Yapı ve Kredi Bankası A.Ş.

Publicly announced unconsolidated financial statements and related disclosures at September 30, 2014 together with independent auditor's review report

(Convenience translation of publicly announced unconsolidated financial statements and independent auditor's review report originally issued in Turkish, See Note I. of Section three)

(Convenience translation of the independent auditor's review report originally issued in Turkish, See Note I. of Section three)

To the Board of Directors of Yapı ve Kredi Bankası A.Ş.

We have reviewed the accompanying unconsolidated balance sheet of Yapı ve Kredi Bankası A.Ş. ("the Bank") at September 30, 2014 and the related unconsolidated income statement, unconsolidated statement of income and expense items accounted under shareholders' equity, unconsolidated statement of cash flows and unconsolidated statement of 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 regulations on account and booking system and accounting and independent audit principles set out as per the Banking Act 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 applying analytical procedures to financial data and making inquiries of the Bank's management, 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 unconsolidated financial statements do not give a true and fair view of the financial position of Yapı ve Kredi Bankası A.Ş. at September 30, 2014 and of 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 Article 37 of the Banking Act No. 5411 and other regulations, interpretations and circulars published by the Banking Regulation and Supervision Agency on accounting and financial reporting principles.

Additional paragraph for 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 Article 37 of the Banking Act No. 5411, accounting principles generally accepted in countries in which the accompanying unconsolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Ethem Kutucular
Partner, SMMM

Istanbul, October 27, 2014

Convenience translation of publicly announced unconsolidated interim financial statements and review report originally issued in Turkish, See Note I. of Section nine

E-mail: financialreports@yapikredi.com.tr

The unconsolidated interim financial report of
Yapı ve Kredi Bankası A.Ş. as of September 30, 2014

The unconsolidated financial report for the nine months which is prepared in accordance with the "Communiqué Related to Publicly Announced Financial Statements of Banks and Explanations and Notes Related to these Financial Statements" as regulated by the Banking Regulation and Supervision Agency includes the following sections.

- **Section one** - General information about the Bank
- **Section two** - Unconsolidated financial statements of the Bank
- **Section three** - Explanations on accounting policies applied in the related period
- **Section four** - Information related to financial position of the Bank
- **Section five** - Explanations and notes related to unconsolidated financial statements
- **Section six** - Independent auditor's review report

The accompanying unconsolidated financial statements for the six months and notes to these financial statements which are expressed, (unless otherwise stated) in thousands of Turkish Lira, have been presented based on the accounting books of the Bank prepared in accordance with the Regulation on the Principles and Procedures Regarding Banks' Accounting Applications and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and related appendices and interpretations of these, and have been reviewed.

Mustafa V. KOÇ **Chairman of the Board of Directors**	**H. Faik AÇIKALIN** **Chief Executive Officer**	**Marco IANNACCONE** **Chief Financial Officer**	**B. Seda İKİZLER** **Head of Financial Reporting and Accounting**

Gianni F.G. PAPA **Chairman of Audit Committee**	**Francesco GIORDANO** **Member of Audit Committee**	**F. Füsun Akkal BOZOK** **Member of Audit Committee**
Benedetta NAVARRA **Member of Audit Committee**	**Adil G. ÖZTOPRAK** **Member of Audit Committee**	

Contact information of the personnel in charge of the addressing of questions about this financial report:

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Section One

General Information

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

Yapı ve Kredi Bankası A.Ş. ("the Bank" or "Yapı Kredi"), was established and started operations on September 9, 1944 with the permission of the Council of Ministers No. 3/6710 as a private capital commercial bank authorised to perform all banking, economic, financial and commercial activities which are allowed by the laws of the Turkish Republic. The statute of the Bank has not changed since its incorporation.

II. Explanations about the Bank's capital structure, shareholders holding directly or indirectly, collectively or individually, the management and controlling power and changes in current year, if any and explanations on the controlling group of the Bank:

The Bank's publicly traded shares are traded on the Borsa İstanbul ("BIST") since 1987 and the representatives of these shares, Global Depository Receipts, are quoted at the London Stock Exchange. As of September 30, 2014, 18,20% of the shares of the Bank are publicly traded (December 31, 2013 - 18,20%). The remaining 81,80% is owned by Koç Finansal Hizmetler A.Ş. ("KFS"), a joint venture of UniCredit ("UCG") and Koç Group.

KFS was established on March 16, 2001 to combine Koç Group finance companies under one organization and it became the main shareholder of Koçbank in 2002. On October 22, 2002, Koç Group established a strategic partnership with UCG over KFS.

In 2005, the Bank's shares that were owned by Çukurova Group Companies and the Saving Deposits Insurance Fund ("SDIF") were purchased by Koçbank. In 2006, Koçbank purchased additional shares of the Bank from BIST and an investment fund and, during the same year, all rights, receivables, debts and liabilities of Koçbank were transferred to the Bank pursuant the merger of the two banks. As a result of the merger and the share transfer procedures in 2007 and of a capital increase by TL 920 million in 2008, KFS shares in the Bank increased to 81,80%.

III. Explanations regarding the board of directors, members of the audit committee, Chief Executive Officer and executive vice presidents, and their areas of responsibility and shares if any:

As of September 30, 2014, the Bank's Board of Directors, Members of the Audit Committee, General Manager and Assistant General Managers are as follows:

Board of Directors Members:

Name	Responsibility
Mustafa V. KOÇ	Chairman
Gianni F.G. PAPA	Vice Chairman
H. Faik AÇIKALIN	Chief Executive Officer
Carlo VIVALDI	Deputy General Manager
Adil Giray ÖZTOPRAK	Member
Ahmet Fadıl ASHABOĞLU	Member
Benedetta NAVARRA	Member
Francesco GIORDANO	Member
F. Füsun Akkal BOZOK	Member
Jürgen Dr. KULLNIGG	Member
Laura Stefania PENNA	Member
Osman Turgay DURAK	Member

General information (continued)

Audit Committee Members:

Name	Responsibility
Gianni F.G. PAPA	Chairman
Adil Giray ÖZTOPRAK	Member
Benedetta NAVARRA	Member
Francesco GIORDANO	Member
F. Füsun Akkal BOZOK	Member

General Manager and Deputy General Manager:

Name	Responsibility
H. Faik AÇIKALIN	Chief Executive Officer
Carlo VIVALDI	Deputy General Manager

Assistant General Managers:

Name	Responsibility
Akif Cahit ERDOĞAN	Information Technologies and Operation Management
Cemal Aybars SANAL	Legal Activities Management
Feza TAN	Corporate and Commercial Banking Management
Marco IANNACCONE	Financial Planning and Administration Management
Mehmet Erkan ÖZDEMİR	Compliance and Internal Control / Consumer Relations Coordination Officer
Mehmet Gökmen UÇAR	Retail Credits Management
Mehmet Murat ERMERT	Corporate Communication Management
Mert ÖNCÜ	Treasury Management
Mert YAZICIOĞLU	Private Banking and Asset Management
Nurgün EYÜBOĞLU	Corporate and Commercial Credit Management
Stefano PERAZZINI	Internal Audit / Chief Audit Executive
Süleyman Cihangir KAVUNCU	Human Resources and Organization Management
Wolfgang SCHILK	Risk Management
Yakup DOĞAN	Alternative Distribution Channels
Zeynep Nazan SOMER ÖZELGİN	Retail Banking Management

General information (continued)

IV. Information on the individual and corporate shareholders having control shares of the Bank:

Name/Commercial title	Share amounts (nominal)	Share percentage	Paid-in capital (nominal)	Unpaid portion
Koç Finansal Hizmetler A.Ş.	3.555.712.396,07	%81,80	3.555.712.396,07	-

Koç Finansal Hizmetler A.Ş. is a joint venture of Koç Group, UniCredit Group and Temel Ticaret ve Yatırım A.Ş.

V. Summary information on the Bank's activities and service types:

The Bank's activities summarized in the section 3 of the articles of association are as follows.

The Bank's purpose and subject matter, in accordance with the Banking Law, regulations and existing laws, include;

- The execution of all banking activities
- The execution of all economic and financial activities which are allowed by the regulation
- The execution of the representation, attorney and agency activities related to the subjects written above
- The purchase and sale of share certificates, bonds and all the capital market instruments, in accordance with Capital Market Law and regulations

In case of necessity for performing activities which are useful and required but that are not specified in the articles of association, a Board of Directors' proposal is to be presented to the General Assembly. With the approval of the General Assembly the proposal becomes applicable, subject to the approvals required by law.

As of September 30, 2014, the Bank has 977 branches operating in Turkey and 1 branch overseas (December 31, 2013 - 948 branches operating in Turkey, 1 branch in overseas). As of September 30, 2014, the Bank has 17.734 employees (December 31, 2013 – 15.683 employees).

The accompanying unconsolidated financial statements and notes to these financial statements are expressed in thousands of Turkish Lira (TL), unless otherwise stated.

VI. Differences between the communiqué on preparation of consolidated financial statements of Banks and Turkish Accounting Standards and short explanation about the entities subject to full consolidation or proportional consolidation and entities which are deducted from equity or entities which are not included in these three methods:

According to Communiqué of the Preparation Consolidated Financial Statements and Turkish Accounting Standards, Banque de Commerce et de Placements SA, one of the associates of the Bank, and Yapı Kredi Koray Gayrimenkul Yatırım Ortaklığı, an entity under common control, are consolidated through "Equity Method" in the consolidated financial statements of the Group. Allianz Yaşam ve Emeklilik A.Ş.,on which the Bank has indirect participation, is also consolidated through "Equity Method" in the consolidated financial statements of the Group.These entities are taken into account as a deduction item in shareholders' equity for the purpose of calculation of capital adequacy ratio.

Yapı Kredi Kültür Sanat Yayıncılık Tic. ve San. A.Ş., and Enternasyonel Turizm Yatırım A.Ş., which are subsidiaries of the Bank, are not consolidated into the Bank's consolidated financial statements in accordance with Communiqué of Preparation of Consolidated Financial Statements since these entities are not financial institutions.

All other subsidiaries are fully consolidated.

VII. The existing or potential, actual or legal obstacles on the immediate transfer of shareholder's equity between the Bank and its subsidiaries or reimbursement of liabilities: None.

Section two
Unconsolidated financial statements

I. Balance sheet (Statement of Financial Position)

			Current Period (30/09/2014)			Prior Period (31/12/2013)		
	Assets	**Note (Section Five)**	**TL**	**FC**	**Total**	**TL**	**FC**	**Total**
I.	**Cash and balances with Central Bank**	**I-a**	**2.699.090**	**19.203.764**	**21.902.854**	**1.330.472**	**17.446.710**	**18.777.182**
II.	**Financial assets at fair value through profit or (loss) (net)**	**I-b**	**1.240.652**	**111.128**	**1.351.780**	**1.535.234**	**130.008**	**1.665.242**
2.1	Trading financial assets		1.240.652	111.128	1.351.780	1.535.234	130.008	1.665.242
2.1.1	Government debt securities		10.447	15.762	26.209	11.000	24.519	35.519
2.1.2	Share certificates		-	-	-	-	-	-
2.1.3	Derivative financial assets held for trading	I-c	1.230.205	95.366	1.325.571	1.524.234	104.294	1.628.528
2.1.4	Other marketable securities		-	-	-	-	1.195	1.195
2.2	Financial assets designated at fair value through profit/(loss)		-	-	-	-	-	-
2.2.1	Government debt securities		-	-	-	-	-	-
2.2.2	Share certificates		-	-	-	-	-	-
2.2.3	Loans		-	-	-	-	-	-
2.2.4	Other marketable securities		-	-	-	-	-	-
III.	**Banks**	**I-ç**	**101.860**	**1.810.401**	**1.912.261**	**506.372**	**2.495.274**	**3.001.646**
IV.	**Money markets**		**1.481.863**	**-**	**1.481.863**	**2.851.375**	**48.453**	**2.899.828**
4.1	Interbank money market placements		-	-	-	-	-	-
4.2	Receivables from Istanbul Stock Exchange Money Market		91.435	-	91.435	1.701.131	48.453	1.749.584
4.3	Receivables from reverse repurchase agreements		1.390.428	-	1.390.428	1.150.244	-	1.150.244
V.	**Financial assets available-for-sale (net)**	**I-d,e**	**13.846.922**	**3.268.182**	**17.115.104**	**9.254.920**	**3.856.941**	**13.111.861**
5.1	Share certificates		5.763	226	5.989	5.760	229	5.989
5.2	Government debt securities		12.412.826	2.285.240	14.698.066	7.853.497	3.383.608	11.237.105
5.3	Other marketable securities		1.428.333	982.716	2.411.049	1.395.663	473.104	1.868.767
VI.	**Loans and receivables**	**I-f**	**77.334.787**	**35.286.321**	**112.621.108**	**65.761.979**	**30.276.751**	**96.038.730**
6.1	Loans and receivables		76.399.934	35.142.718	111.542.652	64.824.545	30.066.698	94.891.243
6.1.1	Loans to bank's risk group		1.377.060	335.513	1.712.573	615.998	284.051	900.049
6.1.2	Government debt securities		-	-	-	-	-	-
6.1.3	Other		75.022.874	34.807.205	109.830.079	64.208.547	29.782.647	93.991.194
6.2	Loans under follow-up		3.422.084	520.262	3.942.346	3.056.127	501.476	3.557.603
6.3	Specific provisions (-)		(2.487.231)	(376.659)	(2.863.890)	(2.118.693)	(291.423)	(2.410.116)
VII.	**Factoring receivables**		**-**	**-**	**-**	**-**	**-**	**-**
VIII.	**Held-to-maturity investments (net)**	**I-g**	**1.914.617**	**3.057.785**	**4.972.402**	**3.526.884**	**2.927.024**	**6.453.908**
8.1	Government debt securities		1.914.617	3.057.785	4.972.402	3.526.884	2.927.024	6.453.908
8.2	Other marketable securities		-	-	-	-	-	-
IX.	**Investments in associates (net)**	**I-ğ**	**4.503**	**43.404**	**47.907**	**4.503**	**43.404**	**47.907**
9.1	Consolidated based on equity method		-	-	-	-	-	-
9.2	Unconsolidated		4.503	43.404	47.907	4.503	43.404	47.907
9.2.1	Investments in financial associates		-	43.404	43.404	-	43.404	43.404
9.2.2	Investments in non-financial associates		4.503	-	4.503	4.503	-	4.503
X.	**Subsidiaries (net)**	**I-h**	**1.522.260**	**616.641**	**2.138.901**	**1.825.790**	**539.977**	**2.365.767**
10.1	Unconsolidated financial subsidiaries		1.519.960	616.641	2.136.601	1.823.490	539.977	2.363.467
10.2	Unconsolidated non-financial subsidiaries		2.300	-	2.300	2.300	-	2.300
XI.	**Joint ventures (net)**	**I-ı**	**19.623**	**-**	**19.623**	**19.623**	**-**	**19.623**
11.1	Accounted based on equity method		-	-	-	-	-	-
11.2	Unconsolidated		19.623	-	19.623	19.623	-	19.623
11.2.1	Financial joint ventures		19.623	-	19.623	19.623	-	19.623
11.2.2	Non-financial joint ventures		-	-	-	-	-	-
XII.	**Lease receivables**	**I-i**	**-**	**-**	**-**	**-**	**-**	**-**
12.1	Financial lease receivables		-	-	-	-	-	-
12.2	Operating lease receivables		-	-	-	-	-	-
12.3	Other		-	-	-	-	-	-
12.4	Unearned income (-)		-	-	-	-	-	-
XIII.	**Derivative financial assets held for hedging**	**I-j**	**553.478**	**392**	**553.870**	**462.819**	**4.808**	**467.627**
13.1	Fair value hedge		223.712	-	223.712	307.375	-	307.375
13.2	Cash flow hedge		329.766	392	330.158	155.444	4.808	160.252
13.3	Foreign net investment hedge		-	-	-	-	-	-
XIV.	**Property and equipment (net)**	**I-k**	**941.881**	**-**	**941.881**	**934.355**	**-**	**934.355**
XV.	**Intangible assets (net)**	**I-l**	**1.381.228**	**-**	**1.381.228**	**1.376.092**	**-**	**1.376.092**
15.1	Goodwill		979.493	-	979.493	979.493	-	979.493
15.2	Other		401.735	-	401.735	396.599	-	396.599
XVI.	**Investment property (net)**	**I-m**	-	-	-	-	-	-
XVII.	**Tax asset**		**106.090**	**-**	**106.090**	**25.032**	**-**	**25.032**
17.1	Current tax asset		-	-	-	7.407	-	7.407
17.2	Deferred tax asset	I-n	106.090	-	106.090	17.625	-	17.625
XVIII.	**Assets held for resale and related to discontinued operations (net)**	**I-o**	**151.748**	**-**	**151.748**	**151.396**	**-**	**151.396**
18.1	Held for sale purposes		151.748	-	151.748	151.396	-	151.396
18.2	Related to discontinued operations		-	-	-	-	-	-
XIX.	**Other assets**	**I-ö**	**1.349.067**	**665.111**	**2.014.178**	**943.597**	**601.519**	**1.545.116**
	Total assets		**104.649.669**	**64.063.129**	**168.712.798**	**90.510.443**	**58.370.869**	**148.881.312**

The accompanying explanations and notes form an integral part of these financial statements.

I. Balance sheet (Statement of Financial Position)

			Current Period (30/09/2014)			Prior Period (31/12/2013)		
	Liabilities	**Note (Section Five)**	**TL**	**FC**	**Total**	**TL**	**FC**	**Total**
I.	**Deposits**	**II-a**	**53.129.080**	**46.882.454**	**100.011.534**	**44.303.269**	**42.004.358**	**86.307.627**
1.1	Deposits of the Bank's risk group		6.309.649	8.702.467	15.012.116	4.005.367	8.432.153	12.437.520
1.2	Other		46.819.431	38.179.987	84.999.418	40.297.902	33.572.205	73.870.107
II.	**Derivative financial liabilities held for trading**	**II-b**	**1.058.632**	**76.217**	**1.134.849**	**755.244**	**88.312**	**843.556**
III.	**Funds borrowed**	**II-c**	**863.450**	**15.668.915**	**16.532.365**	**1.087.491**	**15.340.417**	**16.427.908**
IV.	**Money markets**		**1.699.577**	**1.408.223**	**3.107.800**	**249.162**	**3.143.784**	**3.392.946**
4.1	Funds from interbank money market		-	-	-	-	-	-
4.2	Funds from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3	Funds provided under repurchase agreements		1.699.577	1.408.223	3.107.800	249.162	3.143.784	3.392.946
V.	**Marketable securities issued (net)**	**II-ç**	**2.801.665**	**4.946.275**	**7.747.940**	**1.659.777**	**4.186.983**	**5.846.760**
5.1	Bills		2.064.706	1.022.572	3.087.278	1.165.920	827.050	1.992.970
5.2	Asset backed securities		-	-	-	-	-	-
5.3	Bonds		736.959	3.923.703	4.660.662	493.857	3.359.933	3.853.790
VI.	**Funds**		**-**	**-**	**-**	**-**	**-**	**-**
6.1	Borrower funds		-	-	-	-	-	-
6.2	Other		-	-	-	-	-	-
VII.	**Miscellaneous payables**		**6.911.496**	**1.411.683**	**8.323.179**	**5.457.238**	**1.399.101**	**6.856.339**
VIII.	**Other liabilities**	**II-d**	**1.897.338**	**1.121.314**	**3.018.652**	**1.145.831**	**722.667**	**1.868.498**
IX.	**Factoring payables**		**-**	**-**	**-**	**-**	**-**	**-**
X.	**Lease payables (net)**	**II-e**	**32**	**-**	**32**	**288**	**477**	**765**
10.1	Financial lease payables		33	-	33	310	486	796
10.2	Operational lease payables		-	-	-	-	-	-
10.3	Other		-	-	-	-	-	-
10.4	Deferred lease expenses (-)		(1)	-	(1)	(22)	(9)	(31)
XI.	**Derivative financial liabilities held for hedging**	**II-f**	**64.507**	**250.205**	**314.712**	**30.573**	**355.822**	**386.395**
11.1	Fair value hedge		-	-	-	-	-	-
11.2	Cash flow hedge		64.507	250.205	314.712	30.573	355.822	386.395
11.3	Foreign net investment hedge		-	-	-	-	-	-
XII.	**Provisions**	**II-g**	**2.466.891**	**624.187**	**3.091.078**	**2.435.870**	**536.807**	**2.972.677**
12.1	General loan loss provision		1.142.125	571.912	1.714.037	982.335	488.336	1.470.671
12.2	Restructuring provisions		-	-	-	-	-	-
12.3	Reserve for employee rights		224.126	-	224.126	216.717	-	216.717
12.4	Insurance technical provisions (net)		-	-	-	-	-	-
12.5	Other provisions		1.100.640	52.275	1.152.915	1.236.818	48.471	1.285.289
XIII.	**Tax liability**	**II-ğ**	**260.468**	**-**	**260.468**	**187.911**	**-**	**187.911**
13.1	Current tax liability		260.468	-	260.468	187.911	-	187.911
13.2	Deferred tax liability		-	-	-	-	-	-
XIV.	**Liabilities for property and equipment held for sale and related to discontinued operations (net)**		**-**	**-**	**-**	**-**	**-**	**-**
14.1	Held for sale		**-**	**-**	**-**	**-**	**-**	**-**
14.2	Related to discontinued operations		**-**	**-**	**-**	**-**	**-**	**-**
XV.	**Subordinated loans**	**II-h**	**-**	**6.762.304**	**6.762.304**	**-**	**6.480.981**	**6.480.981**
XVI.	**Shareholders' equity**	**II-ı**	**18.211.628**	**196.257**	**18.407.885**	**17.335.719**	**(26.770)**	**17.308.949**
16.1	Paid-in capital		4.347.051	-	4.347.051	4.347.051	-	4.347.051
16.2	Capital reserves		2.072.829	196.257	2.269.086	1.255.221	(26.770)	1.228.451
16.2.1	Share premium		543.881	-	543.881	543.881	-	543.881
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Marketable securities valuation differences	II-ı	208.358	386.822	595.180	218.075	267.891	485.966
16.2.4	Property and equipment revaluation differences		13.070	-	13.070	-	-	-
16.2.5	Intangible assets revaluation differences		-	-	-	-	-	-
16.2.6	Revaluation differences of investment property		-	-	-	-	-	-
16.2.7	Bonus shares from investments in associates, subsidiaries and joint ventures		15.107	-	15.107	15.107	-	15.107
16.2.8	Hedging funds (effective portion)		119.849	(190.565)	(70.716)	179.544	(294.661)	(115.117)
16.2.9	Value increase in assets held for sale and related to discontinued operations		-	-	-	-	-	-
16.2.10	Other capital reserves		1.172.564	-	1.172.564	298.614	-	298.614
16.3	Profit reserves		10.471.860	-	10.471.860	8.530.472	-	8.530.472
16.3.1	Legal reserves		641.000	-	641.000	463.786	-	463.786
16.3.2	Status reserves		-	-	-	-	-	-
16.3.3	Extraordinary reserves		9.815.284	-	9.815.284	8.051.473	-	8.051.473
16.3.4	Other profit reserves		15.576	-	15.576	15.213	-	15.213
16.4	Income or (loss)		1.319.888	-	1.319.888	3.202.975	-	3.202.975
16.4.1	Prior years' income or (loss)		-	-	-	-	-	-
16.4.2	Current year income or (loss)		1.319.888	-	1.319.888	3.202.975	-	3.202.975
	Total liabilities and shareholders' equity		**89.364.764**	**79.348.034**	**168.712.798**	**74.648.373**	**74.232.939**	**148.881.312**

The accompanying explanations and notes form an integral part of these financial statements.

