equity of Banks. (-)	-
SHAREHOLDERS' EQUITY	506,221
Amounts Below Overrun Amounts In Applied Reducing Procedures	-
Amount generating from long position of investments to shareholders' equity and partnership share on banks and financial institutions that are not consolidated, with a shareholding less than 10%	-
Amount generating from long position of investments to shareholders' equity and partnership share on banks and financial institutions that are not consolidated, with a shareholding of 10% or above.	-
Amount generating from right of offering mortgage service	-
Amount generating from temporary differences of deferred income tax income	-

(*) The amount contains TL (-) 1,573 actuarial loss/gain amount that accounted under "Other Reserves" according to TAS 19.

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I. INFORMATION ON CONSOLIDATED CAPITAL ADEQUACY RATIO (Continued)

Information on Consolidated Shareholder's Equity

The financial table has been taken from 31 December 2013.

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

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

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I. INFORMATION ON CONSOLIDATED CAPITAL ADEQUACY RATIO (Continued)

Informations on factors of temporary practice about shareholders' equity calculation:

	Consolidated	
	Considered Amount of Current Period Shareholders' Equity Calculation	Total Amount
Common Tier 1 capital share amount of minority shareholders	-	-
Additional core capital share amount of third parties	-	-
Supplementary capital share amount of third parties	-	-
Debt instruments which is seen appropriate by corporation and premiums in accordance with these instruments (Exported before 1.1.2014)	-	-

Informations on addition debt instruments to shareholders' equity calculating:

Exporter	-
Code of debt instrument (CUSIP, ISIN vb.)	-
Registration of debt instrument	-
Attention Situation of Shareholders' Equity	
Situation of subjection to practice of being taken into consideration with 10% deduction (after 1.1.2015)	-
Validity situation of consolidated or unconsolidated based or consolidated and unconsolidated based.	-
Type of debt instrument	-
Considered amount of shareholders' equity calculation. (By last report date of – Million TL)	-
Nominal value of debt instrument (Million TL)	-
Related account of debt instrument	-
Export date of debt instrument	-
Maturity structure of debt instrument (demand/term)	-
Beginning term of debt instrument	-
Whether there is right of reimbursement of exporter or not according to Banking Regulation and Supervision Agency (BRSA) rules.	-
Optional reimbursement date, options of conditional reimbursement and reimbursement amount.	-
Following reimbursement option dates	-
Interest/Dividend Payments	
Fixed or floating interest/dividend payments	-
Interest rate and index value of interest rate	-
Whether there is any restriction to stop payment of capital bonus or not	-
Feature of being full optional, partially optional or obligatory	-
Whether there is any stimulant to repayment like interest rate hike or not	-
Feature of being cumulative or noncumulative	-
Feature of being convertible bonds	
If there's convertible bonds, trigger incidents cause this conversion	-
If there's convertible bonds, feature of full or partially conversion	-
If there's convertible bonds, rate of conversion	-
If there's convertible bonds, feature of conversion -obligatory or optional-	-
If there's convertible bonds, types of convertible instruments	-
If there's convertible bonds, exporter of convertible debt instruments	-
Feature of value reduction	
If there is feature of value reduction, trigger incidents cause this value reduction	-
If there is feature of value reduction, feature of full or partially reduction of value	-
If there is feature of value reduction, feature of being constant or temporary	-
If the value can be reduced temporarily, mechanism of value incrementation	-
Claiming rank in case of winding up (Instrument that is just above debt instrument)	-
Whether being provided with conditions of the 7 th and 8 th articles of Shareholders' Equity of Banks Regulation	-
Has or has not been provided with which conditions of the 7 th and 8 th articles of Shareholders' Equity of Banks Regulation	-

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II. INFORMATION ON CONSOLIDATED MARKET RISK

Whether the Parent Bank within the financial risk management objectives hedges itself against market risk, the precautions taken by the Board of Directors for market risk, the methods used for measuring market risk and time intervals for measurement of market risk

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

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

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

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

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

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

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

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

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

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II. INFORMATION ON CONSOLIDATED MARKET RISK (Continued)

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

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

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

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

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

1. Information related to consolidated market risk

	Current Period	Prior Period
(I) Capital requirement to be employed for general market risk -	1,464	1,624
(II) Capital requirement to be employed for specific risk - Standard	1,527	1,503
(III) Standard method for specific risk of necessary capital requirement on securitization positions	-	-
(IV) Capital requirement to be employed for currency risk -	12,598	10,866
(V) Capital requirement to be employed for commodity risk -	-	-
(VI) Capital requirement to be employed for settlement risk -	-	-
(VII) Total capital requirement to be employed for market risk resulting from options-Standard method	-	-
(VIII) Counterparty credit risk capital requirement - Standard	-	-
(IX) Total capital requirement to be employed for market risk in banks using risk measurement model	-	-
(X) Total capital requirement to be employed for market risk (I+II+III+IV+V+VI+VII+VIII)	15,589	13,993
(XI) Market Value at Risk (12.5 x IX) or (12.5 x X)	194,863	174,913

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III. INFORMATION ON CONSOLIDATED FOREIGN CURRENCY EXCHANGE RATE RISK

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

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

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

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

Foreign exchange risk management policy

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

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

Date	US Dollars	EUR
24 March 2013	TL 2.2350	TL 3.0824
25 March 2013	TL 2.2370	TL 3.0823
26 March 2013	TL 2.2319	TL 3.0831
27 March 2013	TL 2.2121	TL 3.0524
30 March 2013	TL 2.1912	TL 3.0148
31 March 2014	TL 2.1898	TL 3.0072

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

The basic arithmetical average of the Bank's foreign exchange bid rate for March 2013 is TL 2.2151 for USD and TL 3.0621 for EUR.

