



TEB

2013 Annual Report



AGENDA OF THE ORDINARY GENERAL ASSEMBLY MEETING ON MARCH 25, 2014

- 1- Opening and formation of the Presidential Board,
- 2- Granting authorization to the Presidential Board for signing the meeting minutes,
- 3- Reading, discussion and approval of the Board of Directors' Activity Report the Auditors' Report for the year 2013,
- 4- Reading, discussion and approval of the 2013 financial statements,
- 5- Release of the Board Members from their transactions in 2013,
- 6- Discussion and approval of the Board of Director's proposal on the dividend distribution or passing resolution on approval of the amended version or disapproval of the same,
- 7- Reading of the summary of the annual audit report prepared by the Independent Audit Firm, and passing resolution on the appointment of the Independent Audit Firm proposed by the Board of Directors for auditing of the financial statements of the year 2014,
- 8- Passing resolution on approval of the appointment of the members made pursuant to Article 363 of the Turkish Commercial Code in lieu of the members who resigned from the Board of Directors,
- 9- Determination of number and term of office of the Board Members and election of the same,
- 10- Determination of benefit such as fees and remunerations to be paid to the Board of Directors,
- 11- Providing information to the General Assembly on donations made by the Bank in the year 2013; and discussion and approval of the Board of Director's proposal on the highest amount of the donation to be made within 2014 or passing resolution on approval of the amended version or disapproval of the same,
- 12- Providing information to the General Assembly on the Remuneration Policy.

TÜRK EKONOMİ BANKASI A.Ş.



Yavuz CANEVi
Chairman



Dr. Akın AKBAYGİL
Deputy Chairman

TÜRK EKONOMİ BANKASI A.Ş.
THE AMENDMENT DRAFT SHOWING THE CURRENT AND NEW VERSIONS OF THE AMENDED ARTICLES

CURRENT VERSION	NEW VERSION
<p>SECTION ONE</p> <p>INCORPORATION, THE INCORPORATORS, OBJECTIVES, LEGAL NAME, HEADQUARTERS, AND TERM</p> <p>Incorporation and the Incorporators</p> <p>Article 1-</p> <p>For the purposes stated in Article 2, a Turkish joint-stock company has been formed by and among Saka Zade Mümtaz, a dealer in leaf tobacco; Yüce Rifat, president of a tobacco cooperative; Hasan Bedrettin, first president of the chamber of commerce; Hafız Rüştü, a former member of Parliament; Veysi, a dealer in leaf tobacco; Hacı Şefik, a dealer in groceries; Moralı Zade Abidin, mayor of a municipality; Hacı Ali, a merchant and president of the aviation society; Kalemci Zade Salih Hakkı, a dealer in grain and provisions; Hakkı Selçuk, a dealer in leaf tobacco; Yusuf Osman, a dealer in leaf tobacco; Şevket, from the İstikamet Groceries Warehouse; Hacı Murtaza Zade Ahmet Nuri, a dealer in hides and fleece wool; Bekirağa Zade Bekir Vehbi, a dealer in lumber; Herekeli Hüseyin, a dealer in groceries; Mehmet Oğlu Hasan, one of the merchants in the Karabaş district; Kemal, from the İstikamet Groceries Warehouse; Şakir, a member of the National Assembly; İsmail Hakkı, a manufacturer of alcoholic beverages; Abdulaziz, an attorney at law; Ragıp, an attorney at law; Taşköprülü Mustafa, a merchant; Hasan, a manufacturer of alcoholic beverages; Hacı Osman, a dealer in groceries on Nurettin Paşa street; Salih, a dealer of cattle in Bağ Çeşme; Mehmet Nuri, a dealer in</p>	<p>SECTION ONE</p> <p>INCORPORATION, THE INCORPORATORS, OBJECTIVES, LEGAL TITLE, HEADQUARTERS, AND TERM</p> <p>Incorporation and the Incorporators</p> <p>Article 1-</p> <p>For the purposes stated in the third article of this Articles of Association, a Turkish joint-stock company has been formed by and among Saka Zade Mümtaz, a dealer in leaf tobacco; Yüce Rifat, president of a tobacco cooperative; Hasan Bedrettin, first president of the chamber of commerce; Hafız Rüştü, a former member of Parliament; Veysi, a dealer in leaf tobacco; Hacı Şefik, a dealer in groceries; Moralı Zade Abidin, mayor of a municipality; Hacı Ali, a merchant and president of the aviation society; Kalemci Zade Salih Hakkı, a dealer in grain and provisions; Hakkı Selçuk, a dealer in leaf tobacco; Yusuf Osman, a dealer in leaf tobacco; Şevket, from the İstikamet Groceries Warehouse; Hacı Murtaza Zade Ahmet Nuri, a dealer in hides and fleece wool; Bekirağa Zade Bekir Vehbi, a dealer in lumber; Herekeli Hüseyin, a dealer in groceries; Mehmet Oğlu Hasan, one of the merchants in the Karabaş district; Kemal, from the İstikamet Groceries Warehouse; Şakir, a member of the National Assembly; İsmail Hakkı, a manufacturer of alcoholic beverages; Abdulaziz, an attorney at law; Ragıp, an attorney at law; Taşköprülü Mustafa, a merchant; Hasan, a manufacturer of alcoholic beverages; Hacı Osman, a dealer in groceries on Nurettin Paşa street; Salih, a dealer of cattle in Bağ Çeşme; Mehmet Nuri, a dealer in clothing and other fabrics; Mehmet, an exchange warden; Zihni, a dealer in clothing and other</p>