II. Off-balance sheet commitments

			Current Period (30/09/2014)			Prior Period (31/12/2013)		
		Note (Section Five)	TL	FC	Total	TL	FC	Total
A	**Off-balance sheet commitments (I+II+III)**		**123.895.976**	**155.748.620**	**279.644.596**	**102.762.440**	**122.829.471**	**225.591.911**
I.	**Guarantees and warranties**	**III-a.2.3**	**15.025.232**	**29.486.206**	**44.511.438**	**12.898.958**	**24.693.477**	**37.592.435**
1.1	Letters of guarantee		14.924.153	16.123.555	31.047.708	12.818.400	14.584.549	27.402.949
1.1.1	Guarantees subject to state tender law		482.949	699.851	1.182.800	482.038	657.448	1.139.486
1.1.2	Guarantees given for foreign trade operations		2.199.357	15.423.704	17.623.061	1.521.868	13.927.101	15.448.969
1.1.3	Other letters of guarantee		12.241.847	-	12.241.847	10.814.494	-	10.814.494
1.2	Bank acceptances		-	159.185	159.185	-	118.686	118.686
1.2.1	Import letter of acceptance		-	159.185	159.185	-	118.686	118.686
1.2.2	Other bank acceptances		-	-	-	-	-	-
1.3	Letters of credit		3	7.547.384	7.547.387	1.208	6.458.142	6.459.350
1.3.1	Documentary letters of credit		3	7.547.384	7.547.387	1.208	6.458.142	6.459.350
1.3.2	Other letters of credit		-	-	-	-	-	-
1.4	Prefinancing given as guarantee		-	-	-	-	-	-
1.5	Endorsements		-	-	-	-	-	-
1.5.1	Endorsements to the Central Bank of the Republic of Turkey		-	-	-	-	-	-
1.5.2	Other endorsements		-	-	-	-	-	-
1.6	Securities issue purchase guarantees		-	-	-	-	-	-
1.7	Factoring guarantees		-	-	-	-	-	-
1.8	Other guarantees		101.076	3.689.383	3.790.459	79.350	2.016.957	2.096.307
1.9	Other warranties		-	1.966.699	1.966.699	-	1.515.143	1.515.143
II.	**Commitments**	**III-a.1**	**45.239.079**	**16.139.147**	**61.378.226**	**37.495.938**	**7.552.103**	**45.048.041**
2.1	Irrevocable commitments		45.239.079	16.139.147	61.378.226	37.495.938	7.552.103	45.048.041
2.1.1	Asset purchase and sale commitments		4.776.456	15.194.205	19.970.661	1.816.025	6.966.286	8.782.311
2.1.2	Deposit purchase and sales commitments		-	9	9	-	9	9
2.1.3	Share capital commitments to associates and subsidiaries		-	-	-	-	-	-
2.1.4	Loan granting commitments		6.712.599	826.313	7.538.912	5.884.104	510.050	6.394.154
2.1.5	Securities issue brokerage commitments		-	-	-	-	-	-
2.1.6	Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7	Commitments for cheques		5.907.435	-	5.907.435	5.385.711	-	5.385.711
2.1.8	Tax and fund liabilities from export commitments		42.743	-	42.743	41.007	-	41.007
2.1.9	Commitments for credit card limits		24.565.342	-	24.565.342	21.610.762	-	21.610.762
2.1.10	Commitments for credit cards and banking services promotions		7.703	-	7.703	7.365	-	7.365
2.1.11	Receivables from short sale commitments of marketable securities		-	-	-	-	-	-
2.1.12	Payables for short sale commitments of marketable securities		-	-	-	-	-	-
2.1.13	Other irrevocable commitments		3.226.801	118.620	3.345.421	2.750.964	75.758	2.826.722
2.2	Revocable commitments		-	-	-	-	-	-
2.2.1	Revocable loan granting commitments		-	-	-	-	-	-
2.2.2	Other revocable commitments		-	-	-	-	-	-
III.	**Derivative financial instruments**	**III-b,c**	**63.631.665**	**110.123.267**	**173.754.932**	**52.367.544**	**90.583.891**	**142.951.435**
3.1	Derivative financial instruments for hedging purposes		17.425.165	22.316.302	39.741.467	12.176.363	25.452.330	37.628.693
3.1.1	Transactions for fair value hedge		531.975	776.460	1.308.435	1.104.763	1.506.212	2.610.975
3.1.2	Transactions for cash flow hedge		16.893.190	21.539.842	38.433.032	11.071.600	23.946.118	35.017.718
3.1.3	Transactions for foreign net investment hedge		-	-	-	-	-	-
3.2	Trading transactions		46.206.500	87.806.965	134.013.465	40.191.181	65.131.561	105.322.742
3.2.1	Forward foreign currency buy/sell transactions		2.775.493	3.829.874	6.605.367	3.874.595	5.596.930	9.471.525
3.2.1.1	Forward foreign currency transactions-buy		1.147.231	2.097.088	3.244.319	1.101.765	3.679.900	4.781.665
3.2.1.2	Forward foreign currency transactions-sell		1.628.262	1.732.786	3.361.048	2.772.830	1.917.030	4.689.860
3.2.2	Swap transactions related to foreign currency and interest rates		37.830.229	73.736.068	111.566.297	28.989.040	46.974.699	75.963.739
3.2.2.1	Foreign currency swap-buy		15.667.666	33.702.207	49.369.873	11.579.789	21.617.962	33.197.751
3.2.2.2	Foreign currency swap-sell		22.162.563	26.752.397	48.914.960	17.409.251	15.044.967	32.454.218
3.2.2.3	Interest rate swap-buy		-	6.640.732	6.640.732	-	5.155.885	5.155.885
3.2.2.4	Interest rate swap-sell		-	6.640.732	6.640.732	-	5.155.885	5.155.885
3.2.3	Foreign currency, interest rate and securities options		4.742.778	9.852.254	14.595.032	6.469.546	12.184.618	18.654.164
3.2.3.1	Foreign currency options-buy		2.067.782	2.999.185	5.066.967	2.028.284	4.259.197	6.287.481
3.2.3.2	Foreign currency options-sell		2.487.905	2.639.015	5.126.920	3.064.188	3.206.369	6.270.557
3.2.3.3	Interest rate options-buy		-	2.107.027	2.107.027	70.800	2.359.526	2.430.326
3.2.3.4	Interest rate options-sell		-	2.107.027	2.107.027	70.800	2.359.526	2.430.326
3.2.3.5	Securities options-buy		141.108	-	141.108	820.104	-	820.104
3.2.3.6	Securities options-sell		45.983	-	45.983	415.370	-	415.370
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		858.000	388.769	1.246.769	858.000	375.314	1.233.314
B.	**Custody and pledges received (IV+V+VI)**		**157.263.979**	**38.475.714**	**195.739.693**	**132.274.872**	**33.461.678**	**165.736.550**
IV.	**Items held in custody**		**58.910.787**	**6.118.942**	**65.029.729**	**54.881.691**	**5.616.895**	**60.498.586**
4.1	Customer fund and portfolio balances		-	-	-	-	12	12
4.2	Investment securities held in custody		42.736.312	5.296.192	48.032.504	42.507.367	4.918.699	47.426.066
4.3	Checks received for collection		13.404.772	143.219	13.547.991	9.754.090	136.315	9.890.405
4.4	Commercial notes received for collection		2.727.928	644.061	3.371.989	2.612.459	531.332	3.143.791
4.5	Other assets received for collection		-	30.386	30.386	-	30.537	30.537
4.6	Assets received for public offering		-	-	-	-	-	-
4.7	Other items under custody		41.775	5084	46.859	7.775	-	7.775
4.8	Custodians		-	-	-	-	-	-
V.	**Pledges received**		**96.977.281**	**31.640.881**	**128.618.162**	**76.079.903**	**27.120.977**	**103.200.880**
5.1	Marketable securities		200.219	253	200.472	204.521	237	204.758
5.2	Guarantee notes		867.441	212.976	1.080.417	681.445	433.893	1.115.338
5.3	Commodity		22.063	-	22.063	22.983	-	22.983
5.4	Warrants		-	-	-	-	-	-
5.5	Properties		64.794.265	22.286.033	87.080.298	52.696.177	19.738.023	72.434.200
5.6	Other pledged items		31.093.293	9.137.487	40.230.780	22.474.777	6.944.919	29.419.696
5.7	Pledged items-depository		-	4.132	4.132	-	3.905	3.905
VI.	**Accepted independent guarantees and warranties**		**1.375.911**	**715.891**	**2.091.802**	**1.313.278**	**723.806**	**2.037.084**
	Total off-balance sheet commitments (A+B)		**281.159.955**	**194.224.334**	**475.384.289**	**235.037.312**	**156.291.149**	**391.328.461**

The accompanying explanations and notes form an integral part of these financial statements.

III. Income statement

	Income and expense items	Note (Section Five)	Current Period 01/01-30/09/2014	Prior Period 01/01-30/09/2013
I.	**Interest income**	**IV-a**	**8.536.524**	**6.824.329**
1.1	Interest on loans	IV-a-1	6.920.287	5.608.297
1.2	Interest received from reserve deposits		-	-
1.3	Interest received from banks	IV-a-2	53.148	21.734
1.4	Interest received from money market transactions		221.232	92.201
1.5	Interest received from marketable securities portfolio	IV-a-3	1.341.259	1.099.218
1.5.1	Trading financial assets		2.126	8.384
1.5.2	Financial assets at fair value through profit or (loss)		-	-
1.5.3	Available-for-sale financial assets		1.010.856	794.721
1.5.4	Held to maturity investments		328.277	296.113
1.6	Financial lease income		-	-
1.7	Other interest income		598	2.879
II.	**Interest expense**	**IV-b**	**(4.488.385)**	**(3.296.084)**
2.1	Interest on deposits	IV-b-4	(3.433.200)	(2.510.176)
2.2	Interest on funds borrowed	IV-b-1	(533.152)	(523.605)
2.3	Interest expense on money market transactions		(180.817)	(87.488)
2.4	Interest on securities issued	IV-b-3	(329.192)	(162.228)
2.5	Other interest expenses		(12.024)	(12.587)
III.	**Net interest income (I + II)**		**4.048.139**	**3.528.245**
IV.	**Net fees and commissions income**		**1.604.705**	**1.468.122**
4.1	Fees and commissions received		2.049.420	1.745.656
4.1.1	Non-cash loans		239.969	206.585
4.1.2	Other	IV-i	1.809.451	1.539.071
4.2	Fees and commissions paid		(444.715)	(277.534)
4.2.1	Non-cash loans		(587)	(221)
4.2.2	Other		(444.128)	(277.313)
V.	**Dividend income**	**IV-c**	**174.129**	**132.787**
VI.	**Trading gain/(loss) (net)**	**IV-ç**	**(411.676)**	**67.427**
6.1	Trading gains/(losses) on securities		149.356	339.083
6.2	Derivative financial transactions gains/(losses)	IV-d	(950.398)	802.742
6.3	Foreign exchange gains/(losses)		389.366	(1.074.398)
VII.	**Other operating income**	**IV-e**	**470.123**	**287.809**
VIII.	**Total operating income / loss (III+IV+V+VI+VII)**		**5.885.420**	**5.484.390**
IX.	**Provision for impairment of loans and other receivables (-)**	**IV-f**	**(1.358.861)**	**(1.060.170)**
X.	**Other operating expenses (-)**	**IV-g**	**(2.825.508)**	**(2.399.580)**
XI.	**Net operating income/(loss) (VIII-IX-X)**		**1.701.051**	**2.024.640**
XII.	**Excess amount recorded as income after merger**		**-**	**-**
XIII.	**Income/(loss) from investments accounted based on equity method**		**-**	**-**
XIV.	**Income/(loss) on net monetary position**		**-**	**-**
XV.	**Profit/(loss) before taxes from continuing operations (XI+XII+XIII+XIV)**	**IV-ğ**	**1.701.051**	**2.024.640**
XVI.	**Tax provision for continuing operations (±)**	**IV-h**	**(381.163)**	**(417.685)**
16.1	Current tax provision		(546.310)	(153.352)
16.2	Deferred tax provision		165.147	(264.333)
XVII.	**Net profit/loss from continuing operations (XV±XVI)**		**1.319.888**	**1.606.955**
XVIII.	**Income from discontinued operations**		**-**	**1.240.715**
18.1	Income from non-current assets held for resale		**-**	**-**
18.2	Profit from sales of associates, subsidiaries and joint ventures		-	1.240.715
18.3	Other income from discontinued operations		**-**	**-**
XIX.	**Expenses from discontinued operations (-)**		**-**	**-**
19.1	Expenses for non-current assets held for resale		**-**	**-**
19.2	Loss from sales of associates, subsidiaries and joint ventures		**-**	**-**
19.3	Other expenses from discontinued operations		**-**	**-**
XX.	**Profit /losses before taxes from discontinued operations (XVIII-XIX)**	**IV-ğ**	**-**	**1.240.715**
XXI.	**Tax provision for discontinued operations (±)**	**IV-h**	**-**	**(58.459)**
21.1	Current tax provision		-	(58.459)
21.2	Deferred tax provision		**-**	**-**
XXII.	**Net profit/loss from discontinued operations (XX±XXI)**		**-**	**1.182.256**
XXIII.	**Net profit/loss (XVII+XXII)**	**IV-ı**	**1.319.888**	**2.789.211**
	Earnings/(loss) per share (in TL full)		0,0030	0,0064

The accompanying explanations and notes form an integral part of these financial statements.

III. Income statement

	Income and expense items	Note (Section Five)	Current Period 01/07-30/09/2014	Prior Period 01/07-30/09/2013
I.	**Interest income**	**IV-a**	**2.952.135**	**2.262.231**
1.1	Interest on loans	IV-a-1	2.488.604	1.844.153
1.2	Interest received from reserve deposits		-	-
1.3	Interest received from banks	IV-a-2	13.536	9.678
1.4	Interest received from money market transactions		33.456	21.700
1.5	Interest received from marketable securities portfolio	IV-a-3	416.487	386.679
1.5.1	Trading financial assets		658	1.842
1.5.2	Financial assets at fair value through profit or (loss)		-	-
1.5.3	Available-for-sale financial assets		318.541	280.865
1.5.4	Held to maturity investments		97.288	103.972
1.6	Financial lease income		-	-
1.7	Other interest income		52	21
II.	**Interest expense**	**IV-b**	**(1.555.142)**	**(1.186.020)**
2.1	Interest on deposits	IV-b-4	(1.199.758)	(910.480)
2.2	Interest on funds borrowed	IV-b-1	(187.177)	(168.357)
2.3	Interest expense on money market transactions		(41.204)	(46.488)
2.4	Interest on securities issued	IV-b-3	(123.982)	(56.830)
2.5	Other interest expenses		(3.021)	(3.865)
III.	**Net interest income (I + II)**		**1.396.993**	**1.076.211**
IV.	**Net fees and commissions income**		**549.543**	**490.963**
4.1	Fees and commissions received		713.757	592.064
4.1.1	Non-cash loans		80.430	73.979
4.1.2	Other	IV-i	633.327	518.085
4.2	Fees and commissions paid		(164.214)	(101.101)
4.2.1	Non-cash loans		(511)	(32)
4.2.2	Other		(163.703)	(101.069)
V.	**Dividend income**	**IV-c**	**-**	37.310
VI.	**Trading gain/(loss) (net)**	**IV-ç**	**(18.903)**	**38.158**
6.1	Trading gains/(losses) on securities		61.702	78.513
6.2	Derivative financial transactions gains/(losses)	IV-d	(114.905)	357.197
6.3	Foreign exchange gains/(losses)		34.300	(397.552)
VII.	**Other operating income**	**IV-e**	**85.399**	**89.101**
VIII.	**Total operating income / loss (III+IV+V+VI+VII)**		**2.013.032**	**1.731.743**
IX.	**Provision for impairment of loans and other receivables (-)**	**IV-f**	**(489.945)**	**(374.364)**
X.	**Other operating expenses (-)**	**IV-g**	**(982.384)**	**(786.983)**
XI.	**Net operating income/(loss) (VIII-IX-X)**		**540.703**	**570.396**
XII.	**Excess amount recorded as income after merger**		**-**	-
XIII.	**Income/(loss) from investments accounted based on equity method**		**-**	-
XIV.	**Income/(loss) on net monetary position**		**-**	-
XV.	**Profit/(loss) before taxes from continuing operations (XI+XII+XIII+XIV)**	**IV-ğ**	**540.703**	**570.396**
XVI.	**Tax provision for continuing operations (±)**	**IV-h**	**(135.971)**	**(125.408)**
16.1	Current tax provision		(41.981)	(19.500)
16.2	Deferred tax provision		(93.990)	(105.908)
XVII.	**Net profit/loss from continuing operations (XV±XVI)**		**404.732**	**444.988**
XVIII.	**Income from discontinued operations**		**-**	1.240.715
18.1	Income from non-current assets held for resale		**-**	-
18.2	Profit from sales of associates, subsidiaries and joint ventures		-	1.240.715
18.3	Other income from discontinued operations		**-**	-
XIX.	**Expenses from discontinued operations (-)**		**-**	-
19.1	Expenses for non-current assets held for resale		**-**	-
19.2	Loss from sales of associates, subsidiaries and joint ventures		**-**	-
19.3	Other expenses from discontinued operations		**-**	-
XX.	**Profit /losses before taxes from discontinued operations (XVIII-XIX)**	**IV-ğ**	**-**	**1.240.715**
XXI.	**Tax provision for discontinued operations (±)**	**IV-h**	**-**	**(58.459)**
21.1	Current tax provision		-	(58.459)
21.2	Deferred tax provision		**-**	-
XXII.	**Net profit/loss from discontinued operations (XX±XXI)**		**-**	**1.182.256**
XXIII.	**Net profit/loss (XVII+XXII)**	**IV-ı**	**404.732**	**1.627.244**
	Earnings/(loss) per share (in TL full)		0,0009	0,0037

The accompanying explanations and notes form an integral part of these financial statements.

IV. Statement of income and expense items accounted under shareholders' equity

	Income and expense items accounted under shareholders' equity	Current Period (30/09/2014)	Prior Period (30/09/2013)
I.	**Transfers to marketable securities valuation differences from financial assets available for sale**	**165.041**	**(3.067.951)**
II.	**Property and equipment revaluation differences**	**13.757**	**-**
III.	**Intangible assets revaluation differences**	**-**	**-**
IV.	**Currency translation differences for foreign currency transactions**	**(6.843)**	**134.759**
V.	**Profit/loss on cash flow hedges (effective part of the fair value changes)**	**71.412**	**516.977**
VI.	**Profit/loss on foreign net investment hedges(effective part of the fair value changes)**	**-**	**-**
VII.	**Effects of changes in accounting policy and adjustment of errors**	**-**	**-**
VIII.	**Other income and expense items accounted under shareholders' equity according to TAS**	**363**	**296**
IX.	**Deferred tax on valuation differences**	**(76.682)**	**275.221**
X.	**Net profit or loss accounted directly under shareholders' equity (I+II+...+IX)**	**167.048**	**(2.140.698)**
XI.	**Current year profit/loss**	**1.319.888**	**2.789.211**
11.1	Net change in fair value of marketable securities (recycled to profit-loss)	68.892	2.016
11.2	Part of cash flow hedge derivative financial instruments reclassified and presented on the income statement	(106.286)	(178.519)
11.3	Part of foreign net investment hedges reclassified and presented on the income statement	-	-
11.4	Other	1.357.282	2.965.714
XII.	**Total income/loss accounted for the period (X+XI)**	**1.486.936**	**648.513**

The accompanying explanations and notes form an integral part of these financial statements.

Yapı ve Kredi Bankası A.Ş.
Unconsolidated statement of changes in shareholders' equity as of September 30, 2013
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

V. Statement of changes in shareholders' equity

	Prior Period September 30, 2013	Note (Section five)	Paid-in capital	Adjustment to share capital	Share premium	Share cancellation profits	Legal reserves	Status reserves	Extra ord. reserves	Other reserves	Current period net income/(loss)	Prior period income /(loss)	Marketable securities Value increase fund	Property and equipment and intangible assets revaluation fund	Bonus shares from investments	Hedging funds	Assets held for resale/ discontinued operations revaluation fund	Total shareholders' equity
I.	**Period opening balance**		**4.347.051**	**-**	**543.881**	**-**	**359.847**	**-**	**6.546.849**	**294.801**	**1.913.472**	**-**	**3.416.954**	**-**	**-**	**(560.813)**	**-**	**16.862.042**
II.	**Changes in accounting policies according to TAS 8**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1	Effects of errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	**New balance (I+II)**		**4.347.051**	**-**	**543.881**	**-**	**359.847**	**-**	**6.546.849**	**294.801**	**1.913.472**	**-**	**3.416.954**	**-**	**-**	**(560.813)**	**-**	**16.862.042**
	Changes in the period																	
IV.	**Increase/decrease due to merger**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
V.	**Marketable securities valuation differences**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2.662.384)**	**-**	**-**	**-**	**-**	**(2.662.384)**
VI.	**Hedging transactions (effective portion)**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**413.583**	**-**	**413.583**
6.1	Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	413.583	-	413.583
6.2	Foreign net investment hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	**Property and equipment revaluation differences**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
VIII.	**Intangible assets revaluation differences**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
IX.	**Bonus shares from investments in associates, subsidiaries and joint ventures**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
X.	**Foreign exchange differences**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**169.720**	**-**	**-**	**(61.913)**	**-**	**107.807**
XI.	**Changes due to the disposal of assets**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
XII.	**Changes due to the reclassification of assets**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
XIII.	**Effect of the changes in equity of investment in associates**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
XIV.	**Capital increase**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
14.1	Cash increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2	Internal resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	**Share premium**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
XVI.	**Share cancellation profits**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
XVII.	**Paid in-capital inflation adjustment difference**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
XVIII.	**Other**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**296**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**296**
XIX.	**Current year income or loss**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2.789.211**	**-**	**-**	**-**	**-**	**-**	**-**	**2.789.211**
XX.	**Profit distribution**		**-**	**-**	**-**	**-**	**103.939**	**-**	**1.504.624**	**4.909**	**(1.913.472)**	**-**	**-**	**-**	**-**	**-**	**-**	**(300.000)**
20.1	Dividend paid		-	-	-	-	-	-	-	-	(300.000)	-	-	-	-	-	-	(300.000)
20.2	Transfers to reserves		-	-	-	-	103.939	-	1.504.624	4.909	(1.613.472)	-	-	-	-	-	-	-
20.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Period end balance (III+IV+V+……+ XVIII +XIX+XX)		**4.347.051**	**-**	**543.881**	**-**	**463.786**	**-**	**8.051.473**	**300.006**	**2.789.211**	**-**	**924.290**	**-**	**-**	**(209.143)**	**-**	**17.210.555**

The accompanying explanations and notes form an integral part of these financial statements.

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, See Note I. of Section three)

Yapı ve Kredi Bankası A.Ş.
Unconsolidated statement of changes in shareholders' equity as of September 30, 2014
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

V. Statement of changes in shareholders' equity

	Current Period September 30, 2014	Note (Section five)	Paid-in capital	Adjustment to share capital	Share premium	Share cancellation profits	Legal reserves	Status reserves	Extra ord. reserves	Other reserves	Current period net income/(loss)	Prior period income/(loss)	Marketable securities value increase fund	Property and equipment and intangible assets revaluation fund	Bonus shares from investments	Hedging funds	Assets held for resale/ discontinued operations revaluation fund	Total shareholders' equity
I.	**Prior period end balance**		**4.347.051**	**-**	**543.881**	**-**	**463.786**	**-**	**8.051.473**	**313.827**	**3.202.975**	**-**	**485.966**	**-**	**15.107**	**(115.117)**	**-**	**17.308.949**
	Changes in the period																	
II.	**Increase/decrease due to the merger**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
III.	**Marketable securities valuation differences**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**101.960**	**-**	**-**	**-**	**-**	**101.960**
IV.	**Hedging transactions (effective portion)**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**57.129**	**-**	**57.129**
4.1	Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	57.129	-	57.129
4.2	Foreign net investment hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	**Property and equipment revaluation differences**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**13.070**	**-**	**-**	**-**	**13.070**
VI.	**Intangible assets revaluation differences**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
VII.	**Bonus shares from investments in associates, subsidiaries and joint ventures**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
VIII.	**Foreign exchange differences**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**7.254**	**-**	**-**	**(12.728)**	**-**	**(5.474)**
IX.	**Changes due to the disposal of assets**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
X.	**Changes due to the reclassification of assets**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
XI.	**Effect of the changes in equity of investment in associates**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
XII.	**Capital increase**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
12.1	Cash increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2	Internal resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	**Share premium**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
XIV.	**Share cancellation profits**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
XV.	**Paid in-capital inflation adjustment difference**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
XVI.	**Other**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**363**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**363**
XVII.	**Current year income or loss**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1.319.888**	**-**	**-**	**-**	**-**	**-**	**-**	**1.319.888**
XVIII.	**Profit distribution**		**-**	**-**	**-**	**-**	**177.214**	**-**	**1.763.811**	**873.950**	**(3.202.975)**	**-**	**-**	**-**	**-**	**-**	**-**	**(388.000)**
18.1	Dividend paid		-	-	-	-	-	-	-	-	(388.000)	-	-	-	-	-	-	(388.000)
18.2	Transfers to reserves		-	-	-	-	177.214	-	1.763.811	873.950	(2.814.975)	-	-	-	-	-	-	-
18.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Period end balance (I+II+III+…+XVI+XVII+XVIII)		**4.347.051**	**-**	**543.881**	**-**	**641.000**	**-**	**9.815.284**	**1.188.140**	**1.319.888**	**-**	**595.180**	**13.070**	**15.107**	**(70.716)**	**-**	**18.407.885**

The accompanying explanations and notes form an integral part of these financial statements.