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

Information on currency risk of the Group

Current Period	Euro	US Dollars	Other	Total
Assets				
Cash (Cash in Vault, Foreign currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	110,834	281,145	162	392,141
Banks	622,822	883,163	721	1,506,706
Financial Assets through Profit or Loss	-	88,346	-	88,346
Interbank Money Market Placements	-	-	-	-
Investment Securities Available-for-Sale	69	821	-	890
Loans ¹	84,404	1,021,717	-	1,106,121
Investments in Subsidiaries and Associates	-	-	-	-
Investment Securities Held-to-Maturity	27,887	85,371	-	113,258
Financial Derivative held for Hedging (Assets)	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	110,169	32,752	-	142,921
Total Assets	956,185	2,393,315	883	3,350,383
Liabilities				
Bank Deposits	659,534	2,148,689	9	2,808,232
Foreign Currency Deposits	183,441	212,451	620	396,512
Money Market Borrowings	-	-	-	-
Funds Borrowed from Other Financial Institutions	97,023	20,821	-	117,844
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	8,728	1,313	4	10,045
Financial Derivatives held for Hedging (Liabilities)	-	-	-	-
Other Liabilities	3,814	6,395	81	10,290
Total Liabilities	952,540	2,389,669	714	3,342,923
Net "Balance Sheet Position"	3,645	3,646	169	7,460
Net "Off Balance Sheet Position"	(1,248)	(448)	-	(1,696)
Financial Derivatives (Assets)	-	769	-	769
Financial Derivatives (Liabilities)	(1,248)	(1,217)	-	(2,465)
Non-Cash Loans	748,822	980,889	402,252	2,131,963
Prior Period	-	-	-	-
Total Assets	905,227	1,964,837	927	2,870,991
Total Liabilities	905,438	1,962,182	733	2,868,353
Balance Sheet Position, net	(211)	2,655	194	2,638
Off Balance Sheet Position, net	-	-	-	-
Financial Derivatives (Assets)	-	-	-	-
Financial Derivatives (Liabilities)	-	-	-	-
Non-cash Loans	758,132	1,043,885	367,232	2,169,249

¹ As of 31 March 2014 loan balance includes foreign currency indexed loans amounting to TL 179,266 (31 December 2013: TL 173,878).

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

Exposed currency risk

The possible increases or decreases in the shareholders' equity and the profit/loss as per an assumption of devaluation/appreciation by 10% of TL against currencies mentioned below as of 31 March 2014 and 2013 are presented in the below table. The other variables, especially the interest rates, are assumed to be fixed in this analysis.

Assuming 10% devaluation of TL;

	Current Period		Prior Period	
	Income Statement	Shareholders' Equity (*)	Income Statement	Shareholders' Equity (*)
US Dollar	(320)	(320)	(266)	(266)
Euro	(240)	(240)	21	21
Other Currencies	(17)	(17)	(19)	(19)
Toplam	(577)	(577)	(264)	(264)

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

Assuming 10% appreciation of TL;

	Current Period		Prior Period	
	Income Statement	Shareholders' Equity (*)	Income Statement	Shareholders' Equity (*)
US Dollar	320	320	266	266
Euro	240	240	(21)	(21)
Other Currencies	17	17	19	19
Toplam	577	577	264	264

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

IV. INFORMATION ON CONSOLIDATED INTEREST RATE RISK

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

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

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

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IV. INFORMATION ON CONSOLIDATED INTEREST RATE RISK (Continued)

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

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

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

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

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IV. INFORMATION ON CONSOLIDATED INTEREST RATE RISK (Continued)

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

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non- Interest Bearing	Total
Assets							
Cash (cash in vault, foreign currencies, cash in transit, cheques purchased) and balances with the Central Bank of Turkey	-	-	-	-	-	396,064	396,064
Banks	1,028,696	508,064	-	-	-	1,085	1,537,845
Financial assets at fair value through Profit or Loss	679	1,426	64	86,177	-	-	88,346
Interbank Money Market Placements	2,001	-	-	-	-	-	2,001
Financial assets available-for-sale	-	-	-	-	-	1,102	1,102
Loans	396,277	245,813	610,064	219,176	-	2,752	1,474,082
Investment securities held-to-maturity	60,118	22,585	9,608	58,579	31,474	-	182,364
Other assets ¹	23,726	9,132	46,046	109,073	-	60,835	248,812
Total assets	1,511,497	787,020	665,782	473,005	31,474	461,838	3,930,616
Liabilities							
Bank deposits	2,020,358	237,683	550,521	-	-	-	2,808,562
Other deposits	18,414	6,125	14,453	-	-	394,224	433,216
Money market borrowings	-	-	-	-	-	-	-
Miscellaneous payables	-	-	-	-	-	11,061	11,061
Marketable securities issued	-	-	-	-	-	-	-
Funds Borrowed From Other Fin. Ins.	25,783	48,366	38,353	9,037	-	-	121,539
Other liabilities ²	15	594	-	-	-	555,629	556,238
Total liabilities	2,064,570	292,768	603,327	9,037	-	960,914	3,930,616
Long Position in the Balance Sheet	-	-	-	-	-	-	-
Short Position in the Balance Sheet	-	494,252	62,455	463,968	31,474	-	1,052,149
Long Position in the Off-balance Sheet	(553,073)	-	-	-	-	(499,076)	(1,052,149)
Short Position in the Off-balance Sheet	-	-	-	-	-	-	-
Total Position	(553,073)	494,252	62,455	463,968	31,474	(499,076)	-

¹ Other Assets: The amount of TL 60,835 in the Non-Interest Bearing column; Tangible Assets amounting to TL 26,267, Intangible Assets amounting to TL 2,680, Deferred Tax Assets amounting to TL 3,439, Assets Held for Sale amounting to TL 10, Miscellaneous Receivables amounting to TL 3,909 and Other Assets amounting to TL 24,530.

² Other Liabilities: The amount of TL 555,629 in the Non-Interest Bearing Column; Shareholders Equity amounting to TL 488,324, Provisions amounting to TL 31,050, Tax, Duty and Premium Payable amounting to TL 7,824 and Other Foreign Resources amounting to TL 28,431.

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IV. INFORMATION ON CONSOLIDATED INTEREST RATE RISK (Continued)

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

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

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

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IV. INFORMATION ON CONSOLIDATED INTEREST RATE RISK (Continued)

Average interest rates applied to monetary financial instruments%

	EUR	USD	JPY	TL
Current Period				
Assets				
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of Turkey.	-	-	-	-
Banks	1.97	2.47		12.31
Financial assets at fair value through profit or loss	-	5.33	-	-
Money market placement	-	-	-	11.98
Financial assets available-for-sale	-	-		
Loans	3.29	4.12	-	13.25
Investment securities held-to-maturity	5.21	6.13	-	7.57
Financial Lease Receivables	12.64	10.15	-	22.17
Liabilities				
Interbank deposits	0.74	1.19	-	-
Other deposits	1.38	1.74	-	8.51
Money market borrowings	-	-	-	-
Miscellaneous payables	-	-	-	-
Marketable securities issued	-	-	-	-
Funds borrowed from other financial institutions	2.89	2.95	-	5.50

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

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IV. INFORMATION ON CONSOLIDATED INTEREST RATE RISK (Continued)

The interest rate risk of the banking book items

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

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

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

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

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

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

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

Currency	Applied Shock (+/- x basis point)	Revenue/Shareholders	
		Revenue/ Loss	‘Equity Loss/ Shareholders’ Equity
TRY	500	(12,518)	%(0.0250)
	(400)	16,696	%0.0333
EURO	200	(5,301)	%(0.0106)
	(200)	34,881	%0.0696
USD	200	(20,686)	%(0.0412)
	(200)	54,990	%0.1096
Total (For negative shocks)		106,567	%0.21
Total (For positive shocks)		(38,505)	%(0.08)

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V. INFORMATION ON STOCK POSITION RISK

Equity investment risk due from banking book

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

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

None.