clothing and other fabrics; Mehmet, an exchange warden; Zihni, a dealer in clothing and other fabrics; Fuat, a member of the National Assembly; Zurra Mehmet, from the village of Eseler; Hasan İbrahim, a baker at the İstiklali Milli Bakery; Hacı Rifat Zade Mehmet Sabri, a dealer in lumber; Sadettin, a member of the National Assembly; Macit, a dealer in clothing and other fabrics; Hasan Behçet, owner of the Merkez pharmacy; İsmail Hakkı, a dealer in lime and oil paints; Esat, proprietor of the firm Umran; Sabri, son of the Usturumcalı, a merchant and dealer in commissions; Yusuf Ziya, proprietor of the Ziya pharmacy; Hazım Efendi Zade Osman Zeki, a merchant; Hacı Ali Bey Zade Halit Eyüp, a manufacturer of flour and meal; Münire Hanım, wife of Sırrı Bey, former minister of economy in İstanbul; Şemsi Bey Zade Selahattin, a dealer in provisions; Mustafa, one of the owners of the Milli Manufactory; Hafız Mehmet, from İstanbul, a dealer in groceries; Abdülkerim, a merchant; Kanuni Şahit, a dealer in flour and meal; Arif Efendi Zade Kâmil, a dealer in hardware; Gürcü Zade Ali Rıza from the Village of İhsaniye; Moralı Zade Ferit, a dealer in groceries; Mustafa Sabri, from Kavala, a dealer in leaf tobacco; Cemal Bey Zade Bekir, a dealer in clothing and other fabrics; Hafız Hüsnü Zade Hasan, a dealer in firewood from Kandıra; Kadı Zade Hacı Ali, a dealer in clothing and other fabrics; Niyazi Bey Zade İsmet, a dealer in groceries from Kandıra; Tevfik Bekir Zade Hurşit, a dealer in firewood from Kandıra; Asım Efendi Zade Raif, a dealer in firewood from Kandıra; İsmet Bey Zade Niyazi from Kandıra; Hasan Bedrettin, on behalf of Rıza Bedri Bey, one of the founders of the Kocaeli Steamship Company; Hüseyin, son of Kadızade Recep Efendi, a dealer in clothing and other fabrics; Mustafa, a dealer in ready-to-wear garments; Hüseyin Bedrettin, on behalf of Ramazan Zade Cemal, a dealer in pharmaceuticals and chemicals in İstanbul; Hakkı, a butcher in Kapanönü; Sarı Ali, a butcher in Kapanönü; Ali Vasfi, an attorney at law; Himmet Zade Hüseyin Fikri; Ali, a former member of Parliament; Sadettin, proprietor of the Şark