VI. Statement of cash flows

		Note (Section Five)	Current Period (30/09/2014)	Prior Period (30/09/2013)
A.	**Cash flows from banking operations**			
1.1	Operating profit before changes in operating assets and liabilities		3.419.745	2.972.998
1.1.1	Interest received		7.794.586	7.826.237
1.1.2	Interest paid		(4.425.324)	(3.070.273)
1.1.3	Dividend received		174.129	128.457
1.1.4	Fees and commissions received		2.044.801	1.746.042
1.1.5	Other income		496.948	479.074
1.1.6	Collections from previously written-off loans and other receivables		694.359	945.553
1.1.7	Payments to personnel and service suppliers		(2.353.605)	(2.002.251)
1.1.8	Taxes paid		(629.864)	(411.653)
1.1.9	Other	VI	(376.285)	(2.668.188)
1.2	Changes in operating assets and liabilities		(3.786.129)	(4.051.020)
1.2.1	Net (increase)/decrease in trading securities		10.457	417.530
1.2.2	Net (increase)/decrease in fair value through profit/loss financial assets		-	-
1.2.3	Net (increase)/decrease in banks		(1.640.121)	(5.659.100)
1.2.4	Net (increase)/decrease in loans		(18.516.077)	(16.155.136)
1.2.5	Net (increase)/decrease in other assets		(431.367)	(1.788.467)
1.2.6	Net increase /(decrease) in bank deposits		413.128	593.024
1.2.7	Net increase /(decrease) in other deposits		13.222.232	11.975.727
1.2.8	Net increase /(decrease) in funds borrowed		361.888	4.038.309
1.2.9	Net increase /(decrease) in payables		-	-
1.2.10	Net increase /(decrease) in other liabilities	VI	2.793.731	2.527.093
I.	**Net cash flows from banking operations**		**(366.384)**	**(1.078.022)**
B.	**Cash flows from investing activities**			
II.	**Net cash flows from investing activities**		**(1.747.348)**	**(938.541)**
2.1	Cash paid for acquisition of investments in associates subsidiaries and joint ventures		(52)	(71.126)
2.2	Cash obtained from disposal of investments in associates subsidiaries and joint ventures		44.433	1.247.195
2.3	Purchases of property and equipment		(214.671)	(133.724)
2.4	Disposals of property and equipment		46.187	50.906
2.5	Purchase of investments available-for-sale		(9.154.119)	(7.331.755)
2.6	Sale of investments available-for -sale		5.869.551	5.545.047
2.7	Purchase of investment securities		(561.762)	(262.570)
2.8	Sale of investment securities		2.223.085	17.486
2.9	Other		-	-
C.	**Cash flows from financing activities**			
III.	**Net cash flows from financing activities**		**975.292**	**706.460**
3.1	Cash obtained from funds borrowed and securities issued		8.838.130	5.406.844
3.2	Cash used for repayment of funds borrowed and securities issued		(7.474.042)	(4.392.151)
3.3	Issued capital instruments		-	-
3.4	Dividends paid		(388.000)	(300.000)
3.5	Payments for finance leases		(796)	(8.233)
3.6	Other		-	-
IV.	**Effect of change in foreign exchange rates on cash and cash equivalents**	**VI**	**116.639**	**496.486**
V.	**Net increase in cash and cash equivalents (I+II+III+IV)**		**(1.021.801)**	**(813.617)**
VI.	**Cash and cash equivalents at beginning of the period**	**VI**	**9.272.213**	**8.309.106**
VII.	**Cash and cash equivalents at end of the period**	**VI**	**8.250.412**	**7.495.489**

The accompanying explanations and notes form an integral part of these financial statements.

Section Three

Accounting policies

I. Explanations on basis of presentation:

The Bank maintains its books of accounts in Turkish Lira in accordance with the Banking Act No. 5411 ("Banking Act"), which is effective from November 1, 2005, the Turkish Commercial Code ("TCC"), and Turkish Tax Legislation.

The unconsolidated financial statements are prepared in accordance with the "Regulation on the Principles and Procedures Regarding Banks' Accounting Applications and Safeguarding of Documents" published in the Official Gazette No. 26333 dated November 1, 2006 by the Banking Regulation and Supervision Agency ("BRSA") 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 (all "Turkish Accounting Standards" or "TAS") published by the BRSA. The format and the details of the publicly announced financial statements and related disclosures to these statements have been prepared in accordance with the "Communiqué Related to Publicly Announced Financial Statements of Banks and Explanations and Notes Related to these Financial Statements" and changes and notes to this communiqué published in the Official Gazette No. 28337 dated June 28, 2012.

The accompanying unconsolidated financial statements are prepared in accordance with the historical cost basis (restated for the changes in the general purchasing power of TL until December 31, 2004), except for financial assets at fair value through profit or loss, financial assets available for sale, investments in associates and subsidiaries measured at fair value, trading derivative financial liabilities, hedging derivative financial assets/liabilities and art objects and paintings in tangible assets. Besides, the carrying values of assets carried at amortised cost but subject to fair value hedge are adjusted to reflect the fair value changes related to the hedged risks.

The preparation of unconsolidated financial statements in conformity with TAS requires the use of certain accounting estimates by the Bank management to exercise its judgment on the assets and liabilities on the balance sheet and contingent assets and liabilities as of the balance sheet date. These estimates are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are explained in the related notes and reflected to the income statement.

The accounting policies and valuation principles applied in the preparation of financial statements are defined and applied in accordance with TAS and are consistent with the accounting policies applied for the year ended December 31, 2013, except for changes on accounting policies from historical cost basis to revaluation basis for art objects and paintings in tangible assets. TAS/TFRS changes which are effective from January 1, 2014 (TAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial liabilities (Amended), TRFS Interpretation 21 Levies, Amendments to TAS 36 - (Recoverable Amount Disclosures for Non-Financial assets), Amendments to TAS 39 - Novation of Derivatives and Continuation of Hedge Accounting, TFRS 10 Consolidated Financial Statements (Amendment)) do not have a significant effect on the Bank's accounting policies, financial position or performance. Those accounting policies and valuation principles are explained in Notes II to XXVI below.

Accounting policies (continued)

The effects of TFRS 9, "Financial Instruments" which has not been implemented yet, are under evaluation by the Bank. The standard which the Bank did not early adopt will primarily have an effect on the classification and measurement of the Bank's financial assets. The Bank is currently assessing the impact of adopting TFRS 9. However, as the impact of adoption depends on the assets held by the Bank at the date of adoption itself, it is not practical or possible to quantify the effect at this stage. As of the date of these financial statements, the other TAS/TFRS standards announced but not yet effective are not expected to have significant impact on the Bank's accounting policies, financial position and performance.

Additional paragraph for convenience translation into English:

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

II. Explanations on strategy of using financial instruments and foreign currency transactions:

The general strategy of the Bank in using financial instruments is to sustain an optimal balance between the yield of the instruments and their risks. The most important funding source of the Bank is deposits. The Bank is also sustaining a lengthened liability structure by using long-term foreign and local currency borrowings from domestic and international investors and financial institutions. Funds obtained from deposits and other sources are invested in quality financial assets in order to keep currency, interest rate and liquidity risks within the limits determined by the asset-liability strategy. The currency, interest and liquidity risks of on-balance sheet and off-balance sheet assets and liabilities are managed accordingly within the risk limits accepted by the Bank and the related legal limits. Derivative instruments are mainly utilized for liquidity needs and for mitigating currency and interest rate risks. The position of the Bank as a result of foreign currency activities is being held at minimum levels and the currency risk exposure is followed within the determined levels by the Board of Directors, by considering the limits specified by the Banking Act.

Foreign currency denominated monetary assets and liabilities are translated with the exchange rates prevailing at the balance sheet date. Gains and losses arising from such valuations are recognized in the income statement under the account of "Foreign exchange gains or losses", except for valuation differences arising from foreign currency participations, subsidiaries and foreign currency non-performing loans. Since the foreign currency investments and subsidiaries are considered as non-monetary items, they are translated with the exchange rates at the date when the fair values are remeasured and are accounted under shareholders equity. Foreign currency non-performing loans are translated with the exchange rates at the date of transfer to non-performing loans accounts.

III. Explanations on investments in associates, subsidiaries and joint ventures:

Investments in associates, subsidiaries and joint ventures are accounted for in accordance with the Turkish Accounting Standard 39 (TAS 39) "Financial Instruments: Recognition and Measurement" in the unconsolidated financial statements. Investments in subsidiaries quoted on organized markets or for which their fair values can be reliably measured, are accounted for at their fair values. While calculating the fair value of foreign currency denominated subsidiaries, exchange rate at the valuation date is used. Differences arising from the revaluation of the subsidiaries are accounted for in the line item 'Marketable Securities Valuation Differences" under equity. Investments in subsidiaries, associates and joint ventures which are not quoted on organized markets or which their fair values cannot be reliably measured, are accounted for at their historical cost less allowance for impairment, if any.

Accounting policies (continued)

IV. Explanations on forward and options contracts and derivative instruments:

The Bank's derivative transactions mostly include money and interest rate swaps, forward foreign exchange purchase and sale transactions and options.

Derivative instruments are measured at fair value on initial recognition and subsequently remeasured at their fair values. As a result, the fair value of derivatives is reflected as net liability or net asset on a contract by contract basis. The accounting method applied to the income or loss arising from derivative instruments depends on whether the derivative is being used for hedging purposes or not and depends on the type of item being hedged.

At the transaction date, the Bank documents the relationship between hedging instruments and hedged items, together with the risk management policies and the strategies on hedging transactions. Besides, the Bank regularly documents the effectiveness of the hedging instruments in offsetting the changes in the fair value of the hedged items.

Changes in the fair value of derivative instruments subject to fair value hedges are recognized under profit or loss accounts together with the variation in the fair value of hedged items. The changes of fair value of derivative transactions for fair value hedge are classified in "Derivative Financial Transactions Gains/Losses" account. In the balance sheet, changes in the fair value of hedged assets and liabilities, during the period in which the hedge is effective, are shown with the related assets and liabilities. The ineffective portion of the mentioned hedging transaction is reflected to the income statement. If the underlying hedge does not conform to the hedge accounting requirements, according to the adjustments made to the carrying value (amortised cost) of the hedged item, for which the risk is hedged by a portfolio hedge, are amortized with the straight line method within the time to maturity and recognized under the profit and loss accounts. Fair value adjustments are recognized directly in the income statement in an event of repayment and/or unwinding and/or derecognition of the hedged item.

The Bank hedges its cash flow risk arising from foreign currency and Turkish Lira floating interest rate liabilities by using interest rate swaps. The effective portion of the fair value changes of the hedging instruments are recorded in "Hedging funds" under shareholders' equity. These funds are transferred to profit or loss from equity when the cash flows of the hedged items (interest expense) impact the income statement.

In case the cash flow hedge accounting is discontinued due to the expiry, realization for sale of the hedging instrument, discontinuing or due to the results of the effectiveness test the amounts accounted under shareholders' equity are transferred to the profit and loss accounts as these cash flows of the hedged item are realized.

Some of the trading purpose derivative transactions, even though they provide effective economic hedges under the Bank's risk management policy, do not qualify for hedge accounting under the specific rules in "Turkish Accounting Standard for Financial Instruments: Recognition and Measurement ("TAS 39")" and are therefore treated as "financial instruments at fair value through profit or loss".

"Financial instruments at fair value through profit or loss" are measured at fair value. If the fair value of derivative financial instruments is positive, it is disclosed under the main account "financial assets at fair value through profit or loss" in "derivative financial assets held for trading" and if the fair value difference is negative, it is disclosed under "derivative financial liabilities held for trading". Fair value changes are recorded under "Derivative Financial Transactions Gains/(Losses)" in the income statement.

The fair values of the derivative financial instruments are calculated using quoted market prices or by using discounted cash flow models.

Accounting policies (continued)

Parameters used for the valuation of the option portfolio are determined by market risk management and the confirmation of the accuracy of fair value calculations are monitored periodically by market risk management.

Liabilities and receivables arising from the derivative instruments are followed in the off-balance sheet accounts as their contractual values. Embedded derivatives are separated from the host contract and accounted as derivative instruments according to TAS 39 in case (i) the related embedded derivative's economic features and risks are not closely related to the host contract, (ii) another instrument that has the same contract conditions with the embedded derivative satisfies the definition of a derivative instrument and (iii) the hybrid instrument is not carried at fair value through profit or loss.

Credit derivatives are capital market tools designed to transfer credit risk from one party to another.

As of September 30, 2014, the Bank's credit derivatives portfolio included in the off-balance sheet accounts is composed of credit linked notes (embedded derivatives are separated from host contract in line with TAS 39 and recorded as credit default swaps) and credit default swaps.

Credit linked notes are bonds that have repayments depending on a credit event or the credit risk evaluation of a reference asset or asset pool. Depending on whether the reference assets are included in the balance sheet of the issuer or the owner of the assets, these transactions can be accounted by the party assuming the credit risk as insurance or as an embedded derivative. As per the Bank's management evaluation, the embedded derivatives included in the credit linked notes are separated from the host contracts in accordance with TAS 39 and recorded and evaluated as credit default swaps. The bond itself (host contract) is valued in accordance with the valuation principles of the category it is classified.

Credit default swaps are contracts, in which the seller commits to pay the contract value to the buyer in case of certain credit risk events in return for the premium paid by the buyer for the contract. Credit default swaps are valued daily by the valuation model of the Bank and then accounted over their fair values; while credit linked notes are valued and accounted monthly.

Market risks of these products are monitored using the Bank's internal modeling system for the Value-at-Risk and basis points sensitivity analysis; the liquidity risks are monitored using the short term liquidity report on daily and the long term liquidity report on monthly basis.

According to the regulations of BRSA, currency exchange transactions, which are realized at value date in the initial phase of currency swaps, are recorded and followed as irrevocable commitments in off-balance sheet accounts until the value date.

A Credit Valuation Adjustment (CVA) is applied to the Bank's over-the-counter derivative exposures to take into account the counterparty's risk of default when measuring the fair value of the derivative. CVA is the mark-to-market cost of protection required to hedge credit risk from counterparties in the Bank's over-the-counter derivatives portfolio. The Bank calculates CVA based on collective provisioning methodology calculated in accordance with Turkish Accounting Standards, TAS 39, comprising the product of Exposure, Probability of Default (PD) and Loss Given Default (LGD). CVA is calculated based on the exposure of each counterparty.

V. Explanations on interest income and expense:

Interest income and expenses are recognized in the income statement on an accrual basis by using the effective interest method periodically. The Bank ceases accruing interest income on non-performing loans and any interest income accruals from such receivables are reversed and no income is accounted until collection is made according to the related regulation.

Accounting policies (continued)

VI. Explanations on fee and commission income and expenses:

Fees and commissions received as a result of the service agreements or arising from negotiating or participating in the negotiation of a transaction on behalf of a third party are recognized either in the period when the transaction is realized or deferred based on the type of the underlying transaction. Other commission income and fees from various banking services are recorded as income at the time of realization.

VII. Explanations on financial assets:

The Bank classifies and accounts its financial assets as "fair value through profit or loss", "available-for-sale", "loans and receivables" or "held-to-maturity". The appropriate classification of financial assets of the Bank is determined at the time of purchase by the Bank management, taking into consideration the purpose of holding the investment. Regular purchases and sales of financial assets are recorded based on settlement date. Settlement date of a financial asset is the date that the asset is received or delivered by the Bank. Settlement date accounting requires; (a) accounting for the financial asset when the asset is received and (b) accounting of disposal of the financial asset and recording the related profit and loss when the asset is delivered. The fair value changes of an asset to be acquired between the trade date and settlement date is accounted in accordance with the basis of valuation of assets.

a. Financial assets at fair value through profit or loss:

Financial assets, which are classified as "Financial assets at fair value through profit or loss", are trading financial assets and are either acquired for generating profit from short-term fluctuations in the price or dealer's margin, or are financial assets included in a portfolio in which a pattern of short-term profit making exists independent from the acquisition purpose.

Trading financial assets are initially recognized at fair value and are subsequently re-measured at their fair value. However, if fair values cannot be obtained from active market transactions, it is assumed that the fair value cannot be measured reliably and fair values are calculated by alternative models. All gains and losses arising from these valuations are recognized in the income statement. Interest earned while holding financial assets is reported as interest income and dividends received are included separately in dividend income.

Derivative financial instruments are treated as trading financial assets unless they are designated as hedge instruments. The principles regarding the accounting of derivative financial instruments are explained in detail in Note IV of this section.

b. Held-to-maturity financial assets:

Held-to-maturity financial assets are non-derivative financial assets other than loans and receivables, with fixed maturities and fixed or determinable payments where management has the intent and ability to hold the financial assets to maturity and that are not initially classified as financial assets at fair value through profit/loss or available for sale. Held-to-maturity financial assets are initially recognized at total of acquisition and transaction cost. Held-to-maturity securities are carried at "Amortized cost" using the "Effective interest method" after their initial recognition. Interest income related with held-to-maturity securities is recorded in "Interest income" and impairment arising from a decrease in cost or revalued amounts is recorded in "Provision for impairment of loans and other receivables" accounts.

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 breach of classification principles. In accordance with TAS 39, sales or reclassification to available for sale portfolio of insignificant amount of financial assets, sale or reclassification to available for sale portfolio of financial assets which are close to maturity less than three months, or sale or reclassification to available for sale portfolio of assets as a result of significant increase in the risk weights of held-to-maturity investments used for regulatory risk-based capital purposes will not result in tainting.

Accounting policies (continued)

c. Loans and receivables:

Loans and receivables are financial assets raised through lending without having the intention to trade in the short term. Loans and receivables are non derivative financial assets with fixed or determinable payments and fixed maturities that are not quoted on active market. Loans and receivables are recognized initially at cost including transaction costs (which reflect fair values) and subsequently carried at the amortized cost using the "effective interest method". The expenses incurred for the assets received as collateral are not considered as transaction costs and are recognized in the expense accounts.

Retail, commercial and corporate loans included in cash loans are accounted for with their original maturities in accounts which are mentioned in the Uniform Chart of Accounts ('UCA'). Foreign currency indexed loans are initially measured at local currency accounts with the foreign exchange rate prevailing at date of the initial recognition and re-valued with the relevant foreign currency rates prevailing at the date of the financial statements. Increase or decrease in the value of the principal amount of the loan due to changes in foreign exchange rates is accounted in the related income and expense accounts. Repayment amounts are translated with the foreign exchange rates prevailing at the repayment dates and the valuation differences is accounted for in foreign exchange gain/loss accounts.

The Bank provides general and specific provisions based on the assessments and estimates of the management, by considering the "Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables" ("Provisioning Regulation") published in the Official Gazette No. 26333 dated November 1, 2006. In this context, the management estimates are determined, on the basis of the prudence principle and Bank credit risk policies, considering the general structure of the loan portfolio, the financial conditions of the customers, non-financial information and the economic conjuncture.

Provision expenses are deducted from the net income of the year. If there is a subsequent collection from a receivable that was already provisioned in previous years, the recovery amount is classified under "other operating income". Uncollectible receivables are written-off after all the legal procedures are finalized.

d. Available-for-sale financial assets:

Available-for-sale financial assets are defined as financial assets other than the ones classified as "Loans and receivables", "Held-to-maturity assets" or "Financial assets at fair value through profit or loss".

Available-for-sale financial assets are subsequently re-measured at fair value. When fair values based on market prices cannot be obtained reliably, the available-for-sale financial assets are carried at fair values determined by using alternative models. Available for sale equity securities which are not quoted on a market and the fair values of which cannot be determined reliably, are carried at cost less any impairment. "Unrealized gains and losses" arising from changes in the fair value of financial assets classified as available-for-sale are recognized in the shareholders' equity as "Marketable securities valuation differences", until the related assets are impaired or disposed. When these financial assets are disposed or impaired, the related fair value differences accumulated in the shareholders' equity are transferred to the income statement. Interest and dividends received from available for sale assets are recorded in interest income and dividend income as appropriate.

Accounting policies (continued)

Interest income on available for sale financial assets are calculated by effective interest rate method and are accounted for in interest income account. At the time of sale of an available for sale financial assets before the maturity, the difference between the profit, which is the difference between the cost and sales price of the financial assets, and the interest income accrual are accounted under "Trading gains/(losses) on securities" according to the UCA.

VIII. Explanations on impairment of financial assets:

The existence of objective evidence whether a financial asset or group of financial assets is impaired, is assessed at each balance sheet date. If such evidence exists, impairment provision is provided based on the financial assets classification.

Impairment for held to maturity financial assets carried at amortized cost is calculated as the difference between the expected future cash flows discounted at the effective interest rate method and the carrying value. The impairment amount transferred from shareholders' equity to profit or loss for available for sale securities is calculated as the difference between the purchase cost (after deduction of principal repayments and redemption) and the fair value less any impairment that was previously recorded in profit or loss. This amount is recorded in expense accounts in accordance with the UCA.

The principles for the accounting of provisions for loans and receivables are explained in Note VII. of this section.

IX. Explanations on offsetting financial assets:

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Bank has a legally enforceable right to offset the recognized amounts and to collect/pay related financial assets and liabilities on a net basis, or there is an intention to realize the asset and settle the liability simultaneously.

X. Explanations on sales and repurchase agreements and securities lending transactions:

Securities subject to repurchase agreements ("Repos") are classified as "at fair value through profit or loss", "Available-for-sale" and "Held-to-maturity" according to the investment purposes of the Bank and measured according to the portfolio to which they belong. Funds obtained from repurchase agreements are accounted under "Funds provided under repurchase agreements" in liabilities and the difference between the sale and repurchase price is accrued over the life of the repurchase agreements using the "Effective interest method". Interest expense on repo transactions are recorded under "Interest expense on money market transactions" in the income statement.

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

The Bank has no securities lending transactions.

Accounting policies (continued)

XI. Information on assets held for resale and related to discontinued operations and explanations on liabilities related with these assets:

According to the TFRS 5, a tangible asset (or a group of assets to be disposed) classified as "Asset held for resale" is measured at lower of carrying value and fair value less costs to sell. An asset (or a group of assets to be disposed) is regarded as "Asset held for resale" only when the sale is highly probable and the asset (or a group of assets to be disposed) is available for immediate sale in its present condition. For a highly probable sale, there must be a valid plan prepared by the management for the sale of asset including identification of possible buyers and completion of sale process. Furthermore, the asset should be actively in the market at a price consistent with its fair value.

Additionally, assets that were acquired due to non-performing receivables are accounted in the financial statements in accordance with the "Communiqué Regarding the Principles and Procedures for the Disposals of Immovables and Commodities Acquired due to Receivables and for Trading of Precious Metal" published in the Official Gazette dated November 1, 2006, No. 26333 and classified as assets held for resale.

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

XII. Explanations on goodwill and other intangible assets:

a. Goodwill:

The excess of the cost of an acquisition over the fair value of the Group's share of the identifiable assets, liabilities or contingent liabilities of the acquired subsidiary at the date of acquisition of the control is recorded as goodwill and represents a payment made by the acquirer in anticipation of future economic benefits from assets that are not capable of being individually identified and separately recognized. The acquirer also recognizes assets that are capable of being individually identified and separately recognized, intangible assets (e.g. credit card brand value, deposit base and customer portfolio) and contingent liabilities at fair value, irrespective of whether the asset had been recognized by the acquiree before the business combination, if it can be distinguished from the goodwill and if the asset's fair value can be measured reliably.

In line with "Turkish Financial Reporting Standard for Business Combinations" ("TFRS 3"), the goodwill is not subject to amortization but is tested annually or more frequently for impairment and carried at cost less accumulated impairment losses, if any, in line with "Turkish Accounting Standard for Impairment on Assets" ("TAS 36").

Accounting policies (continued)

b. Other intangible assets:

Intangible assets are measured at cost on initial recognition and any directly attributable costs of setting the asset to work for its intended use are included in the initial measurement. Subsequently, intangible assets are carried at historical costs after the deduction of accumulated amortization and the provision for impairment.

The Bank evaluates the possibility of existence of impairment of intangible assets at the end of each reporting period. If there is an evidence of impairment, the Bank estimates a recoverable amount in accordance with the Turkish Accounting Standard (TAS 36) "Impairment of Assets". The recoverable amount is the higher of net sales price or the value in use. When the book value of another intangible asset exceeds the recoverable amount, the related asset is considered to be impaired. If there is no evidence of impairment, there is no need to estimate the recoverable amount.

Intangibles are amortized over their estimated useful lives using the straight-line method. The useful life of the asset is determined by assessing the expected useful life of the asset, technical, technological and other kinds of obsolescence and all required maintenance expenses necessary to utilize the economic benefit from the asset. The rates used are presented below:

Credit card brand value, deposit base and customer portfolio	10%
Other intangible assets	20%

XIII. Explanations on property and equipment:

Property and equipment is measured at its cost when initially recognized and any directly attributable costs of setting the asset in working order for its intended use are included in the initial measurement in accordance with the Turkish Accounting Standard (TAS 16) "Tangible Assets". Subsequently, properties and equipments, except art objects and paintings, are carried at cost less accumulated depreciation and provision for impairment. The Bank adopted a revaluation method for its art objects and paintings in tangible assets in accordance with TAS 16.

Depreciation is calculated over the cost of property and equipment using the straight-line method. The rates used are stated below:

Buildings	2%
Movables, movables acquired under financial leasing	20%

The depreciation charge for items remaining in property and equipment for less than a full accounting period at the balance sheet date is calculated in proportion to the period the item remained in property and equipment.