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

None.

VI. INFORMATION ON CONSOLIDATED LIQUIDITY RISK

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

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

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

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

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VI. INFORMATION ON CONSOLIDATED LIQUIDITY RISK (Continued)

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

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

As per the BRSA Communiqué published on the Official Gazette dated 1 November 2006 and became effective starting, “Measurement and Assessment of the Adequacy of Banks’ Liquidity”, the weekly and monthly liquidity ratios on a bank-only basis for foreign currency assets/liabilities and total assets/liabilities should be minimum 80% and 100%, respectively. The liquidity ratios as of 31 March 2014 are as follows;

Current Period	Primary Maturity Split (Weekly)		Secondary Maturity Split (Monthly)	
	FC	FC+TL	FC	FC+TL
Average	176	226	111	138
Highest (%)	291	327	166	200
Lowest (%)	99	133	81	101

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

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

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

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VI. INFORMATION ON CONSOLIDATED LIQUIDITY RISK (Continued)

Presentation of assets and liabilities based on their outstanding maturities

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Year and Over	Unallocated	Total
Assets								
Cash (cash in vault, effectives, money in transit, cheques purchased) and Central Bank balances	7,606	388,458	-	-	-	-	-	396,064
Banks	8,385	1,021,396	508,064	-	-	-	-	1,537,845
Financial Assets at Fair Value through Profit or Loss	-	685	1,426	64	86,171	-	-	88,346
Money Market Placements	-	2,001	-	-	-	-	-	2,001
Financial assets available-for-sale	-	-	-	-	-	-	1,102	1,102
Loans	-	422,777	206,670	625,459	219,176	-	-	1,474,082
Investment securities held-to-maturity	-	38,232	18,586	13,608	80,464	31,474	-	182,364
Other assets ¹	983	23,726	9,132	46,046	109,073	-	59,852	248,812
Total Assets	16,974	1,897,275	743,878	685,177	494,884	31,474	60,954	3,930,616
Liabilities								
Interbank Deposits	313,929	1,706,429	237,683	550,521	-	-	-	2,808,562
Other Deposits	394,224	18,414	6,125	14,453	-	-	-	433,216
Funds provided from other financial institutions	-	15,531	26,277	1,646	78,085	-	-	121,539
Money market borrowings	-	-	-	-	-	-	-	-
Marketable securities issued	-	-	-	-	-	-	-	-
Miscellaneous payables	-	-	-	-	-	-	11,061	11,061
Other liabilities ²	-	8,178	5,398	-	-	-	542,662	556,238
Total Liabilities	708,153	1,748,552	275,483	566,620	78,085	-	553,723	3,930,616
Liquidity Gap	(691,179)	148,723	468,395	118,557	416,799	31,474	(492,769)	-
Prior Period								
Total Assets	28,178	1,619,058	484,535	664,398	575,558	42,407	52,800	3,466,934
Total Liabilities	640,868	658,190	1,037,691	564,495	40,394	-	525,296	3,466,934
Net Liquidity Gap	(612,690)	960,868	(553,156)	99,903	535,164	42,407	(472,496)	-

¹ Other assets amounting TL 59,852 at the undistributed part; Tangible Assets amounting TL 26,267 , Intangible Assets amounting TL 2,680, Deferred Tax Asset amounting TL 3,439, Asset Held For Sale amounting TL 10, Miscellaneous Receivables amounting to TL 3,581 and Other Assets amounting to TL 23,875.

² Other liabilities amounting TL 542,662 at the undistributed part consists of Shareholders Equity amounting TL 488,324, Provisions amounting TL 31,050, and Other Foreign Resources TL 23,288.

Information on securitization positions

The Group has no securitization positions.

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VI. INFORMATION ON CONSOLIDATED LIQUIDITY RISK (Continued)

Information on credit risk mitigation techniques

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

Cash collateral is used for credit risk mitigation.

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

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

Collaterals based on risk types

Risk Types-Current Period	Amount (*)	Financial Collaterals	Other/Physical Collaterals	Guarantees and credit derivatives
Contingent and Non-Contingent Receivables from Sovereign Governments and Central Banks	540,416	-	-	-
Contingent and Non-Contingent Receivables from Regional Governments and Local Authorities	-	-	-	-
Contingent and Non-Contingent Receivables from Administrative Units and Non-commercial Enterprises	-	-	-	-
Contingent and Non-Contingent Receivables from Multilateral Development Banks	-	-	-	-
Contingent and Non-Contingent Receivables from International Organizations	-	-	-	-
Contingent and Non-Contingent Receivables from Banks and Financial Intermediaries	2,592,735	-	-	-
Contingent and Non-Contingent Corporate Receivables	1,733,820	8,380	-	-
Contingent and Non-Contingent Retail Receivables	-	-	-	-
Contingent and Non-Contingent Receivables Secured by Property(**)	65,951	-	-	-
Past Due Loans	2,752	369	-	-
Higher-Risk Receivables Defined by BRSA	324,254	252,925	-	-
Marketable Securities Collateralized Mortgages	-	-	-	-
Securitization Exposures	-	-	-	-
Short-Term Receivables from Banks and Corporate	-	-	-	-
Undertakings for Collective Investments in Mutual Funds	-	-	-	-
Other Receivables	40,380	-	-	-
Total	5,300,308	261,674	-	-

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

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

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VI. INFORMATION ON CREDIT RISK MITIGATION TECHNIQUES (Continued)

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

Risk management target and policies

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

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

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

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

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VII. INFORMATION ON CONSOLIDATED BUSINESS SEGMENTS

Information on operational segments on 31 March 2014 and 2013 are presented in the table below:

Current Period	Retail Banking	Corporate and Commercial Banking	Treasury	Leasing	Other	Total Operations
Interest Income	86	21,420	6,836	2,974	-	31,316
Commission Income	-	10,782	-	18	-	10,800
Unallocated Income/Expenses (Net)	-	-	-	-	(18,265)	(18,265)
Operating Income	86	32,202	6,836	2,992	(18,265)	23,851
<i>Income from Subsidiaries</i>	-	-	-	-	-	-
<i>Income before tax</i>	-	-	-	-	-	23,851
<i>Tax Provision</i>	-	-	-	-	-	(5,137)
Net Profit for the year						18,714