fabrics; Fuat, a member of the National Assembly; Zurra Mehmet, from the village of Eseler; Hasan İbrahim, a baker at the İstiklali Milli Bakery; Hacı Rifat Zade Mehmet Sabri, a dealer in lumber; Sadettin, a member of the National Assembly; Macit, a dealer in clothing and other fabrics; Hasan Behçet, owner of the Merkez pharmacy; İsmail Hakkı, a dealer in lime and oil paints; Esat, proprietor of the firm Umran; Sabri, son of the Usturumcalı, a merchant and dealer in commissions; Yusuf Ziya, proprietor of the Ziya pharmacy; Hazım Efendi Zade Osman Zeki, a merchant; Hacı Ali Bey Zade Halit Eyüp, a manufacturer of flour and meal; Münire Hanım, wife of Sırrı Bey, former minister of economy in İstanbul; Şemsi Bey Zade Selahattin, a dealer in provisions; Mustafa, one of the owners of the Milli Manufactory; Hafız Mehmet, from İstanbul, a dealer in groceries; Abdülkerim, a merchant; Kanuni Şahit, a dealer in flour and meal; Arif Efendi Zade Kâmil, a dealer in hardware; Gürcü Zade Ali Rıza from the Village of İhsaniye; Moralı Zade Ferit, a dealer in groceries; Mustafa Sabri, from Kavala, a dealer in leaf tobacco; Cemal Bey Zade Bekir, a dealer in clothing and other fabrics; Hafız Hüsnü Zade Hasan, a dealer in firewood from Kandıra; Kadı Zade Hacı Ali, a dealer in clothing and other fabrics; Niyazi Bey Zade İsmet, a dealer in groceries from Kandıra; Tevfik Bekir Zade Hurşit, a dealer in firewood from Kandıra; Asım Efendi Zade Raif, a dealer in firewood from Kandıra; İsmet Bey Zade Niyazi from Kandıra; Hasan Bedrettin, on behalf of Rıza Bedri Bey, one of the founders of the Kocaeli Steamship Company; Hüseyin, son of Kadızade Recep Efendi, a dealer in clothing and other fabrics; Mustafa, a dealer in ready-to-wear garments; Hüseyin Bedrettin, on behalf of Ramazan Zade Cemal, a dealer in pharmaceuticals and chemicals in İstanbul; Hakkı, a butcher in Kapanönü; Sarı Ali, a butcher in Kapanönü; Ali Vasfi, an attorney at law; Himmet Zade Hüseyin Fikri; Ali, a former member of Parliament; Sadettin, proprietor of the Şark Bazaar; Yüzbaşı Zade Faik Nüzhet, a dealer in clothing and other fabrics; Tüysüz Zade M. Nazif, a dealer in shoddy goods; Mehmet Nuri, an expert for a cooperative; Vahdettin, a construction journey man; Ali, a medical dentist; Haşim, a contractor from Bahariye; Emin, an accountant for the Hereke factory; Yusuf İzzet, proprietor of the Kocaeli pharmacy; Reşat, manager of

Bazaar; Yüzbaşı Zade Faik Nüzhet, a dealer in clothing and other fabrics; Tüysüz Zade M. Nazif, a dealer in shoddy goods; Mehmet Nuri, an expert for a cooperative; Vahdettin, a construction journey man; Ali, a medical dentist; Haşim, a contractor from Bahariye; Emin, an accountant for the Hereke factory; Yusuf İzzet, proprietor of the Kocaeli pharmacy; Reşat, manager of the Hereke factory; Hayri, president of the Adapazarı Chamber of Commerce; Halit, an exchange warden from Adapazarı; Ahmet Asım, manager of the Islamic Trade Bank in Adapazarı; Uzun Ömer Zade Ömer Hulusi, a dealer in clothing and other fabrics; Ali Rıza Efendi Zade Kemal, a merchant; Raşit, a pharmacist in Adapazarı; as well as the owners of shares of stock issued in accordance with these Articles of Association.

Objectives and Fields of Business :

Article 2 -

The Company was established in order to engage in the field of banking in accordance with current legislation as well as in other fields of business permitted for banks.

For the purpose of realizing this objective, the Bank may engage in the following activities:

- a) It may perform all kinds of banking transactions.
- b) It may engage in the necessary financial, commercial, industrial, administrative dispositions and activities concerning Agriculture, Industry, Mining, Energy Production and Distribution, Public Works, Trading, Transportation, Insurance, Tourism, Import and Export.
- c) It may establish companies with real persons and legal entities and enter into joint ventures; and may participate in existing or proposed commercial and industrial establishments, banks and financial institutions and also transfer and assign such interests.

the Hereke factory; Hayri, president of the Adapazarı Chamber of Commerce; Halit, an exchange warden from Adapazarı; Ahmet Asım, manager of the Islamic Trade Bank in Adapazarı; Uzun Ömer Zade Ömer Hulusi, a dealer in clothing and other fabrics; Ali Rıza Efendi Zade Kemal, a merchant; Raşit, a pharmacist in Adapazarı; as well as the owners of shares of stock issued in accordance with these Articles of Association.

Legal Title, Headquarters and Abbreviated Business Name

Article 2-

The legal title of the Company is "TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ", and it shall be referred to hereinafter as "the Company or the Bank". The Company's abbreviated business name is "TEB".

Its headquarters is located in Istanbul. Its address is at "TEB Kampüs C ve D Blok, Saray Mahallesi, Sokullu Caddesi, No: 7A-7B Ümraniye/İSTANBUL". In case of change of address, the new address shall be registered in the Trade Registry and announced in the Turkish Trade Registry Gazette and furthermore be notified to the Capital Markets Board ("CMB"), the Banking Regulation and Supervision Agency ("BRSA"), and other relevant authorities. Notices delivered to the registered and announced address of the Company shall be deemed to have been duly served to the Company. Failure of the Company to have its new address registered in the legal period of time after leaving its ex registered and announced address will constitute a ground for dissolution of the Company.