In accordance with the Turkish Accounting Standard 36 (TAS 36) "Impairment of Assets", where the carrying amount of an asset is greater than its estimated "recoverable amount", it is written down to its "recoverable amount" and the provision for impairment is charged to the income statement.

Gains and losses on the disposal of property and equipment are determined by deducting the net book value of the property and equipment from its sales proceeds.

Accounting policies (continued)

Expenditures for the repair and maintenance of property and equipment are recognized as expense. The capital expenditures made in order to increase the capacity of the tangible asset or to increase its future benefits are capitalized on the cost of the tangible asset. The capital expenditures include the cost components which are used either to increase the useful life or the capacity of the asset or the quality of the product or to decrease the costs.

XIV. Explanations on leasing transactions:

The Bank performs financial and operational leasing in the capacity of the lessee.

Financial lease

The Bank includes the lower of the market value of the fixed asset subject to financial leasing in the beginning of the financial leasing period or present value of the lease payments in property and equipment and records the liabilities arising from financial leasing in liabilities. Financing costs arising due to leasing are spread through the lease period forming a fixed interest rate. In addition, fixed assets that are obtained by the way of financial leasing are subject to depreciation based on their useful lives. If a decrease in the value of fixed assets that are subject to financial leasing is noticed, impairment provision is recognized. The liabilities arising from financial leasing contracts are accounted under "Financial lease payables". Expenses arising from interest and exchange rate changes related to financial leasing liabilities are charged to the income statement. Lease payments are deducted from financial leasing payables. The Bank does not perform financial leasing operations as "Lessor".

Operational lease

Leases, in which the majority of risk and return of property belongs to lessor, are classified as operational lease. Payments that are made under operational leases, are accounted in income statements on a straight line basis during the lease period.

XV. Explanations on provisions, contingent liabilities:

Provisions and contingent liabilities, except for the specific and general provisions recognized for loans and other receivables, are accounted in accordance with the "Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets" ("TAS 37").

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 the obligation can be made. Provisions for contingent liabilities arisen from past events are recognized in the period of occurrence in accordance with the "Matching principle". A provision is recognized when it is probable that the contingent event will occur and a reliable estimate can be made. When a reliable estimate of the amount of obligation cannot be made or it is not probable that an outflow of resources will be required to settle the obligation, it is considered that a "contingent" liability exists and it is disclosed in the related notes to the financial statements.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. Contingent assets are disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs.

Accounting policies (continued)

XVI. Explanations on obligations related to employee rights:

a. Employee termination benefits

Obligations related to employee termination and vacation rights are accounted for in accordance with "Turkish Accounting Standard for Employee Rights" ("TAS 19") and are classified under "Reserve for employee rights" account in the balance sheet.

Under the Turkish Labour Law, the Bank is required to pay a specific amount to the employees who have retired or whose employment is terminated other than for the reasons specified in the Turkish Labour Law. The reserve for employment termination benefits represents the present value of the estimated total liability for the future probable obligation of the Bank determined by using certain actuarial assumptions. Actuarial gains and losses generated after January 1, 2013, are accounted for under equity in accordance with the revised TAS 19 standard.

b. Pension rights

The Bank's personnel are members of the Yapı ve Kredi Bankası Anonim Şirketi Mensupları Yardım ve Emekli Sandığı Vakfı ("the Fund") which was established in accordance with the 20th temporary article of the Social Security Law No.506. The technical financial statements of the Fund are audited in accordance with the Article 38 of the Insurance Supervision Law and the "Regulation Regarding the Actuaries" by a registered independent actuary.

Temporary article 23 paragraph 1 of the Banking Act published in the Official Gazette No. 25983 dated November 1, 2005 stated that foundations like the Fund are to be transferred to the Social Security Institution ("SSI") within three years beginning from the publication date of the article.

The article of the Law related to the transfer was cancelled (pursuant to the application by the President on November 2, 2005) by the decision of Constitutional Court (decision no: E.2005/39, K. 2007/33 dated March 22, 2007) published in the Official Gazette No. 26479 dated March 31, 2007, and the effect of the law article was suspended from the date of the publication of the decision.

The reasoning of the Constitutional Court regarding the abrogation of the corresponding article was published in the Official Gazette dated December 15, 2007, No 26372. With the publication of the reasoning of the decision, the Grand National Assembly of Turkey ("GNAT") started to work on new legal arrangements regarding the transfer of the fund members to SSI and the related articles of the "Law Regarding the Changes in Social Insurance and General Health Insurance Law and Other Related Laws and Regulations" No 5754 ("the New Law") regulating the transfer of the funds were approved by the GNAT on April 17, 2008. The New Law was published in the Official Gazette No. 26870 dated May 8, 2008. With the new law, the banks' pension funds will be transferred to SSI within three years from the date of publication of the decree and this period can be extended for a maximum of two years with the decision of the Council of Ministers. The transfer period was extended for another two years with the decision of the Council of Ministers No. 2011/1559 published in the Official Gazette dated April 9, 2011. According to the "Amendment of Social Insurance and General Health Insurance Law No. 6283" published in the Official Gazette dated March 8, 2012, Council of Ministers was authorized to increase the two-year extension period mentioned above to four years. According to the decision of The Council of Ministers dated February 24, 2014, the transfer date is set as May 2015.

Accounting policies (continued)

A commission (whose members are the representatives of the SSI, the Ministry of Finance, Turkish Treasury, State Planning Organization, BRSA, Saving Deposit Insurance Fund ("SDIF"), one member representing the Fund and one member representing the Fund members) is in charge of the calculation of the value of the payment that would need to be made to SSI to settle the obligation using a technical interest rate of 9,8% by law taking into consideration income and expenses by insurance branches of the funds and the excess of salaries and income paid by the funds over the salaries and income to be paid in accordance with the SSI arrangements which should not be less than SSI arrangements, related to the members of the Fund as of the date of the transfer including the members who have left the scheme.

In accordance with the New Law, after the transfer to SSI, any social rights and payments to Fund members and their beneficiaries which are not provided although they are included in the Fund Title Deed will continue to be provided by the Fund and the employers of the Fund members.

The Bank accounts for a provision for the technical deficit based on the report prepared by a registered actuary in accordance with the rates determined by the New Law.

c. Short term benefits of employee:

Within the scope of TAS 19, the Bank measures the expected costs of accumulated paid leaves as expected payments it will make due to unused leave rights as at the end of the reporting date.

XVII. Explanations on taxation:

a. Current tax:

The Corporate Tax rate is 20% in accordance with the article number 32 of the New Corporate Tax Law no.5520 which is published in the official Gazette dated June 21, 2006 and numbered 26205. This tax rate is applied to accounting income modified for certain exemptions and deductions, and additions for certain non-tax deductable expenses and allowances for tax purposes. No further tax is payable unless the profit is distributed.

Dividends paid to non-resident corporations, which have a place of business in Turkey or to resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as profit distribution and no withholding tax incurs in such a case.

Corporations are required to pay advance corporate tax quarterly at a rate of 20% on their corporate income. Advance tax is declared by the 14th and paid by the 17th day of the second month following each calendar quarter end. Advance tax paid by corporations for the current period is credited against the annual corporation tax calculated on the annual corporate income in the following year. Despite the offset, if there is temporary prepaid tax remaining, this balance can be refunded or used to offset any other financial liabilities to the government.

A 75% portion of the capital gains derived from the sale of equity investments and immovable properties held for at least two years is tax exempt, if such gains are added to paid-in capital or held in a special account under shareholder's equity for five years.

Accounting policies (continued)

Under the Turkish Corporate Tax Law, losses can be carried forward to offset against future taxable income for up to five years. Losses cannot be carried back to offset profits from previous periods.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Tax returns are required to be filled and delivered to the related tax office until the evening of the 25th of the fourth month following the balance sheet date and the accrued tax is paid until the end of the same month. Tax returns are open for 5 years from the beginning of the year following the balance sheet date and during this period 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.

b. Deferred tax:

The Bank calculates and accounts for deferred income taxes for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with "Turkish Accounting Standard for Income Taxes" ("TAS 12") and in accordance with BRSA's explanations and circulars and the tax legislation, the Bank calculates deferred tax on deductible temporary differences except for general loan loss provisions, to the extent that future taxable income is estimated to be available. In the deferred tax calculation, the enacted tax rate, in accordance with the tax legislation, is used as of the balance sheet date.

Deferred tax liabilities are recognized for all resulting temporary differences whereas deferred tax assets resulting from temporary differences are recognized to the extent that future taxable profit will be available against which the deferred tax asset can be utilised.

The calculated deferred tax asset and deferred tax liability are presented as net in these financial statements.

Tax effects of the transactions that are directly accounted under equity are also reflected to equity.

Additionally, in accordance with the related legislation of BRSA, deferred tax effect, if income, is not eligible for dividend distribution and share capital increase.

c. Transfer pricing:

The article no.13 of the Corporate Tax Law No.5520 describes the issue of transfer pricing under the title of "disguised profit distribution" by way of transfer pricing (previously included as "Disguised profit" in the Corporate Tax Law No.5422). "The General Communiqué on Disguised Profit Distribution by Way of Transfer Pricing" published at November 18, 2007/26704, explains the application related issues on this topic effective from January 1, 2007, also taking into account the regulations in Article 41 of the Income Tax Law.

"Arm's length principle", which is the basis for the transfer pricing rule, is the pricing system to be followed for purchase or sale activities between related parties for any product or service transactions as if the transaction is realized with any other third party. According to this communiqué, if the taxpayers conduct transactions like purchase and sale of goods or services with the related parties where the prices are not determined according to the arm's length principle, then it will be concluded that there is a disguised profit distribution by way of transfer pricing. Such disguised profit distributions will not be deducted from the corporate tax base for tax purposes.

As discussed in the relevant section of this communiqué, the taxpayers are required to fill out the "Transfer Pricing, Controlled Foreign Entities and Thin Capitalization" form for the purchase and sale of goods or services conducted with their related parties in a taxation period, attach these forms to their corporate tax returns and submit to the tax offices.

Accounting policies (continued)

XVIII. Explanations on borrowings:

Trading and derivative financial liabilities are valued with their fair values and the other financial liabilities are carried at "amortised cost" including costs of transactions using the "effective interest method".

The Bank utilises various hedging techniques to minimise the currency, interest rate and liquidity risks of its financial liabilities. No convertible bonds have been issued by the Bank.

Also, the Bank obtains funds by issuing bonds and bills.

XIX. Explanations on issuance of share certificates:

When shares are issued above their nominal value, the excess over the nominal value is accounted under shareholders' equity as "Share premium".

No dividend payments were announced after the balance sheet date.

XX. Explanations on avalized drafts and letter of acceptances:

Avalized drafts and acceptances are included in the "Off-balance sheet commitments".

XXI. Explanations on government grants:

In accordance with the related articles of the "Law Regarding the Supporting of Research and Development Activities" numbered 5746, until balance sheet date, the Bank received government grant from TÜBİTAK amounting to TL 1.566 (December 31, 2013 - TL 1.203).

XXII. Profit reserves and profit distribution:

Retained earnings as per the statutory financial statements other than legal reserves are available for distribution, subject to the legal reserve requirement referred to below. Legal reserves consist of first and second reserves as foreseen in the TCC. The TCC specifies that the first legal reserve is appropriated at the rate of 5% until the total reserve is equal to 20% of paid-in capital and that the second legal reserve is appropriated at the rate of 10% of distributions in excess of 5% of paid-in capital; however holding companies are not subject to this application. According to the Turkish Commercial Code, legal reserves can only be used to compensate for accumulated losses and cannot be used for other purposes unless they exceed 50% of paid-in capital.

XXIII. Earnings per share:

Earnings per share disclosed in the income statement are calculated by dividing net profit/(loss) for the year to the weighted average number of shares outstanding during the period concerned.

	Current Period	**Prior Period**
Net Income/(loss) from continuing operations to be appropriated to ordinary shareholders	1.319.888	1.606.955
Weighted average number of issued ordinary shares(thousand)	434.705.128	434.705.128
Earnings per share from continued operations (full TL)	**0,0030**	**0,0037**

Accounting policies (continued)

	Current Period	Prior Period
Net Income/(loss) from continuing operations to be appropriated to ordinary shareholders	-	1.182.256
Weighted average number of issued ordinary shares(thousand)	-	434.705.128
Earnings per share from continued operations (full TL)	**-**	**0,0027**

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. These bonus shares are treated as issued shares in earnings per share computations. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year is adjusted in respect of bonus shares issued without a corresponding change in resources by giving them a retroactive effect. In case bonus shares are distributed after the balance sheet date but before the preparation of the financial statements, earnings per share is calculated considering the new number of shares.

As of September 30, 2014 no bonus shares were issued during 2014 (December 31, 2013 - no bonus shares were issued).

XXIV. Related parties:

For the purpose of these financial statements, shareholders having control shares of the Bank, key management personnel and board members together with their families and companies controlled by/affiliated with them, associated companies and joint ventures and the Fund providing post employment benefits are considered and referred to as related parties in accordance with "Turkish Accounting Standard for Related Parties" ("TAS 24"). The transactions with related parties are disclosed in detail in Note VII of Section Five.

XXV. Explanations on operating segments:

Information about operating segments which are determined in line with "Turkish Financial Reporting Standard about Operating Segments" ("TFRS 8") together with organizational and internal reporting structure of the Bank, are disclosed in Note XV of Section Four.

XXVI. Explanations on other matters:

None.

Section Four

Information related to financial position of the Bank

I. Explanations on capital adequacy ratio:

a. The capital adequacy ratio of the Bank is 14,95% (December 31, 2013 – 16,00%).

b. The capital adequacy ratio is calculated in accordance with the "Regulation Regarding the Measurement and Evaluation of Banks' Capital Adequacy Ratio", "Regulation Credit Risk Mitigation Techniques", "Regulation on calculation of Risk-Weighted Amounts of Securitizations" published in the Official Gazette No. 28337 dated June 28, 2012 and "Regulation Regarding Banks' Shareholders' Equity" published in the Official Gazette No. 26333 as of November 1, 2006".

For the calculation of amounts subject to credit risk, the Bank classifies the loans in the related risk weight taking into consideration the risk classes, ratings and the risk mitigating factors. "Comprehensive collateral method" is used in considering the risk mitigating factors for the banking and trading book.

For the calculation of capital adequacy ratio; financial information, which is prepared in accordance with the current regulations, is used. Within the scope of this Regulation, trading books and banking books are defined and they become subject to credit risk and market risk calculations. In addition, market risk and operational risk calculations are included in the calculation of the capital adequacy ratio, in accordance with the existing regulation.

Amounts taken into consideration as deduction items are subject to credit risk calculations. Assets subject to amortization or impairment are taken into consideration after relevant nettings over their net book values for the calculation of risk-weighted assets.

In the calculation of the value at credit risk for non-cash loans and commitments, the receivables from counterparties in such transactions are weighted after netting with specific provisions that are classified under liabilities and calculated based on the Provisioning Regulation. The net amounts are then multiplied by the rates stated in the Article 5 of the Regulation and included in the relevant exposure category defined in the Regulation.

In accordance with Article 5 of the Regulation, counterparty credit risk is calculated for repo transactions, securities and commodities. The "Fair Value Valuation Method" mentioned in the communiqué is used for the counterparty credit risk calculations.

In the calculation of the value at credit risk for the derivative financial instruments which are in banking books, the receivables from counterparties are multiplied by the rates stated in the Regulation, reduced as per the "Regulation on Credit Risk Mitigation Techniques" and then included in the relevant exposure category defined in Regulation.

Information related to financial position of the Bank (continued)

Information related to capital adequacy ratio:

	Risk Weights								
	%0	**%20**	**%50**	**%75**	**%100**	**%150**	**%200**	**%250**	**Total**
Amounts subject to credit risk	**31.385.761**	**3.174.790**	**25.182.621**	**40.795.068**	**78.687.464**	**3.334.700**	**7.856.038**	**730.616**	**191.147.058**
Risk classifications:									
Conditional and unconditional receivables from central governments or central banks	29.086.744	-	4.971.492	-	-	-	-	-	**34.058.236**
Conditional and unconditional receivables from regional or local governments	-	149	-	-	-	-	-	-	**149**
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	966	-	-	-	**966**
Conditional and unconditional receivables from multilateral development banks	4.276	-	-	-	-	-	-	-	**4.276**
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	**-**
Conditional and unconditional receivables from banks and brokerage houses	-	3.036.799	6.604.250	-	443.874	-	-	-	**10.084.923**
Conditional and unconditional receivables from corporates	-	-	-	-	66.792.938	-	-	-	**66.792.938**
Conditional and unconditional retail receivables	-	-	-	40.795.068	6.012.986	-	-	-	**46.808.054**
Conditional and unconditional receivables secured by mortgages	-	-	13.605.219	-	-	-	-	-	**13.605.219**
Past due receivables	-	-	-	-	731.675	346.781	-	-	**1.078.456**
Receivables defined as high risk category by the Regulator	-	-	1.660	-	29.443	2.987.919	7.856.038	730.616	**11.605.676**
Secured by mortgages	-	-	-	-	-	-	-	-	**-**
Securitization positions	-	-	-	-	-	-	-	-	**-**
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	**-**
Investments similar to collective investment funds	-	-	-	-	-	-	-	-	**-**
Other receivables	2.294.741	137.842	-	-	4.675.582	-	-	-	7.108.165
Credit Risk Weighted Amounts	**-**	**634.958**	**12.591.311**	**30.596.301**	**78.687.464**	**5.002.050**	**15.712.076**	**1.826.540**	**145.050.700**

Summary information about capital adequacy ratio:

	Current Period	**Prior Period**
Capital Requirement for Credit Risk (Value at Credit Risk*0,08) (CRCR)	11.604.056	10.042.902
Capital requirement for market risk (MRCR)	224.705	197.468
Capital requirement for operational risk (ORCR)	817.197	802.350
Shareholders' equity	**23.635.739**	**22.084.113**
Shareholders' equity/((CRCR+MRCR+ORCR) * 12,5) * 100	**14,95**	**16,00**
Tier 1 capital /((CRCR+MRCR+ORCR) * 12,5) * 100	**10,88**	**-**
Common equity Tier 1 capital /((CRCR+MRCR+ORCR) * 12,5) * 100	**11,57**	**-**

Information related to financial position of the Bank (continued)

Information about shareholders' equity items:

	September 30, 2014
Common Equity Tier 1 Capital	
Paid-in Capital to be Entitled for Compensation after All Creditors	4.347.051
Share Premium	543.881
Share Cancellation Profits	-
Legal Reserves	10.471.860
Other Comprehensive Income according to TAS	1.780.813
Profit	1.319.888
Net Current Period Profit	1.319.888
Prior Period Profit	-
Provisions for Possible Losses	207.685
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	15.107
Common Equity Tier 1 capital before regulatory adjustments	**18.686.285**
Common Equity Tier 1 capital: regulatory adjustments	
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	-
Leasehold Improvements on Operational Leases (-)	69.007
Goodwill and Intangible Assets and Related Deferred Tax Liabilities (-)	272.433
Net Deferred tax assets / liabilities (-)	-
Shares Obtained against Article 56, Paragraph 4 of the Banking Law (-)	-
Investments in own common equity (-)	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and FinancialInstitutions where the Bank does not own 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-
Mortgage servicing rights (amount above 10% threshold) (-)	-
Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability) (-)	-
Amount Exceeding the 15% Threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-
The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank owns 10% or more of the Issued Share Capital not deducted from Tier I Capital (-)	-
Mortgage servicing rights (amount above 10% threshold) (-)	-
Excess Amount arising from Deferred Tax Assets from Temporary Differences (-)	-
Other items to be defined by the regulator (-)	-
Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions (-)	63.027
Total regulatory adjustments to Common equity Tier 1	**404.467**
Common Equity Tier 1 capital	**18.281.818**
Additional Tier 1 capital:instruments	
Previlaged stocks which are not included in common equity and share premiums	-
Directly issued qualifying Additional Tier 1 instruments (approved by the regulators) plus related stock surplus (Issued or Obtained after 1.1.2014)	-
Directly issued qualifying Additional Tier 1 instruments (approved by the regulators) plus related stock surplus (Issued or Obtained after 1.1.2014)	-
Additional Tier 1 capital before regulatory adjustments	
Additional Tier 1 capital: regulatory adjustments	
Direct and Indirect Investments of the Bank on its own Additional Core Capital (-)	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank does not own 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank owns more than 10% of the Issued Share Capital (-)	-
Other items to be Defined by the regulator (-)	-
Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions (-)	-
Total regulatory adjustments to Additional Tier 1 capital	**-**
Additional Tier 1 capital	**-**

Information related to financial position of the Bank (continued)

Regulatory adjustments to Common Equity	
Goodwill and Other Intangible Assets and Related Deferred Taxes not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	1.089.731
Net Deferred Tax Asset/Liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-
Tier 1 capital	**17.192.087**
Tier 2 capital	
Directly issued qualifying Tier 2 instruments (that are approved by the regülatör) plus related stock surplus (Issued or Obtained after 1.1.2014)	-
Directly issued qualifying Tier 2 instruments (that are approved by the regülatör) plus related stock surplus (Issued or Obtained before 1.1.2014)	5.095.723
Pledged sources on behalf of the Bank fort he use of committed share capital increase by shareholders	-
Generic Provisions	1.714.037
Tier 2 capital before regulatory adjustments	**6.809.760**
Tier 2 capital: regulatory adjustments	
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank does not own 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Core Capital and Tier II Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier I Capital (-)	-
Other items to be Defined by the regulator (-)	-
Total regulatory adjustments to Tier 2 capital	**-**
Tier 2 capital	**6.809.760**
Total capital	**24.001.847**
Loans Granted against the Articles 50 and 51 of the Banking Law (-)	68.000
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years (-)	6.989
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Subordinated Debts or Debt Instruments Purchased from Such Parties and Qualified as Subordinated Debts (-)	154.559
Deductions as per the Article 20, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-
Other items to be Defined by the regulator (-)	136.560
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank does not own 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Tier I Capital, Additional Core Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	-
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank owns more than 10% of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Additional Core Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	-
The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank owns 10% or more of the Issued Share Capital, of the Net Deferred Tax Assets arising from Temporary Differences and of the Mortgage Servicing Rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation (-)	-
Shareholders's equity	**23.635.739**
Amounts below the thresholds for deduction	**816.329**
Remaining Total of Net Long Positions of the Investments in Own Fund Items of Unconsolidated Banks and Financial Institutions where the Bank owns 10% or less of the Issued Share Capital	-
Remaining total of net long positions of the ınvestments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank owns more than 10% or less of the Tier I Capital	-
Remaining mortgage servicing rights	-
Net deferred tax assets arising from temporary differences	816.329

Information related to financial position of the Bank (continued)

Information about shareholders' equity items:

	December 31, 2013
Core Capital	
Paid-in capital	4.347.051
Nominal capital	4.347.051
Capital commitments (-)	-
Adjustment to paid-in capital	-
Share premium	543.881
Share repeal	-
Legal reserves	8.530.472
Adjustment to legal reserves	-
Profit	3.202.975
Net current period profit	3.202.975
Prior period profit	-
Provisions for possible losses up to 25% of core capital	190.112
Income on sale of equity shares and real estates[1]	298.614
Primary subordinated loans	-
Loss (in excess of Reserves) (-)	-
Net current period's losses	-
prior periods' losses	-
Leasehold Improvements on Operational Leases (-)	81.772
Intangible assets (-)	1.376.092
Deferred-assets for tax which exceeds 10% of core capital (-)	-
Excess amount expressed in the Law (Article 56, 3rd paragraph) (-)	-
Total core capital	**15.655.241**
Supplementary capital	
General reserves	1.470.671
45% of increase in revaluation fund of movables	-
45% of increase in revaluation fund of fixed assets	-
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	15.107
Primary Subordinated Debts excluding the portion included in Core Capital	-
Secondary subordinated loans[2]	5.089.496
45% of value increase fund of financial assets available for sale and associates and subsidiaries	218.684
Adjustment to paid-in capital, profit reserves and previous years losses(except adjustment to legal reserves)	-
Total supplementary capital	**6.793.958**
Capital	**22.449.199**
Deductions from the capital	**365.086**
Partnership share on banks and financial institutions (domestic and abroad) that are not consolidated, with a shareholding of 10% and above	63.027
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	162.443
Loans extended being noncompliant with articles 50 and 51 of the Law	3.203
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	6.638
Securitization positions that is deducted -preferably- from the shareholders' equity	-
Other	129.775
Total shareholders' equity	**22.084.113**

Details on calculation in accordance with the temporary calculations on Own Fund:

Adjustments to Common equity Tier 1 are performed according to the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks.