Current Period	Retail Banking	Corporate and Commercial Banking	Treasury	Leasing	Other	Total Operations
Segment Assets	627	1,496,776	1,899,072	222,996	-	3,609,171
Unallocated assets	-	-	-	-	321,445	321,445
Total Assets	627	1,496,776	1,899,072	222,996	321,445	3,930,616
Segment Liabilities	121,187	314,854	2,786,111	152,536	-	3,374,688
Unallocated Liabilities	-	-	-	-	72,536	72,536
Equity	-	-	-	-	483,392	483,392
Total Liabilities	121,187	314,854	2,786,111	152,536	555,928	3,930,616

Prior Period	Retail Banking	Corporate and Commercial Banking	Treasury	Leasing	Other	Total Operations
Interest Income	13	6,088	14,457	2,025	-	22,583
Commission Income	-	8,622	-	44	-	8,666
Unallocated Income/Expenses (Net)	-	-	-	-	(12,690)	(12,690)
Operating Income	13	14,710	14,457	2,069	(12,690)	18,559
<i>Income from Subsidiaries</i>	-	-	-	-	-	-
<i>Income before tax</i>	-	-	-	-	-	18,559
<i>Tax Provision</i>	-	-	-	-	-	(3,515)
Net Profit for the year						15,044

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

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SECTION FIVE

**INFORMATION ON DISCLOSURES AND FOOTNOTES OF
CONSOLIDATED FINANCIAL STATEMENTS**

I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS

1. Information on cash equivalents and Central Bank of Turkey

Information on cash equivalents

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash/Effective	971	3,683	1,125	5,671
Central Bank of Turkey	2,952	388,458	1,075	386,509
Other	-	-	-	-
Total	3,923	392,141	2,200	392,180

Information related to the account of Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	2,952	-	1,075	-
Unrestricted Time Deposits	-	94,274	-	89,980
Restricted Time Deposits	-	-	-	-
Reserve Deposits	-	294,184	-	296,529
Total	2,952	388,458	1,075	386,509

Information on Reserve Deposits

The banks operating in Turkey keep reserve deposits for Turkish currency and foreign currency at the rates of between 5% and 11.5% (31 December 2013: between 5% and 11.5%), and for USD or EUR at the rates of 6% and 13% respectively according to their maturities as per the Communiqué no.2005/1 "Reserve Deposits " of the Central Bank of Turkey (31 December 2013: between 6% and 13%). Interest rates are not applied for reserve requirements by the Central Bank of Turkey.

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

Among financial assets at fair value through profit or loss; there is no marketable securities subjected to repurchase transaction. There is no amount provided as collateral /blocked financial assets at fair value through profit or loss in the current period.(31 December 2013: None)

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

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

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

3. Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic banks	31,139	1,500,089	33,582	1,068,266
Foreign banks	-	6,617	-	16,573
Foreign head offices and branches	-	-	-	-
Total	31,139	1,506,706	33,582	1,084,839

4. Information on available for sale financial assets

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

As of 31 March 2014, the Bank does not have marketable securities subjected to repurchase transactions on financial assets available-for-sale (31 December 2013: None).

As of 31 March 2014, there is no security is held on collateral/blocked for guarantee from assets available-for-sale (31 December 2013: None).

Major types of available for sale financial assets

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

Information on available for sale financial assets

	Current period	Prior period
Debt Securities	-	-
Quoted in stock exchange	-	-
Not quoted in stock exchange	-	-
Share Certificates	1,102	1,080
Quoted in stock Exchange	-	-
Not quoted in stock Exchange	1,102	1,080
Impairment provision (-)	-	-
Total	1,102	1,080

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

5. Information on Loans

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

	Current period		Prior period	
	Cash	Non- Cash	Cash	Non- Cash
Direct Loans Granted to Shareholders	3,021	4,181	4,267	13,686
Corporate Shareholders	3,021	4,181	4,267	13,686
Individual Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to the Bank's personnel	543	4	632	4
Total	3,564	4,185	4,899	13,690

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

	Standard loans and other receivables			Loans and other receivables under close monitoring		
	Loans and other receivables (Total)	Amendments on Conditions of Contract		Loans and other receivables (Total)	Amendments on Conditions of Contract	
		Amendments related to the extension of the payment plan	Other		Amendments related to the extension of the payment plan	Other
Cash Loans						
Non-specialized loans	1,471,330	-	-	-	-	-
Corporation loans	-	-	-	-	-	-
Export loans	222,206	-	-	-	-	-
Import loans	-	-	-	-	-	-
Loans given to financial sector	280,279	-	-	-	-	-
Consumer loans	627	-	-	-	-	-
Credit cards	-	-	-	-	-	-
Other	968,218	-	-	-	-	-
Specialized loans	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-
Total	1,471,330	-	-	-	-	-

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

None.

The time extended via the amendment on payment plan

None.

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

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

	Short Term	Medium and Long Term	Total
Consumer Loans-TL	-	84	84
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	84	84
Consumer Loans-Indexed to FC	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer Loans-Indexed to FC	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Individual Credit Cards-TL	-	-	-
Installment	-	-	-
Non-Installment	-	-	-
Individual Credit Cards-FC	-	-	-
Installment	-	-	-
Non-Installment	-	-	-
Personnel Loans- TL	6	537	543
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	6	537	543
Personnel Loans- Indexed to FC	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	-	-	-
Installment	-	-	-
Non-Installment	-	-	-
Personnel Credit Cards-FC	-	-	-
Installment	-	-	-
Non-Installment	-	-	-
Deposits with Credit Limit-TL (Individual)	-	-	-
Deposits with Credit Limit-FC (Individual)	-	-	-
Total	6	621	627

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

Information on installment commercial loans and commercial credit cards

	Short Term	Medium and Long Term	Total
Commercial Installment Loans-TL	991	3,364	4,355
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	991	3,364	4,355
Commercial Installment Loans-Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Commercial Installment Loans -FC	-	1,258	1,258
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	1,258	1,258
Corporate Credit Cards-TL	-	-	-
With Installment	-	-	-
Wwithout Installment	-	-	-
Corporate Credit Cards-FC	-	-	-
With Installment	-	-	-
Wwithout Installment	-	-	-
Credited Deposit Account-TL (Legal Person)	-	-	-
Credited Deposit Account -FC (Legal Person)	-	-	-
Total	991	4,622	5,613

Allocation of domestic and foreign loans

	Current Period	Prior Period
Domestic loans	1,428,337	1,374,690
Foreign loans	42,993	41,195
Total	1,471,330	1,415,885

Loans granted to subsidiaries and associates

None.