Information related to financial position of the Bank (continued)

Details on Subordinated Liabilities:

Details on Subordinated Liabilities:					
	1	**2**	**3**	**4**	**5**
Issuer	UNICREDIT BANK	BANK AUSTRIA	MERRILL LYNCH	CITIBANK	YKB
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	-	-	-	-	XS0861979440/US984848AB73
Governing law(s) of the instrument	BRSA	BRSA	BRSA	BRSA	BRSA/CMB/LONDON STOCK EXCHANGE
Regulatory treatment	Supplementary Capital	Supplementary Capital	Supplementary Capital	Supplementary Capital	Supplementary Capital
Transitional Basel III rules	Yes	Yes	Yes	Yes	Yes
Eligible at stand-alone / concolidated	Stand alone - Consolitaded	Stand alone -Consolitaded	Stand alone -Consolitaded	Stand alone -Consolitaded	Stand alone -Consolitaded
Instrument type (types to be specified by each jurisdiction)	Loan	Loan	Loan	Loan	Bond
Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)	1.290	1.071	231	225	2.279
Par value of instrument	1.333	1.071	1.446	578	2.279
Accounting classification	Liability – Subordinated Loans-amortised cost	Liability – Subordinated Loans-amortised cost	Liability – Subordinated Loans-amortised cost	Liability – Subordinated Loans-amortised cost	Liability – Subordinated Loans-amortised cost
Original date of issuance	January 9, 2013	November, 21 2013	March 31, 2006	June 25, 2007	December 6, 2012
Perpetual or dated	Dated	Dated	Dated	Dated	Dated
Original maturity date	10 years	10 years	10 years	10 years	10 years
Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes
Optional call date, contingent call dates and redemption amount	After 5th year	After 5th year	-	-	After 5th year
Subsequent call dates, if applicable	After 5th year	After 5th year	-	-	After 5th year
Coupons / dividends	3 months	3 months	6 months	6 months	6 months
Fixed or floating dividend/coupon	Fixed	Fixed	Floating	Floating	Fixed
Coupon rate and any related index	5,5	6,35	EURIBOR + %3	EURIBOR + %2,78	5,5
Existence of a dividend stopper	-	-	-	-	-
Fully discretionary, partially discretionary or mandatory	-	-	-	-	-

Information related to financial position of the Bank (continued)

Details on Subordinated Liabilities (continued):

Details on Subordinated Liabilities (continued):					
	1	**2**	**3**	**4**	**5**
Existence of step up or other incentive to redeem	-	-	-	-	-
Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative
Convertible or non-convertible	None	None	None	None	None
If convertible, conversion trigger (s)	-	-	-	-	-
If convertible, fully or partially	-	-	-	-	-
If convertible, conversion rate	-	-	-	-	-
If convertible, mandatory or optional conversion	-	-	-	-	-
If convertible, specify instrument type convertible into	-	-	-	-	-
If convertible, specify issuer of instrument it converts into	-	-	-	-	-
Write-down feature	None	None	None	None	None
If write-down, write-down trigger(s)	-	-	-	-	-
If write-down, full or partial	-	-	-	-	-
If write-down, permanent or temporary	-	-	-	-	-
If temporary write-down, description of write-up mechanism	-	-	-	-	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	After the senior creditors, before the TIER 1 subdebt, same with TIER 2	After the senior creditors, before the TIER 1 subdebt, same with TIER 2	After the senior creditors, before the TIER 1 subdebt, same with TIER 2	After the senior creditors, before the TIER 1 subdebt, same with TIER 2	After the senior creditors, before the TIER 1 subdebt, same with TIER 2
In compliance with article number 7 and 8 of "Own fund regulation"	Yes	Yes	Yes	Yes	Yes
Details of incompliances with article number 7 and 8 of "Own fund regulation"	8-2-ğ	8-2-ğ	8-2-ğ	8-2-ğ	8-2-ğ

Information related to financial position of the Bank (continued)

c. Approaches for assessment of adequacy of internal capital requirements for current and future activities:

This footnote is not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks" for the interim period financial statements.

II. Explanations on credit risk:

This footnote is not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks" for the interim period financial statements.

III. Explanations on market risk:

Risk management activities of the Bank are carried out under the responsibility of the Bank's Board of Directors in accordance with "The Regulation on the Internal Systems and Internal Capital Adequacy Assessment Process of Banks" and "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

In order to comply with the regulations, the Bank set its activities related with market risk management in accordance with "The Regulation on the Internal Systems and Internal Capital Adequacy Assessment Process of Banks" and "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" published in the Official Gazette no. 28337 dated June 28, 2012.

Market risk policies, which are approved by the Bank's Board of Directors and updated annually, if needed, include limit, methodologies, processes and responsibilities. Market risk calculations for the trading portfolio are performed by using standard method and Value at Risk (VaR) method. VaR is calculated using historical simulation method and reported to the management on a daily basis and to the Bank's Executive Committee on a monthly basis. In order to keep the effect of interest rate and foreign currency fluctuations at minimum, the Bank enters into derivative transactions of which some of the derivative transactions are subject to hedge accounting applications.

The table below shows details of the market risk as of September 30, 2014 in accordance with "Regulation on Banks' Internal Control and Risk Management Systems" and "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" published in the Official Gazette no. 28337 dated June 28, 2012.

(1) Explanations on market risk:

a. Information on market risk:

		Current Period	Prior Period
(I)	Capital requirement against general market risk - standard method	128.305	63.954
(II)	Capital requirement against specific risks - standard method	6.941	39.031
	Capital requirement against specific risks of securitization positions– standard method	-	-
(III)	Capital requirement against currency exchange risk - standard method	41.287	5.846
(IV)	Capital requirement against commodity risks - standard method	88	667
(V)	Capital requirement against exchange risks - standard method	-	-
(VI)	Capital requirement against market risks of options - standard method	389	6.308
(VII)	Capital requirement against counterparty credit risks - standard method	47.695	81.662
(VIII)	Capital requirement against market risks of banks applying risk measurement model	-	-
(IX)	Total capital requirement against market risk (I+II+III+IV+V+VI+VII+VIII)	224.705	197.468
(IX)	**Value-at-market risk (12,5 x VIII) or (12,5 x IX)**	**2.808.813**	**2.468.350**

Information related to financial position of the Bank (continued)

b. This footnote is not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks" for the interim period financial statements.

(2) Quantitative information on counterparty risk:

This footnote is not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks" for the interim period financial statements.

(3) Explanations on calculation of capital requirements through a risk measurement model which is permitted to be used by the authorities:

This footnote is not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks" for the interim period financial statements.

IV. Explanations on operational risk:

This footnote is not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks" for the interim period financial statements.

V. Explanations on currency risk:

The difference between the Bank's foreign currency denominated and foreign currency indexed on- and off-balance sheet assets and liabilities is defined as the "Net Foreign Currency Position" and it is the basis of currency risk. Cross currency risk is also taken into consideration for the currency risk calculations and measurements.

The Bank keeps the amount of currency risk exposure within the related legal limits and follows the exchange position on a daily/regular basis. In addition, although the internal exchange position limit is lower when compared to the related legal limit, there has not been any limit exceeding during the period. As an instrument of currency risk management, derivatives such as swap and forwards are used to reduce risk whenever needed. In order to guard against extreme volatility during the year stress tests are applied. Value at risk method is used for the measurement of foreign exchange risk.

The details of hedging of the foreign currency debt instruments and net foreign currency investment risk with derivative instruments are disclosed in section four Note XIII.

The Bank's publicly announced foreign exchange bid rates as of the date of the financial statements and for the last five work days prior to that date are as follows:

(Exchange rates presented as full TL)

	USD	EUR
Balance sheet evaluation rate	**2,27890 TL**	**2,89140 TL**
First day current bid rate	2,25570 TL	2,87480 TL
Second day current bid rate	2,24820 TL	2,86070 TL
Third day current bid rate	2,23250 TL	2,86770 TL
Fourth day current bid rate	2,23190 TL	2,87450 TL
Fifth day current bid rate	2,24000 TL	2,87810 TL
Arithmetic average of the last 31 days:	2,20554 TL	2,84908 TL
Balance sheet evaluation rate as of Prior Period:	**2,13430 TL**	**2,93650 TL**

Information related to financial position of the Bank (continued)

	EUR	USD	OTHER FC[4]	Total
Current Period				
Assets				
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	3.543.028	12.291.019	3.369.717	19.203.764
Banks	792.496	787.438	230.467	1.810.401
Financial assets at fair value through profit or loss	13.259	97.352	517	111.128
Money market placements	-	-	-	-
Available-for-sale financial assets	340.924	2.917.434	9.824	3.268.182
Loans [1]	11.872.707	27.997.208	564.328	40.434.243
Investments in associates, subsidiaries and joint ventures	400.624	216.017	43.404	660.045
Held-to-maturity investments	146.741	2.911.043	1	3.057.785
Hedging derivative financial assets	-	392	-	392
Tangible assets	-	-	-	-
Intangible assets	-	-	-	-
Other assets [2]	320.194	173.327	117.065	610.586
Total assets	**17.429.973**	**47.391.230**	**4.335.323**	**69.156.526**
Liabilities				
Bank deposits	159.251	883.099	159.625	1.201.975
Foreign currency deposits	18.565.873	25.415.590	1.699.016	45.680.479
Funds from money market	-	1.408.223	-	1.408.223
Funds borrowed from other financial institutions	6.871.164	8.538.143	259.608	15.668.915
Marketable securities issued	119.369	4.729.504	97.402	4.946.275
Miscellaneous payables	693.243	606.878	111.562	1.411.683
Hedging derivative financial liabilities	76.237	173.968	-	250.205
Other liabilities[3]	2.703.900	5.237.209	71.001	8.012.110
Total liabilities	**29.189.037**	**46.992.614**	**2.398.214**	**78.579.865**
Net on-balance sheet position	**(11.759.064)**	**398.616**	**1.937.109**	**(9.423.339)**
Net off-balance sheet position[5]	**11.215.434**	**(179.278)**	**(1.944.226)**	**9.091.930**
Financial derivative assets	15.236.258	28.150.220	2.177.577	45.564.055
Financial derivative liabilities	4.020.824	28.329.498	4.121.803	36.472.125
Net Position	**(543.630)**	**219.338**	**(7.117)**	**(331.409)**
Non-cash loans	**9.789.537**	**17.916.614**	**1.780.055**	**29.486.206**
Prior Period				
Total assets	19.535.957	39.452.250	4.041.797	63.030.004
Total liabilities	26.795.435	45.165.857	1.810.081	73.771.373
Net on-balance sheet position	**(7.259.478)**	**(5.713.607)**	**2.231.716**	**(10.741.369)**
Net off-balance sheet position	**7.265.312**	**5.815.756**	**(2.219.669)**	**10.861.399**
Financial derivative assets	10.449.480	19.606.587	1.588.241	31.644.308
Financial derivative liabilities	3.184.168	13.790.831	3.807.910	20.782.909
Net Position	5.834	102.149	12.047	120.030
Non-cash loans	**9.355.736**	**13.550.480**	**1.787.261**	**24.693.477**

(1) Includes FX indexed loans amounting to TL 5.147.922 (December 31, 2013 – TL 4.714.007) which have been disclosed as TL in the financial statements.
(2) Does not include foreign currency prepaid expenses amounting to TL 54.525 (December 31, 2013 - TL 54.872).
(3) Does not include foreign currency denominated general provisions for foreign currencies, hedged funds and marketable securities valuation differences under equity.
(4) Other FC column also includes gold balance.
(5) Forward transactions classified as commitments are also included.

Information related to financial position of the Bank (continued)

VI. Explanations on interest rate risk:

The monitoring of interest rate sensitive assets and liabilities, including sensitivity analysis regarding the effect of interest rate fluctuations on the financial statements, is performed by the risk management department for all interest sensitive instruments over carrying values. The results are presented monthly to the Asset and Liability Management function of the Executive Committee. By using sensitivity and scenario analyses, the possible effects by interest rate volatility are analyzed. In these analyses possible losses are calculated for the change in fair value of interest sensitive products by applying shock tests to interest rates.

Sensitivity analyses are also calculated daily within Market Risk reporting on the basis of maturity and foreign exchange types and reported to Senior Management by checking them against the determined limits.

The bank utilizes TL/foreign currency and TL/TL interest rate swap transactions in order to limit the interest and foreign currency risk arising from short-term deposit and long-term consumer loans within the TL balance sheet. Furthermore, in order to reduce the repricing mismatch in the foreign currency balance sheet, foreign currency/foreign currency interest rate swaps are utilized.

a. Interest rate sensitivity of assets, liabilities and off-balance sheet items based on repricing dates:

Current Period	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Non interest bearing	Total
Assets							
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	-	-	-	-	-	21.902.854	21.902.854
Banks	92.017	194.867	300.045	-	-	1.325.332	1.912.261
Financial assets at fair value through profit/loss	448.661	255.577	553.021	65.596	28.925	-	1.351.780
Money market placements	1.473.605	8.258	-	-	-	-	1.481.863
Available-for-sale financial assets	1.773.255	2.417.543	5.262.698	3.939.138	3.629.618	92.852	17.115.104
Loans	24.083.846	20.221.630	38.044.401	22.586.075	6.606.700	1.078.456	112.621.108
Held-to-maturity investments	1.040.827	-	334.491	539.298	3.057.786	-	4.972.402
Other assets	174.731	155.427	223.712	-	-	6.801.556	7.355.426
Total assets	**29.086.942**	**23.253.302**	**44.718.368**	**27.130.107**	**13.323.029**	**31.201.050**	**168.712.798**
Liabilities							
Bank deposits	1.538.272	2.006	20.340	-	-	529.238	2.089.856
Other deposits	60.354.552	17.754.961	4.160.275	16.127	-	15.635.763	97.921.678
Funds from money market	2.475.509	210.254	116.357	305.680	-	-	3.107.800
Miscellaneous payables	-	-	-	-	-	8.323.179	8.323.179
Marketable securities issued	1.441.735	1.943.312	1.047.059	2.236.131	1.079.703	-	7.747.940
Funds borrowed from other financial institutions	3.638.554	7.218.036	3.249.527	1.969.577	456.671	-	16.532.365
Other liabilities and shareholders' equity	521.855	441.132	2.455.436	49.641	4.743.833	24.778.083	32.989.980
Total liabilities	**69.970.477**	**27.569.701**	**11.048.994**	**4.577.156**	**6.280.207**	**49.266.263**	**168.712.798**
Balance sheet long position	**-**	**-**	**33.669.374**	**22.552.951**	**7.042.822**	**-**	**63.265.147**
Balance sheet short position	**(40.883.535)**	**(4.316.399)**	**-**	**-**		**(18.065.213)**	**(63.265.147)**
Off-balance sheet long position	5.266.642	12.670.075	-	-	-	-	17.936.717
Off-balance sheet short position	-	-	(1.821.580)	(15.183.575)	(1.196.045)	-	(18.201.200)
Total position	**(35.616.893)**	**8.353.676**	**31.847.794**	**7.369.376**	**5.846.777**	**(18.065.213)**	**(264.483)**

Information related to financial position of the Bank (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, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	-	-	-	-	-	18.777.182	18.777.182
Banks	1.269.494	191.460	29.610	217.731	-	1.293.351	3.001.646
Financial assets at fair value through profit/loss	681.151	284.116	605.569	78.496	15.910	-	1.665.242
Money market placements	2.899.828	-	-	-	-	-	2.899.828
Available-for-sale financial assets	1.478.922	1.800.046	3.015.914	3.363.521	3.360.951	92.507	13.111.861
Loans	21.368.120	23.436.173	26.995.043	17.436.018	5.655.889	1.147.487	96.038.730
Held-to-maturity investments	419.645	1.849.971	1.257.268	-	2.927.024	-	6.453.908
Other assets	51.591	128.772	287.264	-	-	6.465.288	6.932.915
Total assets	**28.168.751**	**27.690.538**	**32.190.668**	**21.095.766**	**11.959.774**	**27.775.815**	**148.881.312**
Liabilities							
Bank deposits	462.603	481.035	52.751	65	-	682.780	1.679.234
Other deposits	52.730.425	13.562.753	5.304.371	10.804	-	13.020.040	84.628.393
Funds from money market	895.883	1.536.041	673.882	287.140	-	-	3.392.946
Miscellaneous payables	-	-	-	-	-	6.856.339	6.856.339
Marketable securities issued	42.903	727.277	1.896.948	2.127.754	1.051.878	-	5.846.760
Funds borrowed from other financial institutions	3.200.701	7.024.279	3.747.923	1.925.741	529.264	-	16.427.908
Other liabilities and shareholders' equity	196.228	1.955.116	1.119.707	34.027	4.406.619	22.338.035	30.049.732
Total liabilities	**57.528.743**	**25.286.501**	**12.795.582**	**4.385.531**	**5.987.761**	**42.897.194**	**148.881.312**
Balance sheet long position	**-**	**2.404.037**	**19.395.086**	**16.710.235**	**5.972.013**	**-**	**44.481.371**
Balance sheet short position	**(29.359.992)**	**-**	**-**	**-**	**-**	**(15.121.379)**	**(44.481.371)**
Off-balance sheet long position	5.408.564	10.396.614	404.906	-	-	-	16.210.084
Off-balance sheet short position	-	-	-	(14.322.488)	(1.247.341)	-	(15.569.829)
Total position	**(23.951.428)**	**12.800.651**	**19.799.992**	**2.387.747**	**4.724.672**	**(15.121.379)**	**640.255**

b. Average interest rates for monetary financial instruments:

The following average interest rates are calculated by weighting the rates with their principal amounts outstanding as of the balance sheet date.

Current Period	EUR	USD	Yen	TL
	%	%	%	%
Assets[(1)]				
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	-	-	-	-
Banks	0,21	2,35	-	10,29
Financial assets at fair value through profit/loss	3,56	4,23	-	9,49
Money market placements	-	-	-	11,78
Available-for-sale financial assets	6,97	6,33	-	10,39
Loans	4,83	5,02	5,19	13,48
Held-to-maturity investments	6,60	5,51	-	10,58
Liabilities [(1)]				
Bank deposits	0,07	0,49	-	10,07
Other deposits	2,00	2,08	1,78	9,79
Funds from money market	-	0,88	-	8,84
Miscellaneous payables	-	-	-	-
Marketable securities issued	2,43	4,38	-	9,39
Funds borrowed from other financial institutions	1,67	3,55	3,03	9,39

Information related to financial position of the Bank (continued)

Prior Period	EUR	USD	Yen	TL
	%	%	%	%
Assets[1]				
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	-	-	-	-
Banks	0,39	0,86	-	8,15
Financial assets at fair value through profit/loss	2,34	4,59	-	9,07
Money market placements	0,50	-	-	8,56
Available-for-sale financial assets	5,41	6,75	-	9,39
Loans	4,93	4,91	4,93	12,37
Held-to-maturity investments	5,20	5,51	-	8,94
Liabilities [1]				
Bank deposits	-	0,75	-	8,02
Other deposits	2,73	2,83	2,72	9,05
Funds from money market	-	0,89	-	4,63
Miscellaneous payables	-	-	-	-
Marketable securities issued	1,50	4,55	-	8,13
Funds borrowed from other financial institutions	2,07	3,52	2,99	8,79

(1) Does not include demand/non-interest transactions.

c. Interest rate risk arising from banking accounts:

The sensitivity analysis regarding the effect of interest rate fluctuations on the financial statements is performed for all interest earning assets and interest bearing liabilities.

Interest rate risk resulting from banking books comprise of repricing risk, yield curve risk, and basis risk.

Interest rate risk arising from banking book is measured in accordance with "The regulation of measurement and assessment of interest rate risk by standard shock method arising from banking accounts", published in the Official Gazette No. 28034 dated August 23, 2011 and legal limit of this measurement is monitored and reported monthly. Proportional amount of capital is provided in line with the same level of Interest rate risk arising from banking accounts.

Interest rate risk is measured and monitored monthly by market risk management. Duration analysis, gap analysis, basis points value analysis, scenario analysis and simulation of net interest income are performed and reported monthly to Asset Liability Management function of the Executive Committee. Interest sensitivity is measured most appropriately using the duration distribution map for every type of product. Investment decisions are done by taking into account the interest rate measurements. The maturity and interest risk for products with uncertain maturities is effectively measured using the behavioral analysis.

Economic value differences resulting from interest rate fluctuations as of September 30, 2014 are presented in the table below in accordance with the "Regulation of measurement and assessment of interest rate risk by standard shock method arising from banking accounts".

Information related to financial position of the Bank (continued)

Currency	Applied shock (+/- x basis points)*	Gains/Losses	Gains/SE-Losses/SE
TRY	(+)500 bp	(2.022.562)	%(8,56)
TRY	(-)400 bp	1.938.744	%8,20
EUR	(+)200 bp	(73.034)	%(0,31)
EUR	(-)200 bp	116.724	%0,49
USD	(+)200 bp	135.469	%0,57
USD	(-)200 bp	(43.166)	%(0,18)
Total (For negative shocks)		**2.012.303**	**%8,51**
Total (For positive shocks)		**(1.960.128)**	**%(8,29)**

VII. Explanation on share certificates position risk from banking book:

a) Consolidated subsidiaries of the Bank are carried at fair value in the accompanying financial statements. Valuation differences at the end of the period are presented in marketable securities valuation differences account in shareholder's equity.

b) Comparison of carrying value of equity investments at fair value with the market value;

There is no equity instruments which are traded in organized markets, as of September 30, 2014.

c) Information on realized gains/losses, revaluation surpluses and unrealized gains/losses on equity securities and results included in core and supplementary capitals:

Below figures represent valuation differences, after tax, arising from fair value accounting of subsidiaries which are presented in the line item "marketable securities valuation differences" under equity and accumulated differences in the valuation of assets held for sale.

	Realized gains (losses) in the current period	Revaluation Surpluses		Unrealized gains and losses		
Portfolio		Total	Amount under supplementary capital	Total	Amount under core capital	Amount under supplementary capital
1. Equity Shares Investments	(37.001)	434.266	434.266	-	-	-
2. Quoted Equity Shares	-	-	-	-	-	-
3. Other Equity Shares	-	-	-	-	-	-
Total	**(37.001)**	**434.266**	**434.266**	**-**	**-**	**-**

Information related to financial position of the Bank (continued)

VIII. Explanations on liquidity risk:

Liquidity risk covers the inability to fund increases in assets or to meet liabilities when they are due and other risks arising from transactions undertaken in illiquid markets. These risks contain maturity mismatch risk, emergency risk and market liquidity risk.

The main objective of the Bank's overall liquidity management is to ensure the continuity of the Bank's payment obligations and sustain the level of payments availability in crisis time without risking the value and the brand name of the Bank. For this reason, two different models are defined: the current situation liquidity management and emergency situation liquidity management.

The current situation liquidity risk is monitored by the reports of short and long term liquidity. Short-term liquidity position is monitored on a daily basis including the legal Liquidity Adequacy Reports as to whether the position is within legal limits. Long-term liquidity position aims to ensure the financial stability of the balance sheet and is monitored on a monthly basis. On a monthly basis, the Asset and Liability Management function within the scope of the meetings of the Executive Board evaluates the Bank's liquidity position and actions are taken when necessary.

In cases when the future financial events require more liquidity than the Bank's daily liquidity needs, the Bank carries out its activities accordance with the "Emergency Situation Liquidity Plan" where duties and responsibilities are defined in detail. Liquidity stress test scenarios are used to measure the Bank's resistance to unexpected situations.

The Bank issues bonds and obtains long-term bank loans to overcome the current short-term funding of the banking sector.

Information related to financial position of the Bank (continued)

Breakdown of assets and liabilities according to their remaining maturities:

	Demand	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Unclassified [1],[2]	Total
Current Period								
Assets								
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	5.157.206	16.745.648	-	-	-	-	-	21.902.854
Banks	1.325.332	92.017	194.867	300.045	-	-	-	1.912.261
Financial assets at fair value through profit or loss	-	430.671	158.155	434.541	249.199	79.214	-	1.351.780
Money market placements	-	1.473.605	8.258	-	-	-	-	1.481.863
Available-for-sale financial assets	86.863	650.442	118.729	2.377.645	5.690.343	8.185.093	5.989	17.115.104
Loans	-	16.922.890	9.881.586	26.277.405	33.995.925	24.464.846	1.078.456	112.621.108
Held-to-maturity investments	-	-	-	-	1.580.125	3.392.277	-	4.972.402
Other assets [1]	1.375.758	790.165	-	161.398	340.690	51.785	4.635.630	7.355.426
Total assets	**7.945.159**	**37.105.438**	**10.361.595**	**29.551.034**	**41.856.282**	**36.173.215**	**5.720.075**	**168.712.798**
Liabilities								
Bank deposits	529.238	1.538.272	2.006	20.340	-	-	-	2.089.856
Other deposits	15.635.763	60.354.552	17.754.961	4.160.275	16.127	-	-	97.921.678
Funds borrowed from other financial institutions	-	3.037.432	1.151.575	5.806.058	4.763.153	1.774.147	-	16.532.365
Funds from money market	-	2.475.509	210.254	116.357	305.680	-	-	3.107.800
Marketable securities issued	-	1.412.672	1.182.239	1.201.567	2.871.759	1.079.703	-	7.747.940
Miscellaneous payables	7.744.776	578.403	-	-	-	-	-	8.323.179
Other liabilities [2]	535.077	652.494	303.541	878.329	3.687.445	5.297.974	21.635.120	32.989.980
Total liabilities	**24.444.854**	**70.049.334**	**20.604.576**	**12.182.926**	**11.644.164**	**8.151.824**	**21.635.120**	**168.712.798**
Net liquidity gap	**(16.499.695)**	**(32.943.896)**	**(10.242.981)**	**17.368.108**	**30.212.118**	**28.021.391**	**(15.915.045)**	**-**
Prior Period								
Total assets	6.138.005	35.822.430	13.018.089	22.867.641	34.873.193	30.239.702	5.922.252	148.881.312
Total liabilities	15.349.461	60.046.863	17.228.410	17.710.423	11.326.245	7.625.266	19.594.644	148.881.312
Net liquidity gap	**(9.211.456)**	**(24.224.433)**	**(4.210.321)**	**5.157.218**	**23.546.948**	**22.614.436**	**(13.672.392)**	**-**

(1) Assets that are necessary for continuance of banking activities and that cannot be liquidated in the short-term, such as fixed and intangible assets, investments in associates, subsidiaries, assets held for sale, stationary stocks, prepaid expenses and loans under follow-up, are classified in this column.

(2) Shareholders' equity is presented under the "Other liabilities" item in the "Unclassified" column.

IX. Explanations on securitization positions:

None.

X. Credit risk mitigation techniques:

The Bank does not use on-balance and off-balance sheet netting for the calculation of credit risk mitigation factors.

The Bank applies credit risk mitigation according to the comprehensive method in compliance with the article 34 of the "Regulation on Credit Risk Mitigation Techniques". Only cash and cash equivalent collaterals are taken into account for the purpose of credit risk migration.

Credit derivatives are not taken into consideration for credit risk mitigation techniques.

Cash and cash equivalent collaterals considered for the mitigating the credit risk, are taken into account at their nominal values. Standard margin is applied where currencies of exposure and the collateral are different.

Mortgage collaterals considered for mitigating the credit risk, are taken into account with the expertise value (which are also reviewed by the expert group of the Bank) determined by CMB licensed appraisal companies' experts. Based on these values of the collaterals, total amount of credit risk is determined in accordance with the maximum Loan-to-Value ratio set by BRSA. For the guarantees that are taken to mitigate the credit risk, credit worthiness of the guarantor is measured.

Information related to financial position of the Bank (continued)

The Bank carries out its activities in accordance with the BRSA Communiqué for the valuation of the loans granted for financing of a real estate.

Cheques and notes in connection with a real business transaction are taken into consideration to mitigate the credit risk.

In order to use bank guarantee as collateral for a credit risk, it is required to have a counterparty limit on behalf of the guarantor bank and not to have mismatch of the maturity and the amount of the guarantee and the credit risk.

In the process of credit allocation, cash blockage guarantees, pledges, mortgages, guarantees and warranties are considered as risk-reducing collaterals.

The Bank's exposure to risks is measured and monitored periodically by using internationally recognized methods, in accordance with international and local regulations and internal policies. With regards to the limitation of risks, also internal limits are employed besides regulatory limits. Possible changes that may occur in the economic environment are taken into account for determining these limits.

Information about guarantees according to risk classifications:

Current Period	Amount[1]	Financial guarantees [2]	Other / Physical guarantees[2]	Guarantees and credit derivatives[2]
Conditional and unconditional receivables from central governments or central banks	35.916.184	1.403.993	-	-
Conditional and unconditional receivables from regional or local governments	746	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	13.951	-	-	-
Conditional and unconditional receivables from multilateral development banks	182.312	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	34.001.900	6.625	-	-
Conditional and unconditional receivables from corporates	180.632.202	3.186.864	-	86.245
Conditional and unconditional retail receivables	125.046.718	419.345	-	18.379
Conditional and unconditional receivables secured by mortgages	13.911.215	-	-	-
Past due receivables	1.078.456	-	-	-
Receivables defined in high risk category by the Regulator	11.736.612	40.967	-	-
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-
Other Receivables	7.108.165	-	-	-
Total	**409.628.461**	**5.057.794**	**-**	**104.624**

(1) Figures represent the total amount of credit risks prior to the risk mitigating calculations as per the "Regulation on Credit Risk Mitigation Techniques".
(2) Figures represent the total amount of collaterals which are taken into consideration for the risk mitigating calculations. Other risk reducing items are not included in this table such as; mortgages, pledges, guarantees and warranties.

Information related to financial position of the Bank (continued)

XI. Explanations on strategies and policies of the risk management system:

Risk management strategy of the Bank includes measurement and monitoring of the risks with the methods that are defined in accordance with the international standards and local regulations. Also it includes having a sustainable growth in the framework of optimized capital use in accordance with the principle of keeping a balanced risk and return approach.

Risk Management Department including the sub-departments of "Credit Risk Control and Operational Risk Management", "Market Risk Management" and "Credit Risk Management", reports to the Board of Directors through the Audit Committee.

Credit risk rating models are mainly used to measure and monitor the credit risk. The rating model is used in day to day activities of the Bank such as, for the evaluation of new credit applications, determination of credit approval authority levels and monitoring the performance of the existing customer portfolio. Performance of the rating model is monitored by a validation team on a regular basis.

Reports related to the loan portfolio of the Bank are distributed to the relevant departments within the Bank, on a regular basis. Expected loss calculations for the Bank's loan portfolio are performed and used for determining the objectives and policies of the Bank.

Market Risk Analysis unit is responsible for measuring, monitoring and distributing the results of the market risk to the relevant departments within the Bank, as well as reviewing the valuation calculations of financial instruments, which are subject to market risk, in accordance with accounting standards.

The Bank's exposure to risks is measured and monitored periodically by using internationally recognized methods, in accordance with international regulations, local regulations and internal policies. In addition to the regulatory limits, there are also internal limits set to measure and monitor the risk. Possible changes that may occur in the economic environment are taken into account for determining these limits.

XII. Explanations on the presentation of financial assets and liabilities at fair values:

This footnote is not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks" for the interim period financial statements.

XIII. Explanations on hedge accounting:

The Bank applies the following hedge accounting models as of September 30, 2014:

- Fair value Hedge ("FVH")
- Cash Flow Hedge ("CFH")

Cross currency interest rate swaps are used as hedging instrument in FVH and interest rate swaps are used as hedging instrument in CFH.

Contractual amounts and the fair values as at September 30, 2014 and December 31, 2013 of these hedging instruments are presented in the table below:

	Current Period			Prior Period		
	Notional[(1)]	**Asset**	**Liability**	**Notional[(1)]**	**Asset**	**Liability**
Hedging instrument						
Interest rate swap / Cross currency interest rate swap (CFH)	19.139.558	330.158	314.712	17.508.859	160.252	386.395
Cross currency interest rate swap (FVH)	531.975	223.712	-	1.104.763	307.375	-
Total	**19.671.533**	**553.870**	**314.712**	**18.613.622**	**467.627**	**386.395**

(1) Only the "sell" legs of the related derivatives are presented with the addition of the "buy" legs of these derivatives amounting to TL 20.069.934 (December 31, 2013 – TL 19.015.071) the total notional of derivative financial assets amounting to TL 39.741.467 (December 31, 2013 – TL 37.628.693) is accounted for in off-balance sheet under "Hedging Derivative Financial Instruments" line item.

Information related to financial position of the Bank (continued)

The fair valuation methodology of the derivatives presented in the above table is disclosed in the accounting principles section of these financial statements in Section III. Part IV.

Fair value hedge accounting:

Starting from March 1, 2009, the Bank has hedged the possible fair value effects of changes in market interest rates on part of its fixed interest TL mortgage and car loan portfolios and fair value effects of changes in foreign exchange rates on part of its foreign currency denominated funding by using cross-currency interest rate swaps. The Bank selected to apply macro FVH accounting for such relationship in accordance with TAS 39.

The impact of application of FVH accounting is summarized below:

Current Period

Type of hedging instrument	Hedged item (asset and liability)	Nature of hedged risks	Fair value difference / adjustment of the hedged item[1]	Net fair value of the hedging instrument[2]		Net gain/(loss) recognised in the income statement (Derivative financial transactions gains/losses)[3]
				Asset	Liability	
Cross currency interest rate swaps	Fixed interest TL mortgage and car loan portfolios and foreign currency funds	Fixed interest and changes in foreign exchange rate risk	(18.813)	223.712	-	(13.699)

(1) The amount refers to the fair value of the hedged item calculated for the TL fixed interest mortgage and car loans in accordance with hedge accounting effectiveness tests. The foreign exchange rate changes of foreign currency fundings and cross-currency swaps are reflected to the income statement in foreign exchange gains / losses line item.
(2) The amounts include the foreign exchange differences and net straight line interest accruals of the related derivatives.
(3) The ineffective portion of the mentioned hedging transaction is TL 3.358

Prior Period

Type of hedging instrument	Hedged item (asset and liability)	Nature of hedged risks	Fair value difference / adjustment of the hedged item[1]	Net fair value of the hedging instrument[2]		Net gain/(loss) recognised in the income statement (Derivative financial transactions gains/losses)[3]
				Asset	Liability	
Cross currency interest rate swaps	Fixed interest TL mortgage and car loan portfolios and foreign currency funds	Fixed interest and changes in foreign exchange rate risk	(5.113)	307.375	-	(153.748)

(1) The amount refers to the fair value of the hedged item calculated for the TL fixed interest mortgage and car loans in accordance with hedge accounting effectiveness tests. The foreign exchange rate changes of foreign currency funding and cross-currency swaps are reflected to the income statement in foreign exchange gains / losses line item.
(2) The amounts include the foreign exchange differences and net straight line interest accruals of the related derivatives.
(3) The ineffective portion of the mentioned hedging transaction is TL 10.397.

At the inception date, the Bank documents the relationship between the hedging instruments and hedged items required by the FVH accounting application in accordance with TAS 39 and its own risk management policies and principles. Every individual relationship is approved and documented in accordance with the same methodology. In accordance with TAS 39, the effectiveness tests of the relationships are performed in accordance with the Bank's risk management policies. In the effectiveness tests, the fair values of the hedged item are calculated using the same assumptions used in calculation of fair values of the derivatives.

Information related to financial position of the Bank (continued)

The effectiveness tests are performed prospectively and retrospectively on a monthly basis. At the inception date the effectiveness tests are performed prospectively. If the underlying hedge does not conform to the FVH accounting requirements (out of the 80%-125% effectiveness range) or if the management voluntarily decides to discontinue the hedging relation, the adjustments made to the carrying value (amortized cost) of the hedged item are amortized with the straight line method and recognized in the profit and loss accounts. In addition if the hedging instrument is sold or closed before its maturity, the amount of the fair value adjustments of the hedged items are amortized to profit and loss accounts with the straight line method.

Cash flow hedge accounting:

The Bank started to apply macro cash flow hedge accounting from January 1, 2010 onwards in order to hedge its cash flow risk from floating interest rate liabilities. The hedging instruments are USD, EUR and TL interest rate swaps with floating receive, fixed pay legs, and the hedged item is the cash outflows due to financing of interests of repricing USD, EUR and TL deposits, borrowings and repos.

The impact of application of CFH accounting is summarized below:

Current Period

Type of hedging instrument	Hedged item (asset and liability)	Nature of hedged risks	Net fair value of the hedging instrument		Net gain/(loss) recognized in hedging funds[1]	Net gain/(loss) reclassified to equity[2][3]
			Asset	Liability		
Interest rate swaps	Customer deposits, borrowings and repos	Cash flow risk due to the changes in the interest rates	330.158	314.712	(70.716)	44.401

(1) Includes deferred tax impact.
(2) Includes tax and foreign exchange differences.
(3) The ineffective portion of the mentioned hedging transaction is amounting TL 9.640 realized as an expense.

Prior Period

Type of hedging instrument	Hedged item (asset and liability)	Nature of hedged risks	Net fair value of the hedging instrument		Net gain/(loss) recognized in hedging funds[1]	Net gain/(loss) reclassified to equity[2][3]
			Asset	Liability		
Interest rate swaps	Customer deposits and repos	Cash flow risk due to the changes in the interest rates	160.252	386.395	(115.117)	445.696

(1) Includes deferred tax impact.
(2) Includes tax and foreign exchange differences.
(3) The ineffective portion of the mentioned hedging transaction is TL 434.

At the inception date, the Bank documents the relationship between the hedging instruments and hedged items required by the CFH accounting application in accordance with TAS 39 and its own risk management policies and principles. Every individual relationship is approved and documented in the same way. In accordance with TAS 39, the effectiveness tests of the relationships are performed in accordance with the Bank's risk management policies.

The effectiveness tests are performed on a monthly basis. If the underlying hedge does not conform to the CFH accounting requirements (out of the 80%-125% effectiveness range) or if the management voluntarily decides to discontinue the hedging relation or the hedging instrument is sold or closed before its maturity, the cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive income from the period when the hedge was effective shall remain separately in equity until the forecast transaction occurs or is no longer expected to occur. When the hedged forecasted transactions are no longer expected to occur, the net cumulative gain or loss is reclassified from other comprehensive income to profit and loss.

Information related to financial position of the Bank (continued)

XIV. Explanations on the activities carried out on behalf of others and fiduciary transactions:

The Bank carries out trading, custody, management and consulting services on behalf of customers and on their account. The Bank has no fiduciary transactions.

XV. Explanations on operating segments:

The Bank carries out its banking operations through three main business units:

(1) Retail Banking
(2) Corporate and Commercial Banking
(3) Private Banking and Wealth Management.

The Bank's Retail Banking activities include card payment systems, SME (small medium size enterprises) banking and individual banking. Retail Banking products and services offered to customers include card payment systems, consumer loans (including general purpose loans, auto loans, mortgages), commercial installment loans, SME loans, time and demand deposits, gold banking, investment accounts, life and non-life insurance products and payroll services. Card payment systems cover the management of products, services, campaigns for member merchants as well as the sales and activities for a variety of customer types. Crystal, Play, Adios and Taksitçi are the other card brands providing services for the different segments within the World brand, shopping and marketing platform of the Bank. The Bank also offers debit card and a prepaid card named World Hediye Card.

Corporate and Commercial Banking segment is organized into three subgroups: Corporate Banking for large-scale companies, Commercial Banking for medium-sized enterprises and Multinational Companies Banking for multinational companies. Corporate and Commercial Banking, has a product range of working capital finance, trade finance, project finance, domestic and international non-cash loans such as letters of credit and letters of guarantee, cash management and internet banking.

Through its Private Banking and Wealth Management activities, the Bank serves high net worth customers and delivers investment products to this customer segment. Among the products and services offered to Private Banking customers are time deposit products, capital guaranteed funds, mutual funds, Type A Type B funds, derivative products such as forwards, futures and options in domestic futures exchange (VOB) and international markets, personal loans, foreign exchange, gold and equity trading, pension plans, insurance products and 7/24 safe deposit boxes and e-banking services. Also, personal art advisory, inheritance advisory, real estate advisory, tax advisory and philanthropic advisory are offered within the Private Banking and Wealth Management activities.

The Bank's widespread branch network and alternative distribution channels including ATMs, telephone banking, internet banking and mobile banking are utilized to serve customers in all segments.

The below table is prepared in accordance with the Management Information System (MIS) data of the Bank.

Information related to financial position of the Bank (continued)

Major balance sheet and income statement items based on operating segments:

Current Period	Retail banking	Corporate and commercial banking	Private banking and wealth management	Treasury, asset-liability management and other	Total operations of the Bank
Operating revenue continuing	2.241.481	1.476.742	143.981	1.849.087	5.711.291
Operating expenses continuing	(2.243.116)	(376.572)	(63.318)	(1.501.363)	(4.184.369)
Net operating income continuing	**(1.635)**	**1.100.170**	**80.663**	**347.724**	**1.526.922**
Dividend income[1]	-	-	-	174.129	174.129
Profit/Loss before tax	**(1.635)**	**1.100.170**	**80.663**	**521.853**	**1.701.051**
Tax provision expense[1]				(381.163)	(381.163)
Net period income from continuing operations	**(1.635)**	**1.100.170**	**80.663**	**140.690**	**1.319.888**
Net period income from discontinued operations	**-**	**-**	**-**	**-**	**-**
Net profit	**(1.635)**	**1.100.170**	**80.663**	**140.690**	**1.319.888**
Segment asset[3]	**52.506.472**	**49.662.429**	**145.005**	**64.192.461**	**166.506.367**
Investments in associates, subsidiaries and joint ventures				**2.206.431**	**2.206.431**
Total assets	**52.506.472**	**49.662.429**	**145.005**	**66.398.892**	**168.712.798**
Segment liabilities[3]	**39.330.862**	**38.460.650**	**22.975.921**	**49.537.480**	**150.304.913**
Shareholders' equity				**18.407.885**	**18.407.885**
Total liabilities	**39.330.862**	**38.460.650**	**22.975.921**	**67.945.365**	**168.712.798**

Prior Period	Retail banking	Corporate and commercial banking	Private banking and wealth management	Treasury, asset-liability management and other	Total operations of the Bank
Operating revenue continuing[2]	2.345.280	1.254.524	115.483	1.636.316	5.351.603
Operating expenses continuing[2]	(1.856.141)	(338.486)	(53.077)	(1.212.046)	(3.459.750)
Net operating income continuing[2]	**489.139**	**916.038**	**62.406**	**424.270**	**1.891.853**
Dividend income[1] [2]	-	-	-	132.787	132.787
Profit/Loss before tax[2]	**489.139**	**916.038**	**62.406**	**557.057**	**2.024.640**
Tax provision expense[1] [2]				(417.685)	(417.685)
Net period income from continuing operations[2]	**489.139**	**916.038**	**62.406**	**139.372**	**1.606.955**
Net period income from discontinued operations[2]	**-**	**-**	**-**	**1.182.256**	**1.182.256**
Net profit	**489.139**	**916.038**	**62.406**	**1.321.628**	**2.789.211**
Segment assets[3]	47.229.794	41.802.945	177.420	57.237.856	146.448.015
Investments in associates, subsidiaries and joint ventures	-	-	-	2.433.297	2.433.297
Total assets	**47.229.794**	**41.802.945**	**177.420**	**59.671.153**	**148.881.312**
Segment liabilities[3]	34.135.357	35.600.735	18.846.849	42.989.422	131.572.363
Shareholders' equity				17.308.949	17.308.949
Total liabilities	**34.135.357**	**35.600.735**	**18.846.849**	**60.298.371**	**148.881.312**

(1) Dividend income and tax provision have not been distributed based on operating segments and presented under "Treasury, Asset-Liability Management and Other".
(2) Income statement figures represent balances for the 3 months period ended September 30, 2013.
(3) Segment asset and liability balances are extracted from Management Information Systems (MIS).

Section Five

Explanations and notes related to unconsolidated financial statements

I. Explanations and notes related to assets

a. Information related to cash and the account of the Central Bank of the Republic of Turkey (the "CBRT"):

1. Information on cash and the account of the CBRT:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Cash	1.739.055	576.440	1.287.179	461.674
The CBRT[(1)]	960.035	18.627.134	43.293	16.984.910
Other	-	190	-	126
Total	**2.699.090**	**19.203.764**	**1.330.472**	**17.446.710**

(1) The balance of gold amounting to TL 3.331.895 is accounted for under the Central Bank foreign currency account (December 31, 2013 – TL 2.923.543).

2. Information on the account of the CBRT:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Demand unrestricted amount [(1)]	960.035	1.881.487	43.293	2.023.825
Time unrestricted amount	-	-	-	-
Reserve requirement[(2)]	-	16.745.647	-	14.961.085
Total	**960.035**	**18.627.134**	**43.293**	**16.984.910**

(1) The TL reserve requirement has been classified in "Central Bank Demand Unrestricted Account" based on the correspondence with BRSA letter as of January 3, 2008.

(2) The Bank keeps USD, EUR and Gold reserve deposits for its liabilities at Central Bank accounts in accordance with the legislation of the Central Bank numbered 2005/1, "Decree on Reserve Deposits".

b. Information on financial assets at fair value through profit and loss:

The Bank does not have financial assets at fair value through profit and loss subject to repo transactions and does not have financial assets at fair value through profit and loss given as collateral/blocked amount (December 31, 2013 - None).

c. Positive differences related to trading derivative financial assets:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Forward transactions	82.998	-	180.238	-
Swap transactions[(1)]	1.098.228	86.210	1.183.707	83.328
Futures transactions	-	-	-	-
Options	48.979	9.156	160.289	20.966
Other	-	-	-	-
Total	**1.230.205**	**95.366**	**1.524.234**	**104.294**

(1) The effects of Credit Default Swaps are included.

Explanations and notes related to unconsolidated financial statements (continued)

ç. Information on banks:

1. Information on banks:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Banks				
Domestic	71.701	48.949	464.738	204.829
Foreign[1]	30.159	1.761.452	41.634	2.290.445
Head quarters and branches abroad	-	-	-	-
Total	**101.860**	**1.810.401**	**506.372**	**2.495.274**

(1) The balance of foreign currency account in foreign banks includes the balance of gold amounting to TL 108.819 (December 31, 2013 – TL 294.275).

2. Information on foreign banks account:

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d. Information on available-for-sale financial assets which are subject to repurchase agreements and given as collateral / blocked:

Carrying values of available-for-sale financial assets which are subject to repurchase agreements and given as collateral / blocked:

Available-for-sale financial assets given as collateral/blocked amounts to TL 1.032.098 (December 31, 2013 - TL 709.201) and available-for-sale financial assets subject to repo transactions amounts to TL 1.352.661 (December 31, 2013 – TL 2.320.047).

e. Information on available-for-sale financial assets:

	Current Period	Prior Period
Debt securities	17.230.453	13.393.691
Quoted on stock exchange	15.563.636	11.699.818
Not quoted[1]	1.666.817	1.693.873
Share certificates	51.304	51.299
Quoted on stock exchange	-	-
Not quoted	51.304	51.299
Impairment provision (-)[2]	(258.150)	(425.276)
Other [3]	91.497	92.147
Total	**17.115.104**	**13.111.861**

(1) Includes credit linked notes amounting to TL 975.448 (December 31, 2013 - TL 989.937).
(2) The figure includes the negative differences between the cost and the market price of the securities and the impairment provisions, if any.
(3) Other available-for-sale financial assets include mutual funds.

Explanations and notes related to unconsolidated financial statements (continued)

f. Explanations on loans:

1. Information on all types of loans or advance balances given to shareholders and employees of the Bank:

	Current Period		Prior Period	
	Cash	**Non-cash**	**Cash**	**Non-cash**
Direct loans granted to shareholders	**-**	**-**	**-**	**-**
Corporate shareholders	-	-	-	-
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	**27.021**	**611.843**	**20.756**	**450.294**
Loans granted to employees	**123.390**	**412**	**109.391**	**470**
Total	**150.411**	**612.255**	**130.147**	**450.764**

2. Information on the first and second group loans and other receivables and loans and other receivables that have been restructured or rescheduled:

	Standard loans and other receivables			Loans and other receivables under close monitoring		
Cash Loans	**Loans and other receivables (Total)**	**of which, terms & conditions are changed**		**Loans and other receivables (Total)**	**of which, terms & conditions are changed**	
		Payment plan extensions	**Other**		**Payment plan extensions**	**Other**
Non-specialized loans	**107.610.910**	**1.414.832**	**-**	**3.931.742**	**1.004.683**	**26.111**
Loans given to enterprises	49.330.074	255.904	-	1.111.100	438.361	8.773
Export loans	4.965.621	140.359	-	77.390	53.414	-
Import loans	-	-	-	-	-	-
Loans given to financial sector	2.433.750	-	-	83	-	-
Consumer loans	20.493.452	537.315	-	1.197.773	117.813	11.836
Credit cards	16.815.490	307.846	-	565.693	87.618	4.785
Other[(1)]	13.572.523	173.408	-	979.703	307.477	717
Specialized loans	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-
Total	**107.610.910**	**1.414.832**	**-**	**3.931.742**	**1.004.683**	**26.111**

(1) Fair value differences of the hedged item amounting to TL (18.813) are classified in other loans as explained in Note IV, Section XIII.

Number of modifications made to extend payment plan[(1)(2)(3)]	**Standard loans and other receivables**	**Loans and other receivables under close monitoring**
Extended by 1 or 2 times	1.304.052	820.860
Extended by 3,4 or 5 times	72.719	160.267
Extended by more than 5 times	38.061	23.556
Total	**1.414.832**	**1.004.683**

Explanations and notes related to unconsolidated financial statements (continued)

Extended period of time[1][2][3]	Standard loans and other receivables	Loans and other receivables under close monitoring
0 - 6 Months	268.346	65.602
6 - 12 Months	206.757	74.588
1 - 2 Years	355.308	205.656
2 - 5 Years	496.588	375.019
5 Years and over	87.833	283.818
Total	**1.414.832**	**1.004.683**

(1) There is no loan which is subject to the temporary article 5 subsection 2 of the amendment of Provisioning Regulation dated on April 9, 2011.
(2) There are thirteen loans restructured in accordance with temporary article 6 subsection 2 of the amendment of Provisioning Regulation dated December 30, 2011 with maturities between 0 to 6 months, 6 to 12 months, 1 to 2 years, 2 to 5 years and 5 years over. Seven of them was restructured one time, four of them was restructured three times, two of them was restructured four times.
(3) There is no loan which is subject to the temporary article 7 of the amendment of Provisioning Regulation dated on September 21, 2012.