Specific provisions for loans

Specific provisions	Current Period	Prior Period
Loans and receivables with limited collectibles	130	-
Loans and receivables with doubtful collectibles	279	290
Uncollectible loans and receivables	8,140	8,156
Total	8,549	8,446

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

Information related to non-performing loans (Net)

Information on restructured loans of non-performing loans

None.

Information on movement of total non-performing loans

	III. Group	IV. Group	V. Group
	<i>Loans and receivables with limited collectibles</i>	<i>Loans and receivables with doubtful collectibles</i>	<i>Uncollectible loans and receivables</i>
Balances at Beginning of Period	-	579	8,156
Additions (+)	2,605	2	-
Transfers from other categories of nonperforming loans			
(+)	-	-	-
Transfers to other categories of nonperforming loans (-)	-	-	-
Collections (-)	-	25	16
Write-offs (-)	-	-	-
Institutional and commercial credits	-	-	-
Individual credits	-	-	-
Credit cards	-	-	-
Others	-	-	-
Balances at End of the Period	2,605	556	8,140
Specific provisions (-)	130	279	8,140
Net Balance on Balance Sheet	2,475	277	-

Information on foreign currency non-performing loans

There are non-performing loan receivables in foreign currency amounting TL 2,401 which is followed in TL accounts.

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

	III. Group Loans and receivables with limited	IV. Group Loans and receivables with doubtful	V. Group Non-performing loans and receivables
Current Period (Net)	2,475	277	-
Loans granted to real persons and legal entities (Gross)	2,605	556	8,040
Specific provisions (-)	130	279	8,040
Loans granted to real persons and legal entities (Net)	2,475	277	-
Banks (Gross) ¹	-	-	100
Specific provisions (-)	-	-	100
Banks (Net)	-	-	-
Other Loans and receivables (Gross)	-	-	-
Specific provisions (-)	-	-	-
Other Loans and receivables (Net)	-	-	-
Prior Period (Net)	-	289	-
Loans granted to real persons and legal entities (Gross)	-	579	8,056
Specific provisions (-)	-	290	8,056
Loans granted to real persons and legal entities (Net)	-	289	-
Banks (Gross) ¹	-	-	100
Specific provisions (-)	-	-	100
Banks (Net)	-	-	-
Other Loans and receivables (Gross)K	-	-	-
Specific provisions (-)	-	-	-
Other Loans and receivables (Net)	-	-	-

1 Foreign bank

Collection policy on loans determined as loss and other receivables

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

Information onwrite-off policy

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

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

6. Information on held to maturity financial assets

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

There are no marketable securities as held to maturity and subject to repurchase transactions (31 December 2013: 37,959). There are financial assets as collateral/blocked amounting to TL 7,115 as of 31 March 2014 (31 December 2013: 7,003).

Information on government held to maturity financial assets

	Current Period		Prior Period	
	TL	FC	TL	FC
Government bonds	56,139	-	48,391	-
Treasury Bonds	-	-	-	-
Other Public Bonds	-	88,908	-	100,266
Total	56,139	88,908	48,391	100,266

Information of investments held to maturity

	Current Period	Prior Period
Debt Instruments	182,638	190,037
Quoted at stock exchange	145,321	149,510
Not-quoted at stock exchange	37,317	40,527
Impairment loss provision (-)	(274)	(853)
Total	182,364	189,184

Movement of marketable securities held-to-maturity

	Current Period	Prior Period
Balances at the Beginning of the Period	189,184	135,149
Foreign Currency Gains / Losses on Monetary assets	12,889	24,727
Purchases during the Period	6,824	84,255
Disposals through sales and redemptions ¹	(26,138)	(54,556)
Changes in amortised cost	-	-
Impairment loss provision ²	(395)	(391)
Period end balance	182,364	189,184

¹ In the current period amounting to TL 26,138(31 December 2013: TL TL 54,556) redemption has been realized.

² Represents provisions allocated for impairment in the current year.

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

7. Information on Associates

The Group does not have an associate.

8. Information on consolidated subsidiaries (Net)

Information on consolidated subsidiaries

The Parent Bank does not have an unconsolidated subsidiary.

Information on subsidiaries

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

	Current Period	Prior Period
CORE CAPITAL		
Paid in Capital	65,000	60,680
Effect of Inflation Adjustment on Paid in Capital	93	106
Legal Reserves	1,982	1,787
Extraordinary Reserves - Legal Reserve per General Legislation	3	3
Profit / Loss	3,082	6,052
<i>Net Profit</i>	1,545	3,895
<i>Prior Period Profit/Loss</i>	1,537	2,157
Intangible Assets (-)	228	240
Total Core Capital	69,932	68,388
SUPPLEMENTARY CAPITAL	-	-
CAPITAL	69,932	68,388
DEDUCTION FROM CAPITAL	-	-
NET AVAILABLE CAPITAL¹	69,932	68,388

¹ There is no restriction on shareholders' equity of subsidiary. After deduction from the capital, the total net available equity is TL 69,932.

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

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

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

Total Assets	Sharehold ers' Equity	Total Fixed Assets	Interest Income	Income from marketable securities portfolio	Current Period Profit / Loss	Prior Period Profit / Loss	Fair value (*)
222,696	70,160	4,335	3,968	-	1,545	569	-

(*) The related subsidiary has no fair value as of 31 March 2014.

Movement related to consolidated subsidiaries

	Current Period	Prior Period
Balance at the Beginning of the Period	60,895	40,452
Movements during the Period	4,319	20,443
Purchases	-	15,492
Bonus Shares Received	4,319	4,951
Dividends from Current Year Profit	-	-
Sales	-	-
Revaluation Increase, Effect of Inflation and F/X Difference	-	-
Impairment Provision (+)	-	-
Balance at the End of the Period	65,214	60,895
Capital Commitments		
Share Percentage at the end of Period (%)	99.98	99.98

Valuation methods of investments in subsidiaries

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

Sectoral Information on the subsidiaries

Subsidiaries	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	65,214	60,895
Finance Companies	-	-

Quoted Subsidiaries

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

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

Subsidiaries sold in the current year

None.

Subsidiaries acquired in the current year

None.

9. Information on jointly ventures of the Parent Bank

The Parent Bank does not have joint ventures.