3. Loans according to their maturity structure:

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4. Information on consumer loans, individual credit cards, personnel loans and personnel credit cards:

	Short- term	Medium and long-term	Total
Consumer loans-TL	**181.648**	**20.885.074**	**21.066.722**
Real estate loans	4.192	9.877.296	9.881.488
Automotive loans	4.695	777.248	781.943
Consumer loans	191	66.178	66.369
Other	172.570	10.164.352	10.336.922
Consumer loans-FC indexed	**-**	**68.024**	**68.024**
Real estate loans	-	67.303	67.303
Automotive loans	-	-	-
Consumer loans	-	721	721
Other	-	-	-
Individual credit cards-TL	**12.734.031**	**732.818**	**13.466.849**
With installments	6.486.559	729.101	7.215.660
Without installments	6.247.472	3.717	6.251.189
Personnel loans-TL	**5.248**	**51.967**	**57.215**
Real estate loans	-	1.200	1.200
Automotive loans	-	623	623
Consumer loans	-	-	-
Other	5.248	50.144	55.392
Personnel loans-FC indexed	**-**	**-**	**-**
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel credit cards-TL	**64.536**	**702**	**65.238**
With installments	30.275	702	30.977
Without installments	34.261	-	34.261
Credit deposit account-TL (real person)[1]	**499.264**	**-**	**499.264**
Total	**13.484.727**	**21.738.585**	**35.223.312**

(1) TL 937 of the credit deposit account belongs to the loans used by personnel.

Explanations and notes related to unconsolidated financial statements (continued)

5. Information on commercial installment loans and corporate credit cards:

	Short-term	Medium and long-term	Total
Commercial installments loans-TL	**709.043**	**7.315.768**	**8.024.811**
Business loans	2.019	588.513	590.532
Automotive loans	36.274	1.767.701	1.803.975
Consumer loans	-	236	236
Other	670.750	4.959.318	5.630.068
Commercial installments loans-FC indexed	**25.670**	**278.150**	**303.820**
Business loans	-	17.114	17.114
Automotive loans	228	65.317	65.545
Consumer loans	-	-	-
Other	25.442	195.719	221.161
Corporate credit cards-TL	**3.840.943**	**8.153**	**3.849.096**
With installment	2.429.467	7.848	2.437.315
Without installment	1.411.476	305	1.411.781
Credit deposit account-TL (legal person)	**889.212**	**-**	**889.212**
Total	**5.464.868**	**7.602.071**	**13.066.939**

6. Loans according to types of borrowers:

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7. Distribution of domestic and foreign loans: Distribution has been disclosed based on the location where the customers operate.

	Current Period	Prior Period
Domestic loans	110.118.898	93.454.949
Foreign loans	1.423.754	1.436.294
Total	**111.542.652**	**94.891.243**

8. Loans granted to associates and subsidiaries:

	Current Period	Prior Period
Direct loans granted to associates and subsidiaries	124.759	109.348
Indirect loans granted to associates and subsidiaries	-	-
Total	**124.759**	**109.348**

9. Specific provisions provided against loans:

	Current Period	Prior Period
Loans and other receivables with limited collectibility	86.625	111.903
Loans and other receivables with doubtful collectibility	456.829	422.430
Uncollectible loans and other receivables	2.320.436	1.875.783
Total	**2.863.890**	**2.410.116**

Explanations and notes related to unconsolidated financial statements (continued)

10. Information on non-performing loans (net):

(i). Information on non-performing loans restructured or rescheduled, and other receivables:

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectibility	Loans and other receivables with doubtful collectibility	Uncollectible loans and other receivables
Current Period			
(Gross amounts before specific reserves)	**1.403**	**28.869**	**307.585**
Restructured loans and other receivables	1.403	28.869	307.585
Rescheduled loans and other receivables			
Prior Period			
(Gross amounts before specific reserves)	**4.701**	**40.937**	**216.811**
Restructured loans and other receivables	4.701	40.937	216.811
Rescheduled loans and other receivables	-	-	-

(ii). Information on the movement of total non-performing loans:

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectibility	Loans and other receivables with doubtful collectibility	Uncollectible loans and other receivables
Prior Period	**599.239**	**911.214**	**2.047.150**
Additions (+)	1.335.875	84.179	60.562
Transfers from other categories of non-performing loans (+)	-	1.291.851	1.126.440
Transfer to other categories of non-performing loans (-)	1.291.851	1.126.440	-
Collections (-)	180.137	181.003	333.219
Write-offs(-)	-	-	401.514
Corporate and commercial loans	-	-	146.969
Consumer loans	-	-	96.040
Credit cards	-	-	158.505
Other	-	-	-
Current Period	**463.126**	**979.801**	**2.499.419**
Specific provision (-)	(86.625)	(456.829)	(2.320.436)
Net balance on balance sheet	**376.501**	**522.972**	**178.983**

The Bank sold part of its non-performing loans (from credit cards, consumer portfolio and SME loans), amounting to TL 378.934, to various asset management companies for TL 43.970, in accordance with the Board of Directors' decisions dated on June 25, 2014 and on September 24, 2014.

(iii). Information on non-performing loans granted as foreign currency loans:

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectibility	Loans and other receivables with doubtful collectibility	Uncollectible loans and other receivables
Current Period			
Period end balance	13	17.551	502.698
Specific provision (-)	-	(11.817)	(364.842)
Net balance on-balance sheet	**13**	**5.734**	**137.856**
Prior Period			
Period end balance	117.601	7.276	376.599
Specific provision (-)	(23.517)	(6.273)	(261.633)
Net balance on-balance sheet	**94.084**	**1.003**	**114.966**

Explanations and notes related to unconsolidated financial statements (continued)

(iv). Information on the gross and net amounts of the non-performing loans according to types of borrowers:

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectibility	Loans and other receivables with doubtful collectibility	Uncollectible loans and other receivables
Current Period (net)	**376.501**	**522.972**	**178.983**
Loans granted to real persons and corporate entities (gross)	463.126	979.801	2.390.848
Specific provision amount (-)	(86.625)	(456.829)	(2.211.865)
Loans granted to real persons and corporate entities (net)	376.501	522.972	178.983
Banks (gross)	-	-	24.575
Specific provision amount (-)	-	-	(24.575)
Banks (net)	-	-	-
Other loans and receivables (gross)	-	-	83.996
Specific provision amount (-)	-	-	(83.996)
Other loans and receivables (net)(1)	-	-	-
Prior Period (net)	**487.336**	**488.784**	**171.367**
Loans granted to real persons and corporate entities (gross)	599.239	911.214	1.938.572
Specific provision amount (-)	(111.903)	(422.430)	(1.767.205)
Loans granted to real persons and corporate entities (net)	487.336	488.784	171.367
Banks (gross)	-	-	24.582
Specific provision amount (-)	-	-	(24.582)
Banks (net)	-	-	-
Other loans and receivables (gross)	-	-	83.996
Specific provision amount (-)	-	-	(83.996)
Other loans and receivables (net)(1)	-	-	-

(1) The figure represents the total loans and receivables of Agrosan Kimya Sanayi Ticaret A.Ş., Tümteks Tekstil Sanayi Ticaret A.Ş. and balances from Boyasan Tekstil Sanayi ve Ticaret A.Ş. in accordance with the Article 6 Paragraph 9 of regulation for provisions taken into account classification of loans and receivables.

11. Explanation on liquidation policy for uncollectible loans and receivables;

This footnote is not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks" for the interim period financial statements.

12. Explanation on "Write-off" policies:

This footnote is not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks" for the interim period financial statements.

Explanations and notes related to unconsolidated financial statements (continued)

g. Information on held-to-maturity investments:

1. Characteristics and carrying values of held-to-maturity investments subject to repurchase agreements given as collateral / blocked:

Held-to-maturity investments given as collateral / blocked amounts to TL 1.286.856 (December 31, 2013 - TL 1.365.524). The amount of held-to-maturity investments subject to repurchase agreements amounting to TL 2.069.178 (December 31, 2013 - TL 1.968.378).

2. Information on government debt securities held-to-maturity:

	Current Period	Prior Period
Government bond	4.972.402	6.453.908
Treasury bill	-	-
Other debt securities	-	-
Total	**4.972.402**	**6.453.908**

3. Information on investment securities held-to-maturity:

	Current Period	Prior Period
Debt securities	5.083.966	6.584.551
Quoted on stock exchange	5.083.966	6.584.551
Not quoted	-	-
Impairment provision (-)[(1)]	(111.564)	(130.643)
Total	**4.972.402**	**6.453.908**

(1) Includes amortisation of the premiums paid during the purchase of the securities throughout the maturity of the securities and the impairment provisions, if any.

4. Movement of held-to-maturity investments within the period:

	Current Period	Prior Period
Beginning balance	**6.453.908**	**5.686.448**
Foreign currency differences on monetary assets [(1)]	160.738	613.541
Purchases during the year	561.762	262.570
Disposals through sales and redemptions	(2.223.085)	(17.486)
Impairment provision (-)[(2)]	19.079	(91.165)
Period end balance	**4.972.402**	**6.453.908**

(1) Also includes the changes in the interest income accruals.

(2) Includes amortisation of the premiums paid during the purchase of the securities throughout the maturity of the securities and the impairment provisions, if any.

Explanations and notes related to unconsolidated financial statements (continued)

ğ. Information on investments in associates (net):

1. Information on unconsolidated investments in associates:

No	Description	Address (City/ Country)	Bank's share holding percentage if different voting percentage (%)	Bank's risk group share holding percentage(%)
1.	Banque de Commerce et de Placements S.A.	Cenevre/İsviçre	30,67	30,67
2.	Kredi Kayıt Bürosu[(1)]	İstanbul/Türkiye	18,18	18,18
3.	Bankalararası Kart Merkezi A.Ş.[(1)]	İstanbul/Türkiye	9,98	9,98

2. Main financial figures of the investments in associates in the order of the above table:

No	Total assets	Shareholders' equity	Total fixed assets	Interest income	Income from marketable securities portfolio	Current period profit/loss	Prior period profit/loss	Fair value
1.	6.242.958	887.491	5.408	84.656	14.791	54.131	26.492	-
2.	98.036	85.314	52.037	2.055	-	15.409	20.234	-
3.	52.068	26.332	32.553	411	-	3.980	1.116	-

(1) Financial statement information disclosed above shows June 30, 2014 results.

3. Movement of unconsolidated investments in associates:

	Current Period	Prior Period
Balance at the beginning of the period	**47.907**	**47.907**
Movements during the period	-	-
Purchases	-	-
Transfers	-	-
Free shares obtained profit from current year's share	-	-
Profit from current year's income	-	-
Sales	-	-
Revaluation (decrease) / increase	-	-
Impairment provision	-	-
Balance at the end of the period	**47.907**	**47.907**
Capital commitments	**-**	**-**
Share holding percentage at the end of the period (%)	**-**	**-**

Explanations and notes related to unconsolidated financial statements (continued)

4. Information on sectors and the carrying amounts of unconsolidated financial investments in associates:

	Current Period	Prior Period
Banks	43.404	43.404
Insurance companies	-	-
Factoring companies	-	-
Leasing companies	-	-
Finance companies	-	-
Other financial investments	-	-
Total financial investments	**43.404**	**43.404**

5. The Bank has no investments in associates quoted on a stock exchange.

h. Information on shareholders' equity of the significant subsidiaries (net):

There is no deficit of regulatory limits on capital structure of the subsidiaries which are included in the consolidated capital adequacy ratio calculation in accordance with the capital adequacy ratio limits.

1. Information on equity of the subsidiaries:

	Yapı Kredi Yatırım Menkul Değerler A.Ş.	Yapı Kredi Faktoring A.Ş.	Yapı Kredi Finansal Kiralama A.O.	Yapı Kredi Portföy Yönetimi A.Ş.	Yapı Kredi Nederland N.V.
Core Capital					
Paid-in capital	98.918	60.714	389.928	5.707	112.442
Inflation adjustment to share capital	-	-	-	-	-
Share premium	-	-	-	-	-
Marketable Securities Valuation Differences	13.614	-	-	-	(4.042)
Other Capital Reserves	93.423	-	(217.104)	-	-
Legal reserves	70.137	8.034	79.305	18.878	-
Extraordinary reserves	193.207	10.458	619.019	-	373.243
Other reserves	119	12	40	-	267.513
Profit/loss	(9.359)	148.370	389.009	13.766	39.580
Current period net profit	60.587	41.476	110.768	13.766	39.580
Prior period profit	(69.946)	106.894	278.241	-	-
Leasehold improvements (-)	-	-	-	-	-
Intangible assets (-)	2.004	34	3.079	506	570
Total core capital	**458.055**	**227.554**	**1.257.118**	**37.845**	**788.166**
Supplementary capital	**-**	**9.851**	**24.117**	**-**	**162**
Capital	**458.055**	**237.405**	**1.281.235**	**37.845**	**788.328**
Deductions from the capital	**-**	**-**	**-**	**-**	**-**
Total shareholders' equity	**458.055**	**237.405**	**1.281.235**	**37.845**	**788.328**

The above information is based on the consolidated financial statements of the Bank as of September 30, 2014.

Paid-in capital is a capital which have been disclosed as Turkish Lira in the articles of incorporation and registered in trade register.

Inflation adjustment to share capital is the adjustment difference arising from inflation accounting.

Explanations and notes related to unconsolidated financial statements (continued)

Extraordinary Reserves are the reserves which represent the remaining net income of the previous periods after providing the legal reserves in accordance with the General Assembly of the Bank.

Legal reserves are the income reserves that are provided according to the first paragraph and the third subparagraph of the second paragraph of the article no 466 and no 467 of the Turkish Commercial Code No. 6762 allocated as capital reserves separated from annual profit according to the laws of foundation.

2. Information on subsidiaries:

No	Description	Address (City/ Country)	Bank's share holding percentage if different voting percentage (%)	Bank's risk group share holding percentage (%)
1.	Yapı Kredi Holding BV.	Amsterdam/Hollanda	100,00	100,00
2.	Yapı Kredi Yatırım Menkul Değerler A.Ş.	İstanbul/Türkiye	99,98	100,00
3.	Yapı Kredi Faktoring A.Ş.	İstanbul/Türkiye	99,95	100,00
4.	Yapı Kredi Moscow	Moskova/Rusya Federasyonu	99,84	100,00
5.	Yapı Kredi Finansal Kiralama A.O.	İstanbul/Türkiye	99,99	99,99
6.	Yapı Kredi Portföy Yönetimi A.Ş.	İstanbul/Türkiye	12,65	99,99
7.	Yapı Kredi Nederland	Amsterdam/Hollanda	67,24	100,00
8.	Yapı Kredi Azerbaycan	Bakü/Azerbaycan	99,80	100,00
9.	Enternasyonal Turizm Yatırım A.Ş	İstanbul/Türkiye	99,96	99,99
10.	Yapı Kredi Kültür Sanat Yayıncılık Tic.ve San.A.Ş.	İstanbul/Türkiye	99,99	100,00

The Bank bought the shares of Yapı Kredi Finansal Kiralama A.O. with a nominal total value of TL 4.470.630 (including for a share call price of full 5,02 per share) in accordance with the ongoing delisting process, and Bank's share has increased to 99,99% as a result of this process.

3. Main financial figures of the subsidiaries in order of the above table: (1)

No	Total assets	Shareholders' equity	Total fixed assets	Interest income	Income from marketable securities portfolio	Current period profit / loss	Prior period profit /loss	Market value(2)	Required equity
1.	102.719	102.592	-	-	-	208	(131)	152.095	-
2.	3.192.293	464.563	7.570	85.382	2.702	60.587	265.782	458.717	-
3.	2.505.019	227.588	536	109.277	-	41.476	138.249	361.163	-
4.	551.043	148.083	9.847	24.164	2.761	10.201	12.045	115.277	-
5.	5.381.258	1.260.197	9.039	247.234	-	110.768	99.422	872.601	-
6.	46.496	38.351	1.503	1.731	306	13.766	16.440	25.315	-
7.	4.598.376	788.736	1.978	153.834	8.782	39.580	34.727	231.501	-
8.	1.005.162	190.234	51.389	68.083	342	10.792	667	110.901	-
9.	39.205	26.199	3.811	1.226	8	792	713	-	-
10.	20.639	16.151	956	2	-	2.451	1.523	-	-

(1) Consolidated financial statements are used for the financial information above.
(2) Amounts determined through valuation models.

Financial statement information disclosed above are as of September 30, 2014.

Explanations and notes related to unconsolidated financial statements (continued)

4. Movement schedule of subsidiaries:

	Current Period	Prior Period
Balance at the beginning of the period	**2.363.467**	**3.817.879**
Movements in period	**(226.866)**	**(1.454.412)**
Purchases[1]	52	71.129
Free shares obtained profit from current years share	-	15.107
Dividends from current year income	-	-
Sales	-	-
Liquidation[2]	(39.558)	-
Transfers	-	(1.410.080)
Revaluation increase/decrease	(187.360)	(130.568)
Impairment provision	-	-
Balance at the end of the period	**2.136.601**	**2.363.467**
Capital commitments	**-**	**-**
Share holding percentage at the end of the period (%)	**-**	**-**

(1) Yapı Kredi Finansal Kiralama A.O. has voluntarily decided to delist its shares traded in capital markets upon the completion of the necessary legal procedures and the Bank's share rose to 99,99% purchasing the shares of Yapı Kredi Finansal Kiralama A.O. through calling of these shares including the purchases as a result of made in 2014.
(2) In the Extraordinary end of liquidiation General Assembly of YKYO held on July 8, 2014, it was decided to conculde the liquidation process and to pay the remaining liquidation liabilities to the shareholders. In addition, it was decided to delist the official name, information and registery record of the YKYO from the trade registery records and other governmental agencies' records.

5. Sectoral information on financial subsidiaries and the related carrying amounts:

Financial subsidiaries	Current Period	Prior Period
Banks	465.117	397.955
Insurance companies	-	-
Factoring companies	311.000	375.349
Leasing companies	852.904	917.855
Finance companies	-	-
Other financial subsidiaries	507.580	672.308
Total financial subsidiaries	**2.136.601**	**2.363.467**

6. Subsidiaries quoted on stock exchange:

None (December 31, 2013 - None).

I. Information on joint ventures (net):

Joint ventures in unconsolidated financial statements are accounted and monitored at cost according to "Financial Instruments: Recognition and Measurement of Accounting Standard for Turkey" ("TAS 39").

Joint ventures	Bank's share	Group's share	Current assets	Non-current assets	Long term debt	Income	Expense
Yapı Kredi - Koray Gayrimenkul Yatırım Ortaklığı A.Ş.	30,45	30,45	86.125	44.331	-	36.575	(46.927)
Total			**86.125**	**44.331**	**-**	**36.575**	**(46.927)**

i. Information on lease receivables (net):

None (December 31, 2013 - None).

Explanations and notes related to unconsolidated financial statements (continued)

j. Table of hedging derivative financial assets positive difference:

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair value hedge[1]	223.712	-	307.375	-
Cash flow hedge[1]	329.766	392	155.444	4.808
Foreign net investment hedge	-	-	-	-
Total	**553.478**	**392**	**462.819**	**4.808**

(1) Explained in the note XIII of Section IV.

k. Information on tangible assets:

This footnote is not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks" for the interim period financial statements.

l. Information on intangible assets:

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m. Information on investment property:

None (December 31, 2013 - None).

n. Information on deferred tax asset:

This footnote is not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks" for the interim period financial statements.

o. Movement schedule of assets held for resale and related to discontinued operations:

	Current Period	Prior Period
Net book value at the beginning of the period	**151.396**	**132.195**
Additions	49.595	66.521
Transfers[1]	-	1.410.080
Disposals (-), net [1]	(45.958)	(1.453.446)
Impairment provision reversal	820	934
Impairment provision (-)	(404)	(302)
Depreciation (-)	(3.701)	(4.586)
Net book value at the end of the period	**151.748**	**151.396**
Cost at the end of the period	164.638	163.378
Accumulated depreciation at the end of the period (-)	(12.890)	(11.982)
Net book value at the end of the period	**151.748**	**151.396**

(1) Prior period amount represents the transfer of YKS shares as of July 12, 2013.

As of September 30, 2014, the Bank booked impairment provision on assets held for resale with an amount of TL 7.995 (December 31, 2013 - TL 8.411).

ö. Information on other assets:

As of September 30, 2014, other assets do not exceed 10% of the total assets.

II. Explanations and notes related to liabilities

a. Information on deposits:

1. Information on maturity structure of deposits/collected funds:

1 (i). Current Period:

	Demand	Up to 1 month	1-3 months	3-6 months	6 months-1 year	1 year and over	Total
Saving deposits	3.064.274	1.244.202	21.289.516	927.541	533.541	224.554	27.283.628
Foreign currency deposits	6.660.054	5.194.208	25.700.367	5.353.319	1.204.216	649.961	44.762.125
Residents in Turkey	6.451.371	5.162.130	24.960.720	2.668.293	691.976	620.732	40.555.222
Residents abroad	208.683	32.078	739.647	2.685.026	512.240	29.229	4.206.903
Public sector deposits	1.014.563	488	1.744	356	505	1	1.017.657
Commercial deposits	4.263.277	2.837.641	10.046.149	1.196.813	675.149	100.416	19.119.445
Other institutions deposits	92.010	53.413	4.109.169	255.539	304.772	5.566	4.820.469
Precious metals vault	541.585	10.533	106.524	32.368	52.369	174.975	918.354
Bank deposits	529.238	1.160.336	365.557	12.226	16.313	6.186	2.089.856
The CBRT	2	-	-	-	-	-	2
Domestic banks	2.489	887.149	343.903	12.226	12.595	6.186	1.264.548
Foreign banks	294.877	273.187	21.654	-	3.718	-	593.436
Participation banks	231.870	-	-	-	-	-	231.870
Other	-	-	-	-	-	-	-
Total	**16.165.001**	**10.500.821**	**61.619.026**	**7.778.162**	**2.786.865**	**1.161.659**	**100.011.534**

1 (ii). Prior Period:

	Demand	Up to 1 month	1-3 months	3-6 months	6 months-1 year	1 year and over	Total
Saving deposits	2.767.886	900.117	18.909.197	779.262	177.904	218.014	23.752.380
Foreign currency deposits	4.705.202	4.035.687	26.375.113	3.011.008	842.762	1.544.563	40.514.335
Residents in Turkey	4.541.996	3.998.272	26.024.540	1.532.506	688.242	841.504	37.627.060
Residents abroad	163.206	37.415	350.573	1.478.502	154.520	703.059	2.887.275
Public sector deposits	715.021	206.687	151	1.778	2.387.769	30	3.311.436
Commercial deposits	4.009.631	3.277.531	5.470.728	353.024	159.709	84.801	13.355.424
Other institutions deposits	75.070	198.765	1.132.227	255.756	851.554	3.759	2.517.131
Precious metals vault	747.228	1.579	114.459	43.762	96.790	173.869	1.177.687
Bank deposits	682.782	1.352	912.763	32.740	37.795	11.802	1.679.234
The CBRT	-	-	-	-	-	-	-
Domestic banks	364.778	-	848.726	32.740	37.795	11.802	1.295.841
Foreign banks	151.542	1.352	64.037	-	-	-	216.931
Participation banks	166.462	-	-	-	-	-	166.462
Other	-	-	-	-	-	-	-
Total	**13.702.820**	**8.621.718**	**52.914.638**	**4.477.330**	**4.554.283**	**2.036.838**	**86.307.627**

2. Information on saving deposits insurance:

2 (i). Information on saving deposits under the guarantee of the saving deposits insurance fund and exceeding the limit of deposit insurance fund:

	Under the guarantee of deposit insurance		Exceeding limit of the deposit insurance	
Saving deposits	**Current Period**	**Prior Period**	**Current Period**	**Prior Period**
Saving deposits	13.706.174	12.632.644	13.577.384	11.119.884
Foreign currency savings deposit	3.867.193	3.392.658	12.863.484	14.092.624
Other deposits in the form of savings deposits	473.191	638.262	354.163	423.714
Foreign branches deposits under foreign authorities insurance	-	-	-	-
Off-shore banking regions deposits under foreign authorities insurance	-	-	-	-

Explanations and notes related to unconsolidated financial statements (continued)

2 (ii). Saving deposits which are not under the guarantee of saving deposit insurance fund of real persons:

	Current Period	Prior Period
Foreign branches' deposits and other accounts	6.327	6.329
Saving deposits and other accounts of controlling shareholders and deposits of their mother, father, spouse, children in care	-	-
Saving deposits and other accounts of president and members of board of directors, CEO and vice presidents and deposits of their mother, father, spouse, children in care	100.628	64.101
Saving deposits and other accounts in scope of the property holdings derived from crime defined in article 282 of Turkish criminal law no:5237 dated 26.09.2004	-	-
Saving deposits in deposit bank which is established in Turkey in order to engage in off-shore banking activities solely	-	-

b. Information on trading derivative financial liabilities:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward transactions	71.501	-	55.016	-
Swap transactions[(1)]	946.654	64.175	565.484	64.603
Futures transactions	-	-	-	-
Options	40.477	12.042	134.744	23.709
Other	-	-	-	-
Total	**1.058.632**	**76.217**	**755.244**	**88.312**

(1) The effects of credit default swaps are included.

c. Information on borrowings:

1. Information on borrowings:

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of the Republic of Turkey borrowings	-	-	-	-
From domestic banks and institutions	226.349	278.340	259.957	338.810
From foreign banks, institutions and funds	637.101	15.390.575	827.534	15.001.607
Total	**863.450**	**15.668.915**	**1.087.491**	**15.340.417**

2. Information on maturity structure of borrowings:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term	233.075	9.183.693	665.168	8.816.013
Medium and long-term	630.375	6.485.222	422.323	6.524.404
Total	**863.450**	**15.668.915**	**1.087.491**	**15.340.417**

Explanations and notes related to unconsolidated financial statements (continued)

3. Information on securitization borrowings:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
From foreign banks	-	2.078.710	-	2.576.083
From foreign institutions	-	-	-	-
From foreign funds	-	-	-	-
Total	**-**	**2.078.710**	**-**	**2.576.083**

ç. Information on marketable securities issued:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Bills	2.064.706	1.022.572	1.165.920	827.050
Bonds	736.959	3.923.703	493.857	3.359.933
Collateralized securities	*471.607*	-	*462.691*	-
Total	**2.801.665**	**4.946.275**	**1.659.777**	**4.186.983**

d. Information on other liabilities:

As of September 30, 2014, other liabilities do not exceed 10% of the total balance sheet commitments.

e. Information on lease payables:

1. Information on financial leasing agreements:

	Current Period		Prior Period	
	Gross	**Net**	**Gross**	**Net**
Less than 1 year	-	-	-	-
Between 1-4 years	33	32	792	765
More than 4 years	-	-	4	-
Total	**33**	**32**	**796**	**765**

2. Information on operational leasing agreements:

The Bank enters into operational leasing agreements annually for some of its branches and ATMs. The leases are prepaid and accounted as prepaid expenses under "Other Assets".

f. Information on hedging derivative financial liabilities:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Fair value hedge [(1)]	-	-	-	-
Cash flow hedge [(1)]	64.507	250.205	30.573	355.822
Foreign net investment hedge	-	-	-	-
Total	**64.507**	**250.205**	**30.573**	**355.822**

(1) Explained in Note XIII of Section IV.

Explanations and notes related to unconsolidated financial statements (continued)

g. Information on provisions:

1. Information on general provisions:

	Current Period	Prior Period
Provisions for first group loans and receivables	1.305.539	1.163.206
of which, Provision for Loans and Receivables with Extended Maturity	62.771	60.329
Provisions for second group loans and receivables	185.478	102.193
of which, Provision for Loans and Receivables with Extended Maturity	51.139	26.777
Provisions for non cash loans	77.496	65.611
Others	145.524	139.661
Total	**1.714.037**	**1.470.671**

2. Information on reserve for employee rights:

In accordance with Turkish Labour Law, the reserve for employment termination benefits is calculated as the present value of the probable future obligation in case of the retirement of employees. TAS 19 necessitates actuarial valuation methods to calculate the liabilities of enterprises.

The following actuarial assumptions were used in the calculation of total liabilities:

	Current Period	Prior Period
Discount rate (%)	4,78	4,78
Probability of retirement rate (%)	94,59	94,59

The principal actuarial assumption is that the maximum liability will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. As the annual ceiling is revised semi-annually, the ceiling of full TL 3.438,22 effective from July 1, 2014 (July 1, 2013: full TL 3.254,44) has been taken into consideration in calculating the reserve for employment termination benefits.

Movement of employment termination benefits liability in the balance sheet:

	Current Period	Prior Period
Prior period ending balance	**108.664**	**119.086**
Changes during the period	21.391	42.299
Recognized in equity	-	(17.512)
Paid during the period	(22.746)	(35.209)
Balance at the end of the period	**107.309**	**108.664**

In addition, the Bank has accounted for unused vacation rights provision amounting to TL 116.817 as of September 30, 2014 (December 31, 2013 - TL 108.054).

Explanations and notes related to unconsolidated financial statements (continued)

3. Information on provisions related with the foreign currency difference of foreign currency indexed loans:

   As of September 30, 2014, the provision related to the foreign currency difference of foreign currency indexed loans amounts to TL 11.222 (December 31, 2013 - TL 691). Provisions related to the foreign currency difference of foreign currency indexed loans are netted from the loan amount in the financial statements.

4. Other provisions:

   (i) Information on other provisions:

	Current Period	Prior Period
Pension fund provision	715.647	767.131
Provisions on unindemnified non cash loans	78.913	73.790
Provisions on credit cards and promotion campaigns related to banking services	28.868	28.741
Provision on export commitment tax and funds liability	42.743	41.007
Other	79.059	184.508
Total	**945.230**	**1.095.177**

   (ii) General reserves for possible losses:

	Current Period	Prior Period
General reserves for possible losses	207.685	190.112
Total	**207.685**	**190.112**

5. Pension fund provision:

   This footnote is not prepared in compliance with the Article 25 of the communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks" for the interim period financial statements.

ğ. Information on taxes payable:

(i) Information on taxes payable:

	Current Period	Prior Period
Corporate Tax Payable	40.781	-
Taxation of Marketable Securities	90.540	71.659
Property Tax	2.466	2.000
Banking Insurance Transaction Tax ("BITT")	65.889	61.204
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	2.907	6.690
Other	31.041	24.374
Total	**233.624**	**165.927**

Explanations and notes related to unconsolidated financial statements (continued)

(ii) Information on premium payables:

	Current Period	Prior Period
Social security premiums – employee	-	-
Social security premiums – employer	-	-
Bank pension fund premiums – employee	11.909	9.751
Bank pension fund premiums – employer	12.386	10.146
Pension fund deposit and provisions – employee	-	-
Pension fund deposit and provisions – employer	-	-
Unemployment insurance – employee	849	695
Unemployment insurance – employer	1.700	1.392
Other	-	-
Total	**26.844**	**21.984**

(iii) Information on deferred tax liability:

None (December 31, 2013 - None).

h. Information on subordinated loans[(1)]:

	Current Period		Prior Period	
	TL	FC	TL	FC
From domestic banks	-	-	-	-
From other domestic institutions	-	-	-	-
From foreign banks	-	6.762.304	-	6.480.981
From other foreign institutions	-	-	-	-
Total	**-**	**6.762.304**	**-**	**6.480.981**

(1) Subordinated loans are explained in detail in Note "Details on Subordinated Liabilities" of section four.

Explanations and notes related to unconsolidated financial statements (continued)

I. Information on shareholders' equity:

1. Presentation of paid-in capital:

	Current Period	Prior Period
Common stock	4.347.051	4.347.051
Preferred stock	-	-

2. Paid-in capital amount, explanation as to whether the registered share capital system is applied and if so, amount of registered share capital ceiling:

   The Bank's paid-in-capital is amounting to TL 4.347.051 and in accordance with the decision taken in the Ordinary General Assembly at April 7, 2008, the Bank has switched to the registered capital system and the registered share capital ceiling is TL 10.000.000.

3. Information on the share capital increases during the period and the sources:

   None (December 31, 2013 - None).

4. Information on transfers from capital reserves to capital during the current period: None.

5. Information on capital commitments, until the end of the fiscal year and the subsequent interim period: None.

6. Information on prior period's indicators on the Bank's income, profitability and liquidity, and possible effects of these future assumptions on the Bank's equity due to uncertainties of these indicators:

   The interest, liquidity, and foreign exchange risk related to on-balance sheet and off-balance sheet assets and liabilities are managed by the Bank within several risk and legal limits.

7. Privileges on the corporate stock: None.

8. Information on value increase fund of marketable securities:

	Current Period		Prior Period	
	TL	FC	TL	FC
From investments in associates, subsidiaries, and joint ventures	**245.510**	**188.756**	**472.536**	**112.091**
Valuation difference	245.510	188.756	472.536	112.091
Foreign currency difference	-	-	-	-
From fixed assets held for sale	-	-	-	-
Valuation difference	-	-	-	-
Foreign currency difference	-	-	-	-
Available for sale securities	**(37.152)**	**198.066**	**(254.461)**	**155.800**
Valuation differences[(1)]	(37.152)	198.066	(254.461)	155.800
Foreign currency differences	-	-	-	-
Total	**208.358**	**386.822**	**218.075**	**267.891**

(1) Includes tax effect related to foreign currency valuation differences.

III. Explanations and notes related to off-balance sheet accounts

a. Information on off balance sheet commitments:

1. The amount and type of irrevocable commitments:

	Current Period	Prior Period
Commitments on credit card limits	24.565.342	21.610.762
Loan granting commitments	7.538.912	6.394.154
Commitments for cheques	5.907.435	5.385.711
Other irrevocable commitments	23.366.537	11.657.414
Total	**61.378.226**	**45.048.041**

2. Type and amount of probable losses and obligations arising from off-balance sheet items:

Obligations arising from off-balance sheet are disclosed in "Off-balance sheet commitments". The Bank set aside general provision for its non-cash loans amounting to TL 77.496 (December 31, 2013 - TL 65.611) and specific provision amounting to TL 357.596 (December 31, 2013 - TL 334.113) for non-cash loans which are not indemnified yet amounting to TL 78.913 (December 31, 2013 – TL 73.790).

2(i). Non-cash loans including guarantees, bank acceptance loans, collaterals that are accepted as financial guarantees and other letter of credits:

	Current Period	Prior Period
Bank acceptance loans	159.185	118.686
Letter of credits	7.547.387	6.459.350
Other guarantees and collaterals	5.757.158	3.611.450
Total	**13.463.730**	**10.189.486**

2(ii). Guarantees, surety ships and other similar transactions:

	Current Period	Prior Period
Temporary letter of guarantees	1.412.852	1.275.206
Definite letter of guarantees	20.810.476	18.748.924
Advance letter of guarantees	4.702.563	4.442.137
Letter of guarantees given to customs	1.978.121	1.367.093
Other letter of guarantees	2.143.696	1.569.589
Total	**31.047.708**	**27.402.949**

3(i) Total amount of non-cash loans:

	Current Period	Prior Period
Non-cash loans given against cash loans	1.907.706	1.320.733
With original maturity of 1 year or less than 1 year	301.066	111.652
With original maturity of more than 1 year	1.606.640	1.209.081
Other non-cash loans	42.603.732	36.271.702
Total	**44.511.438**	**37.592.435**

Explanations and notes related to unconsolidated financial statements (continued)

3(ii) Information on sectoral concentration of non-cash loans:

This footnote is not prepared in compliance with the Article 25 of the communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks" for the interim period financial statements.

3(iii) Information on non-cash loans classified in Group I. and Group II:

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3(iv) Maturity distribution of non cash loans:

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b. Information on derivative financial instruments:

This footnote is not prepared in compliance with the Article 25 of the communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks" for the interim period financial statements.

c. Information on credit derivatives and risk exposures:

This footnote is not prepared in compliance with the Article 25 of the communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks" for the interim period financial statements.

ç. Information on contingent liabilities and assets:

The Bank has recorded a provision of TL 58.793 (December 31, 2013 - TL 50.927) for litigation and has accounted for it in the accompanying financial statements under the "Other Provisions" account. Except for the claims where provisions are recorded, management considers as remote the probability of a negative result in ongoing litigations and therefore does not foresee cash outflow for such claims.

d. Information on services in the name and account of others:

This footnote is not prepared in compliance with the Article 25 of the communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks" for the interim period financial statements.

IV. Explanations and notes related to income statement:

a. Information on interest income:

1. Information on interest income on loans:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Short-term loans[(1)]	2.924.380	116.629	2.444.454	107.647
Medium/long-term loans[(1)]	2.683.397	1.121.817	2.151.780	826.456
Interest on loans under follow-up	73.693	371	75.590	2.370
Premiums received from resource utilisation support fund	-	-	-	-
Total	**5.681.470**	**1.238.817**	**4.671.824**	**936.473**

(1) Includes fees and commissions received for cash loans.

2. Information on interest income on banks:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
From the CBRT	-	-	-	-
From domestic banks	43.177	239	13.711	416
From foreign banks	4.287	5.445	2.586	5.021
Headquarters and branches abroad	-	-	-	-
Total	**47.464**	**5.684**	**16.297**	**5.437**

3. Information on interest income on marketable securities:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
From trading financial assets	1.115	1.009	5.929	2.455
From financial assets at fair value through profit or loss	-	-	-	-
From available-for-sale financial assets	860.590	150.266	503.209	291.512
From held-to-maturity investments	188.713	139.566	186.157	109.956
Total	**1.050.418**	**290.841**	**695.295**	**403.923**

4. Information on interest income received from associates and subsidiaries:

	Current Period	Prior Period
Interest received from associates and subsidiaries	18.680	14.303

Explanations and notes related to unconsolidated financial statements (continued)

b. Information on interest expense:

1. Information on interest expense on borrowings:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	59.941	472.785	45.527	478.078
The CBRT	-	-	-	-
Domestic banks	10.895	5.678	9.516	7.331
Foreign banks	49.046	467.107	36.011	470.747
Headquarters and branches abroad	-	-	-	-
Other institutions	-	426	-	-
Total[(1)]	**59.941**	**473.211**	**45.527**	**478.078**

(1) Includes fees and commissions related to borrowings.

2. Information on interest expense to associates and subsidiaries:

	Current Period	Prior Period
Interest paid to associates and subsidiaries	57.767	50.510

3. Information on interest expense to marketable securities issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest expense to marketable securities issued	169.714	159.478	85.990	76.238
Total	**169.714**	**159.478**	**85.990**	**76.238**

4. Maturity structure of the interest expense on deposits:

							Time deposit		
Account name	Demand deposit	Up to 1 month	Up to 3 months	Up to 6 months	Up to 1 year	More than 1 year	Accumulating deposit	Total	Prior period
TL									
Bank deposits	226	5.238	230	111	2.273	-	-	8.078	4.557
Saving deposits	1	48.626	1.415.972	64.758	31.428	11.792	-	1.572.577	1.133.632
Public sector deposits	-	27	1.391	42	34	-	-	1.494	757
Commercial deposits	30	173.812	575.479	89.600	32.223	5.808	-	876.952	655.969
Other deposits	-	4.677	181.731	31.449	105.102	371	-	323.330	250.763
Deposits with 7 days notification	-	-	-	-	-	-	-	-	-
Total	**257**	**232.380**	**2.174.803**	**185.960**	**171.060**	**17.971**	**-**	**2.782.431**	**2.045.678**
FC									
Foreign currency deposits	94	125.774	455.265	32.091	16.089	17.775	-	647.088	461.466
Bank deposits	61	1.198	515	-	25	-	-	1.799	1.023
Deposits with 7 days notification	-	-	-	-	-	-	-	-	-
Precious metal vault	-	452	1.091	114	200	25	-	1.882	2.009
Total	**155**	**127.424**	**456.871**	**32.205**	**16.314**	**17.800**	**-**	**650.769**	**464.498**
Grand total	**412**	**359.804**	**2.631.674**	**218.165**	**187.374**	**35.771**	**-**	**3.433.200**	**2.510.176**

Explanations and notes related to unconsolidated financial statements (continued)

c. Information on dividend income:

This footnote is not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks" for the interim period financial statements.

ç. Information on trading gain/loss (net):

	Current Period	Prior Period
Gain	**26.955.711**	**23.706.064**
Gain from capital market transactions	171.313	385.613
Derivative financial transaction gains	6.231.774	8.035.137
Foreign exchange gains	20.552.624	15.285.314
Loss(-)	**(27.367.387)**	**(23.638.637)**
Loss from capital market transactions	(21.957)	(46.530)
Derivative financial transaction losses	(7.182.172)	(7.232.395)
Foreign exchange loss	(20.163.258)	(16.359.712)
Net gain/loss	**(411.676)**	**67.427**

d. Information on gain/loss from derivative financial transactions:

The amount of net loss from derivative financial transactions related to exchange rate changes is TL 250.571 income (September 30, 2013 – TL 1.200.264 income).

e. Information on other operating income:

Other operating income mainly results from collections from provisions recorded as expense, release of provisions and sale of fixed assets.

f. Provision for impairment of loans and other receivables:

	Current Period	Prior Period
Specific provisions for loans and other receivables	984.014	849.763
III. Group loans and receivables	35.477	17.789
IV. Group loans and receivables	99.241	90.205
V. Group loans and receivables	849.296	741.769
General provision expenses	290.202	119.207
Provision expense for possible risks	17.573	27.907
Marketable securities impairment expenses[(1)]	37.892	31.042
Financial assets at fair value through profit or loss	429	1.344
Available-for-sale financial assets	37.463	29.698
Impairment of investments in associates, subsidiaries and held-to-maturity securities	26.381	23.033
Investments in associates	-	-
Subsidiaries	-	-
Joint ventures	-	-
Held-to-maturity investments[(1)]	26.381	23.033
Other	2.799	9.218
Total	**1.358.861**	**1.060.170**

(1) Includes amortisation of the premiums paid during the purchase of the securities throughout the maturity of the securities and the impairment provisions, if any.

Explanations and notes related to unconsolidated financial statements (continued)

g. Information related to other operating expenses:

	Current Period	Prior Period
Personnel expenses	1.148.193	989.512
Reserve for employee termination benefits	-	434
Provision expense for pension fund	-	24.885
Impairment expenses of property and equipment	-	-
Depreciation expenses of property and equipment	114.494	118.341
Impairment expenses of intangible assets	-	-
Goodwill impairment expenses	-	-
Amortisation expenses of intangible assets	75.890	55.777
Impairment expenses of equity participations for which equity method is applied	-	-
Impairment expenses of assets held for resale	404	177
Depreciation expenses of assets held for resale	3.701	3.381
Impairment expenses of fixed assets held for sale and assets related to discontinued operations	-	-
Other operating expenses	953.405	805.313
Operational lease expenses	146.399	124.125
Repair and maintenance expenses	40.916	38.778
Advertising expenses	88.758	69.247
Other expense	677.332	573.163
Loss on sales of assets	32.293	207
Other	497.128	401.553
Total	**2.825.508**	**2.399.580**

ğ. Information on profit/loss before taxes from continuing operations and discontinued operations:

This footnote is not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks" for the interim period financial statements.

h. Provision for taxes on income from continuing operations and discontinued operations:

As of September 30, 2014, the Bank has TL 546.310 (September 30, 2013 – TL 153.352 tax expense from continued operations and TL 58.459 tax expense from discontinued operations) tax expense from continued operations and deferred tax income from continued operations amounting to TL 165.147 (September 30, 2013 – TL 264.333 expense).

ı. Information on net income/loss for the period:

1. The characteristics, dimension and recurrence of income or expense items arising from ordinary banking transactions do not require any additional explanation to understand the Bank's current period performance.

2. Information on any change in the accounting estimates concerning the current period or future periods: None.

i. Other items in income statement:

"Other fees and commissions received" in income statement mainly includes commissions and fees from credit cards and banking transactions.

Explanations and notes related to unconsolidated financial statements (continued)

V. Explanations and notes related to statement of changes in shareholders' equity

This footnote is not prepared in compliance with the Article 25 of the communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks" for the interim period financial statements.

VI. Explanations and notes related to statement of cash flows

This footnote is not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks" for the interim period financial statements.

VII. Explanations and notes related to the Bank's risk group

a. The volume of transactions relating to the Bank's risk group, outstanding loan and deposit transactions and profit and loss of the period:

1. Current Period:

	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
Bank's risk group[1], [2]	**Cash**	**Non-cash**	**Cash**	**Non-cash**	**Cash**	**Non-cash**
Loans and other receivables						
Balance at the beginning of the period	109.348	497.720	52.615	450.294	806.128	1.048.902
Balance at the end of the period	124.759	540.581	41.877	611.843	1.579.505	2.130.877
Interest and commission income received	**18.680**	**1.663**	**2.776**	**3.007**	**68.326**	**7.837**

(1) Defined in subsection 2 of the 49th article of the Banking Act No.5411.
(2) The information in table above includes loans and due from banks as well as marketable securities.

Prior Period:

	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		Other real and legal persons that have been included in the risk group	
Group's risk group [1] [2]	**Cash**	**Non-cash**	**Cash**	**Non-cash**	**Cash**	**Non-cash**
Loans and other receivables						
Balance at the beginning of the period	203.903	151.354	15.430	403.915	706.576	936.967
Balance at the end of the period	109.348	497.720	52.615	450.294	806.128	1.048.902
Interest and commission income received	**14.303**	**1.682**	**2.833**	**1.690**	**44.332**	**9.261**

(1) Defined in subsection 2 of the 49th article of the Banking Act No.5411.
(2) The information in table above includes marketable securities and due from banks as well as loans.
(3) Represent profit / loss figures for the 6 months period ended September 30, 2013.

2. Information on deposits of the Bank's risk group:

	Associates , subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
Group's risk group[1] [2]						
Deposit	**Current Period**	**Prior Period**	**Current Period**	**Prior Period**	**Current Period**	**Prior Period**
Beginning of the period	2.443.971	770.943	11.261.140	5.838.878	6.391.249	8.016.750
End of the period	2.254.615	2.443.971	13.222.122	11.261.140	6.488.822	6.391.249
Interest expense on deposits[3]	**57.767**	**50.510**	**352.874**	**272.581**	**198.939**	**211.560**

(1) Defined in subsection 2 of the 49th article of the Banking Act No. 5411.
(2) The information in table above includes borrowings, marketable securities issued and repo transactions as well as deposits.
(3) Prior period columns represent profit / loss figures for the 3 months period ended September 30, 2013.

Explanations and notes related to unconsolidated financial statements (continued)

3. Information on forward and option agreements and other derivative instruments with the Bank's risk group:

Group's risk group[1]	Associates , subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions at fair value through profit or loss[2]						
Beginning of the period [3]	5.973.118	1.403.949	460.395	300.627	659.635	273.177
End of the period [3]	2.473.799	5.973.118	500.376	460.395	1.089.131	659.635
Total profit / loss[4]	**12.639**	**78.996**	**4.042**	**3.010**	**(58.687)**	**4.378**
Transactions for hedging purposes[2]						
Beginning of the period[3]	-	-	-	-	-	-
End of the period[3]	-	-	-	-	-	-
Total profit / loss[4]	**-**	**-**	**-**	**-**	**-**	**-**

(1) Defined in subsection 2 of the 49th article of the Banking Act No. 5411.
(2) The Bank's derivative instruments are classified as "at Fair Value Through Profit or Loss" or "for Hedging Purposes" according to TAS 39.
(3) The balances at the beginning and end of the periods are disclosed as the total of buy and sell amounts of derivative financial instruments.
(4) Prior period columns represent profit / loss figures for the 6 months period ended September 30, 2013.

b. Information regarding benefits provided to the Bank's top management:

Salaries and benefits paid to the Bank's top management amount to TL 27.398 as of September 30, 2014 (September 30, 2013 – TL 28.800).

VIII. Explanations and notes related to the domestic, foreign, off-shore branches or associates and foreign representatives of the Bank:

This footnote is not prepared in compliance with the Article 25 of the communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks" for the interim period financial statements.

IX. Explanations and notes related to subsequent events:

1. In accordance with the Board of Directors decisions of the Bank and approval received from BRSA, it was decided to establish a new bank in the Republic of Malta that will be directly controlled by Yapı Kredi Holding BV which is a fully owned subsidiary of the Bank and in this respect, the share capital of Yapı Kredi Holding BV increased by EUR 43 million.

2. On October 2, 2014, the Bank obtained a borrowing amounting to USD 550 million with a 20 year maturity which is founded on its future money transfers.

3. On October 22, 2014, the Bank issued eurobond for non Turkish resident; real person and corporate entities amounting to USD 500 million nominal value with a semi annually coupon at an interest rate of 5.125% with a maturity of October 22, 2019.

Section Six

Explanations on independent review report

I. Explanations on independent auditor's review report

The unconsolidated financial statements for the period ended September 30, 2014 have been reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A member firm of Ernst & Young Global Limited). The independent auditor's review report dated October 27, 2014 is presented preceding the unconsolidated financial statements.

II. Explanations and notes prepared by independent auditor

None.