10. Information on Financial Lease Receivables (Net)

Maturity analysis of financial lease receivables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	88,647	77,976	82,613	72,057
Between 1-4 years	123,605	109,073	119,473	105,298
Over 4 years	-	-	-	-
Total	212,252	187,049	202,086	177,355

Information on net financial lease investments

	Current Period	Prior Period
Gross Financial Lease Investment	212,252	202,086
Earned Financial Lease Income (-)	25,203	24,731
Cancelled Leasing Amounts	-	-
Net Investment on Leases	187,049	177,355

There is a provision amounting to TL 781 for doubtful financial lease receivables in net financial lease investment.

The movement of doubtful receivables is as follows

	Current Period	Prior Period
Opening Balance	1,053	769
Provisions	-	284
Collections	272	-
Ending Balance	781	1,053

11. Information on financial derivatives for hedging

The Group does not have any financial derivatives for hedging.

12. Information on investment property

The Group does not have any investment property.

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

13. Information on tax assets

As of 31 March 2014, there is no tax receivable under current tax asset after the deduction of tax liability (31 December 2013: None).

Groyp has calculated TL 4,029 deferred tax asset and TL 590 deferred tax liability over taxable temporary differences as of 31 March 2014 and recorded the net amount of asset and liability to the financial statement (31 December 2013: TL 4,189 deferred tax asset and TL 491 deferred tax liability).

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

	31 March 2014		31 December 2013	
	Accumulated temporary differences	Deferred tax asset/ (liability)	Accumulated temporary differences	Deferred tax asset/ (liability)
Investment allowance	4,544	909	5,478	1,096
Provisions regarding employee rights	8,570	1,714	8,735	1,747
Interest accruals	15	3	697	139
Unearned Income	4,620	924	3,362	672
Depreciation difference for tangible and intangible assets	349	70	624	125
Derivative financial instruments	-	-	-	-
Other	2,047	409	2,050	410
Deferred tax asset	20,145	4,029	20,946	4,189
Depreciation difference for tangibl	787	157	745	149
Interest accruals	1,831	366	1,401	280
Other	333	67	311	62
Deferred tax liability	2,951	590	2,457	491
Deferred tax asset / (liability),	17,194	3,439	18,489	3,698

Investment incentive was abolished being effective from January 1, 2006. In case that, entities do not have sufficient taxable income, deduction of the unused investment incentive as of December 31, 2005 from 2006, 2007 and 2008 income was allowed however it was not permitted to defer this investment incentive to subsequent periods after 2008. The Constitutional Court abolished this regulation on October 15, 2009 and the time constraint related to investment incentive has been removed. The resolution has been published in the Official Gazette on January 8, 2010. The Group will use the investment incentive amounting TL 5,781 by deducting from future profits. The Group recognized deferred tax asset amounting to TL 3,439 in the financial statements assuming that it will take advantage of the unused investment incentive in the subsequent periods. Partially or fully recoverable of deferred tax asset is estimated under current conditions.

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

16. Information about fixed assets held for sale

	Current Period 31 March 2014	Prior Period 31 December 2013
Cost	17	412
Impairment (-)	6	5
Accumulated Depreciation (-)	-	119
Prior Period Net Book Value	11	288
Opening Balance	17	412
Additions	-	-
Disposals (-).net	-	395
Accumulated Impairment (-)	-	6
Impairment (-)	6	1
Accumulated Depreciation (-)	1	119
Depreciation	-	126
Depreciation Expenses (-)	-	8
Closing Net Book Value	10	11

15. Information on other assets

Other assets is amounting to TL 29,367 (31 December 2013: TL 22,114) and does not exceed 10% of total assets of balance sheet except off balance sheet commitments.

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES

1. Information on maturity profile of deposits

Current Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6 Months- 1 Year	1 Year and over	Accumu- lating Deposit Accounts	Total
Saving Deposits	5,493	-	636	1,088	1,318	-	-	-	8,535
Foreign Currency Deposits	358,459	-	11,854	7,428	4,066	602	14,103	-	396,512
Residents in Turkey	189,427	-	2,941	4,937	634	100	1,196	-	199,235
Residents Abroad	169,032	-	8,913	2,491	3,432	502	12,907	-	197,277
Public Sector Deposits	-	-	-	-	-	-	-	-	-
Commercial Deposits	5,449	-	2	194	94	-	-	-	5,739
Other Ins. Deposits	22,420	-	-	10	-	-	-	-	22,430
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	313,929	-	46,893	762,295	665,018	579,611	440,816	-	2,808,562
Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	7,664	-	-	-	-	-	7,664
Foreign Banks	313,929	-	39,229	762,295	665,018	579,611	440,816	-	2,800,898
Special Financial Inst.	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	705,750	-	59,385	771,015	670,496	580,213	454,919	-	3,241,778
Prior Period	Demand	7 Days Notice	Up to 1 Month s	1-3 Months	3-6 Months	6 Months- 1 Year	1 Year and over	Accumu- lating Deposit Accounts	Total
Saving Deposits	3,199	-	281	1,050	1,384	-	-	-	5,914
Foreign Currency Deposits	321,612	-	667	12,513	3,947	710	13,657	-	353,106
Residents in Turkey	145,810	-	427	1,892	681	98	1,163	-	150,071
Residents Abroad	175,802	-	240	10,621	3,266	612	12,494	-	203,035
Public Sector Deposits	-	-	-	-	-	-	-	-	-
Commercial Deposits	12,444	-	255	346	93	-	7,615	-	20,753
Other Ins. Deposits	2,482	-	-	16	-	-	-	-	2,498
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	301,131	-	172,134	685,911	342,979	375,199	427,007	-	2,304,361
Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	301,131	-	172,134	685,911	342,979	375,199	427,007	-	2,304,361
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	640,868	-	173,337	699,836	348,403	375,909	448,279	-	2,686,632

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

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

	Covered by Deposit Insurance Fund		Not covered by Deposit Insurance Fund	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	6,502	4,185	2,033	1,729
Foreign Currency Saving Deposits	35,798	24,435	76,854	67,936
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	42,300	28,620	78,887	69,665

Saving deposits not covered by deposit insurance

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

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

Amounts not covered by deposit insurance

Individual deposits not covered by deposit insurance

	Current Period	Prior Period
Deposits and Other Accounts held at Foreign Branches	-	-
Deposits and Other Accounts held by Shareholders and their Relatives	-	-
Deposits and Other Accounts of the Chairman and Members of Board of Directors, Chief Executive Officer, Senior Executive Officers and their Relatives	1,418	1,200
Deposits and Other Accounts held as Assets subject to the Crime defined in the Article 282 of the Turkish Criminal Code no. 5237 dated 26 September 2004	-	-
Deposits at Depositary Banks established for Off-Shore Banking Activities in Turkey	-	-
Total	1,418	1,200

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

2. Information on financial derivatives through profit or loss

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward transactions	-	-	-	-
Swap transactions	-	-	-	-
Futures transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	-	-	-	-

3. Information on Funds Borrowed

Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
Borrowing from Central Bank	-	-	-	-
From Domestic Banks and Institutions	3,695	44,396	7,571	29,452
From Foreign Banks, Institutions and Funds	-	73,448	-	172,865
Total	3,695	117,844	7,571	202,317

Presentation of funds borrowed based on maturity profile

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	3,308	63,080	6,908	193,520
Medium and Long-Term	387	54,764	663	8,797
Total	3,695	117,844	7,571	202,317

4. Information on other foreign resources

The other external resources is amounting to TL 29,040(31 December 2013: TL 18,290) and this amount does not exceed 10% of the total balance sheet.

5. Information on financial lease obligations

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

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

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

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

7. Information on provisions

Information on general provisions

	Current Period	Prior Period
Provisions for Loans and Receivables in Group I	16,995	15,567
Additional provisions for the loans with extended payment plan	-	-
Provisions for Loans and Receivables in Group II	-	54
Additional provisions for the loans with extended payment plan	-	-
Provisions for Non-Cash Loans	4,669	4,790
Other	-	-
Total	21,664	20,411

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

	Current Period	Prior Period
Foreign Exchange Provisions for Foreign Currency Indexed Loans (*)	544	-

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

Information on other provisions

The provisions for probable risks are below:

	Current Period	Prior Period
The provisions for probable risks	-	-

8. Information on tax payables

Information on corporate tax liability

As of 31 March 2014, corporate tax payable after deducting the prepaid tax is TL 4,806
(31 December 2013: TL 3,773)

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

Information on tax payables

	Current Period	Prior Period
Corporate Tax	4,806	3,773
Banking Insurance Transaction Tax (BITT)	644	858
Taxation of Securities	208	232
Value added taxes payable	57	64
Corporate tax payable-limited	4	7
Foreign Exchange Legislation Tax	-	-
Property tax	17	15
Other	1,365	882
Total	7,101	5,831

Information on premiums

	Current Period	Prior Period
Social Security Premiums – Employee	269	212
Social Security Premiums – Employer	389	306
Bank Social Aid Pension Fund Premium – Employee	-	-
Bank Social Aid Pension Fund Premium – Employer	-	-
Pension Fund Membership Fees and Provisions – Employee	-	-
Pension Fund Membership Fees and Provisions – Employer	-	-
Unemployment Insurance – Employee share	20	15
Unemployment Insurance – Employer share	38	30
Other	7	-
Total	723	563

Information on deferred tax liability

The net amount of assets and liabilities that is calculated over the temporary differences between the applied accounting policies and tax regulation is recorded as net deferred tax asset with an amount of TL 3,439. Detailed information on net deferred tax is presented in footnote I-13 in Section Five.

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

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

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

The Parent Bank has no subordinated loans.

11. Information on Shareholder's Equity

Presentation of Paid-in Capital

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

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

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

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

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

None.

Information on share capital increases from capital reserves

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

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

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

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

None.

Information on the privileges given to stocks representing the capital

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

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

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

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

Fractional shares shall be allocated by the Board of Directors.

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

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

Information on marketable securities value increase fund

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

Information on legal reserve

In the current period there is TL 2,729 transferred to legal reserves from retained earnings. (31 December 2013: TL 2,976).

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III. INFORMATION AND DISCLOSURES RELATED TO OFF-BALANCE SHEETS

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

Type and amount of irrevocable commitments

The Group has TL 28,795(31 December 2013: TL 15,480) as irrevocable commitments.

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

As of 31 March 2014, the Group has allocated the provision amounting TL 5,177 over total non-cash loans (31 December 2013: TL 5,379).

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

The total amount of non-cash loans including guarantees, bills of exchange and acceptances and sureties on letters of credits and other guarantees is TL 476,418(31 December 2013: TL 591,973).

Final guarantees, temporary guarantees, commitments and similar transactions

The total amount of the Group's guarantee letters is TL 1,844,871(31 December 2013: TL 1,789,502).

2. Total amount of Non-cash loans

	Current Period	Prior Period
Non-Cash Loans granted for Cash Loan Assurance	244,373	97,324
Less Than or Equal to One Year with Original Maturity	98,836	-
More Than One Year with Original Maturity	145,537	97,324
Other Non-Cash Loans	2,076,916	2,284,151
Total	2,321,289	2,381,475

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IV. INFORMATION AND FOOTNOTES RELATED TO STATEMENT OF INCOME

1. Information on interest income

Information on interest income received from loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Received from Loans ⁽¹⁾				
Short- Term Loans	12,000	1,577	4,843	1,835
Medium and Long- Term Loans	597	7,519	342	3,781
Interest Received From Non Performing Loans	12	-	-	-
Premiums Received From Resource Utilization Support Fund	-	-	-	-
Total	12,609	9,096	5,185	5,616

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

Information on interest income received from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
From Central Bank	-	-	-	-
From Domestic Banks	543	8,607	460	6,355
From Foreign Banks	-	36	-	1
From Foreign Headquarter and Branches	-	-	-	-
Total	543	8,643	460	6,356

Information on interest income received from marketable securities

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Held for Trading	-	1,358	1,389	1,496
Financial Assets Where Fair Value Change is Reflected to Income Statement	-	-	-	-
Financial Assets Available for Sale	-	-	-	-
Investments Held to Maturity	1,294	2,687	505	2,209
Total	1,294	4,045	1,894	3,705

Information on interest income received from associates and subsidiaries

None.

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

2. Interest Expense

Information on interest paid for funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	79	953	65	4,203
Central Bank	-	-	-	-
Domestic Banks	79	807	65	138
Foreign Banks	-	146	-	4,065
Other Institutions	-	-	-	-
Total	79	953	65	4,203

Information on interest expense paid to subsidiaries and associates

None.

Information on interest expense given on securities issued

None.

Maturity structure of the interest expense on deposits

	Time Deposit						Cumulative Deposit	Total
	Demand Deposit	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year		
Turkish Lira								
Interbank deposits	-	46	-	-	-	-	-	46
Saving deposits	-	9	21	25	-	-	-	55
Public sector deposits	-	-	-	-	-	-	-	-
Commercial deposits	-	10	4	1	-	51	-	66
Other deposits	-	-	-	-	-	-	-	-
Deposits with 7 days notification	-	-	-	-	-	-	-	-
Total	-	65	25	26	-	51	-	167
Foreign Currency								
Foreign currency deposits	-	17	28	9	2	72	-	128
Interbank deposits	144	118	2,155	2,006	1,748	1,330	-	7,501
Deposits with 7 days notification	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	144	135	2,183	2,015	1,750	1,402	-	7,629
Grand Total	144	200	2,208	2,041	1,750	1,453	-	7,796

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

3. Information on trading gain/loss

	Current Period	Prior Period
Gain	1,212,568	464,452
Gain from money market transactions	-	-
Gain from financial derivative transactions	229	7,569
Gain from exchange transactions	1,212,339	456,883
Loss (-)	(1,212,056)	(465,635)
Loss from money market transactions	-	-
Loss from financial derivative transactions	(177)	(8,926)
Loss from exchange transactions	(1,211,879)	(456,709)
Net Trading Gain/Loss	512	(1,183)

4. Information on income from other operations

	Current Period	Prior Period
From Reversal of Provisions of Prior Year	220	5,038
From Communication Income	392	279
Gain on sales of assets	-	199
Other Income	345	100
Total	957	5,616

6. Information on impairment in loans and other receivables

	Current Period	Prior Period
Specific Provisions on Loans and Other Receivables	308	1
<i>Loans and Receivables in Group III</i>	306	-
<i>Loans and Receivables in Group IV</i>	1	-
<i>Loans and Receivables in Group V</i>	1	1
<i>Doubtful Receivables</i>	-	-
General Provision Expenses	1,253	3,371
Provision for Possible Losses	-	-
Foreign Exchange Losses on Foreign Currency Indexed Loans	-	-
Impairment Losses on Securities	-	-
<i>Financial Assets through Profit or Loss</i>	-	-
<i>Investment Securities Available-for-Sale</i>	-	-
Other Impairment Losses	395	627
<i>Associates</i>	-	-
<i>Subsidiaries</i>	-	-
<i>Joint Ventures</i>	-	-
<i>Investment Securities Held-to-Maturity</i>	395	627
Other	1	-
Total	1,957	3,999

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(Continued)**

7. Information on other operating expense

	Current Period	Prior Period
Personnel Expenses	12,864	8,478
Employee Termination Benefits Expense	140	436
Tangible Fixed Asset Impairment Expense	-	-
Intangible Fixed Asset Impairment Expense	-	-
Amortization Expenses of Tangible Assets	709	706
Goodwill Impairment Expense	-	-
Amortization Expenses of Intangible Assets	294	211
Shareholders Equity Procedure Applied Equity Interest Impairment Expense	-	-
Disposable Fixed Asset Impairment Expense	1	1
Amortization Expense of Assets Held for Resale	-	4
Impairment Expense related to Fixed Assets held for sale and discontinued operations	-	-
Assets Impairment Expense	-	-
Other Operating Expenses	2,504	2,360
<i>Operating Lease Expenses</i>	379	309
<i>Maintenance Expenses</i>	52	34
<i>Advertisement Expenses</i>	125	77
<i>Other Expenses</i>	1,948	1,940
Losses from sales of Assets	-	-
Other	1,265	873
Total	17,777	13,069

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

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

As of 31 March 2014, taxation charge is TL 4,855(31 March2013:TL 2,884 tax expense) and deferred tax expense is TL 282 (31 December2013: TL 631 deferred tax expense).

Deferred tax charge arising from origination or reversal of temporary differences

The Group has TL 95as deferred tax expense arising from origination of temporary differences (31 March2013: TL 480 deferred tax expense).

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

The Group has TL282 as deferred tax expense reflected in the income statement computed over temporary difference and tax deductions and exemptions (31 December 2013: TL 631 deferred tax expense).

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**IV. INFORMATION AND FOOTNOTES RELATED TO STATEMENT OF INCOME
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10. Information on net profit or loss of the period including profit/loss from continued and discontinued operations:

Current period profit from continued operations is TL 18,714 (31 March 2013: TL 15,044 profit).

9. Information on net profit or loss of the period

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

None.

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

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

Profit/loss regarding minority rights

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

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

Other accounts which exceed the 10% of the income statement ,other than other operating income and other operating expense, amounting to TL 5,862 (31March2013: None) consist of transfer commissions, letter of credit commissions and other.

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V. INFORMATION ON THE GROUP'S RISK GROUP

1. Information on the volume of transactions with the Bank's risk group, lending and deposits outstanding at period end and income and expenses in the current period

Information on the loans of the Group's risk group

Current Period

Bank's Risk Group ^(*)	Associates, Subsidiaries and Joint Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-Cash	Cash	Non-cash
Loans and Other Receivables	-	-	4,267	13,686	47,872	98,201
Balance at the beginning of the period	-	-	3,021	4,181	36,129	109,542
Balance at the end of the period	-	-	-	-	8	-
Interest and Commission Income received	-	-	-	-	-	-

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

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

Prior Period

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

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

Information on deposits of the Bank's risk group

Bank's Risk Group (*)	Associates, Subsidiaries and Joint Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits	-	-	-	-	-	-
Balance at the beginning of the period	-	-	1,378,134	637,403	508,101	26,355
Balance at the end of the period	-	-	1,752,699	1,378,134	516,611	508,101
Interest expense on deposits	-	-	4,007	1,059	663	-

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

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

None.

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

None.

Information on benefits provided for top level management:

For the period then ended 31 March 2014, TL 2,207 (31 March 2013: TL 1,473) has been paid to the top level management of the Bank as salaries and fringe benefit.

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

ARAP TURK BANK A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2014

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

SECTION SIX

OTHER DISCLOSURES AND FOOTNOTES

I. OTHER INFORMATION ON GROUP'S OPERATIONS

None.

II. INFORMATION ON EVENTS AFTER THE BALANCE SHEET DATE

The capital of the bank is increased by TL 200 million being fully covered from internal resources to TL 440 million from TL 240 million and has registered on 03.04.2014.

SECTION SEVEN

REVIEW INDEPENDENT AUDITOR'S REVIEW REPORT

I. INFORMATION ON REVIEW INDEPENDENT AUDITOR'S REVIEW REPORT

As of 31 March 2014, consolidated financial statements and explanatory notes of the Bank disclosed herein were audited by Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of PricewaterhouseCoopers) and Independent Auditor's Review Report dated 30 April 2014 is presented preceding the financial statements

II. INFORMATION AND FOOTNOTES PREPARED BY INDEPENDENT AUDITOR

None.

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