Objectives and Fields of Business

Article 3-

The Company was established in order to engage in the field of banking business in accordance with current legislation as well as in other fields of business permitted to banks.

For the purpose of realizing this objective, the Bank may engage in the following activities:

- a) It may perform all kinds of banking activities and

d) It may undertake and perform all kinds of industrial, commercial and insurance transactions, to the extent not prohibited by the Banking Code or by other relevant laws, not only on its own account, but also jointly or as representative for domestic and foreign establishments in the name and on the account of such establishments; and may assume agencies; may enter into any and all kinds of commitments towards governmental or non-governmental organizations.

e) It may buy and sell any and all types of securities, stocks and bonds whether on its own account or in the name and on the account of others, having obtained authorization and in accordance with the provisions of relevant laws, and may issue bonds, establish and manage securities investment funds, perform other capital market transactions allowed by laws and regulations, and engage in activities on the Securities Exchange.

f) It may accept mortgages, pledges, sureties and other guarantees established in favor of the Bank; and may grant and establish mortgages, pledges, sureties and other guarantees in favor of other persons.

g) It may purchase vehicles necessary for the Company's business and when necessary sell them.

h) To the degree permitted by law and regulations, it may lease equipment and undertake real estate financing, through financial leasing.

i) It may acquire incorporeal rights related to its fields of activity and make dispositions of them.

j) Within the framework of existing laws and regulations and in accordance with the decisions of the Central Bank of the Republic of Turkey and of public authorities, the Company may purchase real estate properties which it needs in order to conduct its banking business, and may sell its real estate properties, build or have them built, and

transactions,

b) According to the provisions of the Banking Code and the Turkish Commercial Code and other applicable legislation, provided to have the required authorizations, it may open banks, branches, offices and representative offices both in Turkey and abroad and maintain relations with correspondents, it may establish companies with real persons and/or legal entities and enter into joint ventures in Turkey and abroad; and may participate in existing or future commercial and/or industrial establishments, banks and financial institutions and also transfer and assign such participations,

c) It may undertake and perform all kinds of industrial, commercial and insurance transactions, to the extent not prohibited by the Banking Code or by other relevant laws, not only on its own account, but also jointly or as representative for domestic or foreign establishments in the name and on the account of such establishments; and may assume agencies; may enter into any and all kinds of commitments towards governmental or non-governmental institutions,

d) It may buy and/or sell any and all types of securities, stocks and bonds whether on its own account or in the name and on the account of others; provided to obtain authorization and in accordance with the provisions of relevant laws, may issue securities, stocks and bonds; as long as allowed by laws and regulations it may establish and manage securities investment funds, contract debts by syndication, bond issue or direct borrowing, and perform any and all kind of capital markets transactions and engage in activities on the stock exchanges,

e) It may accept mortgages, pledges, sureties and other guarantees established in favor of the Company and it may grant mortgages, pledges, sureties and other guarantees in the name of the Company,

f) It may purchase, lease and sell vehicles necessary for the Company's business,

g) To the extent permitted by the law and regulations, it may lease equipment and it may undertake real estate

put them out to lease or lease them from others; and may establish any and all types of property rights over them and release the same, including mortgages; and may have any and all manner of annotations and registrations made in the Land Registry and may have them rescinded; and may also engage in any and all manner of dispositions on the real estates, related to its objectives and fields of activity.

k) It shall be permissible for the Company to extend credit facilities by means of transactions permitted by the Banking Code against real estate mortgages and guarantees in any case provided by that same code and similarly, may take possession of real properties when required for collection of its claims.

In the event that it should be necessary and useful for the Company to engage in businesses other than those indicated above, the matter shall be submitted upon a proposal of the Board of Directors for the approval of the General Assembly of Shareholders and after having obtained a decision to that effect, the Company may perform whatever business it wishes within the limits of the General Assembly's decision.

Such decisions are in the nature of an amendment to these Articles of Association and before they can be made they shall be subject to prior consent of the required authorities in accordance with the provisions of the Turkish Commercial Code, the Banking Code and the Capital Markets Act.

Legal Name, Headquarters and Abbreviated Business Name

Article 3- Legal Name, Headquarters and Abbreviated Business Name

The legal name of the Company shall be "TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ". Its headquarters shall be in Istanbul at the address of Meclis-i Mebusan Caddesi No. 35 Fındıklı 80040 Beyoğlu/İstanbul. In case of change of address,

financing and it may execute factoring transactions,

h) It may acquire intangible rights related to its fields of activity and may dispose of them,

i) Within the framework of applicable laws and regulations, the Company may purchase real estate properties which it needs in order to conduct its banking activities, and may sell its real estate properties, build or have them built, and put them out to lease or lease them from others. The Company may establish any and all types of rights in rem including mortgages over them and release the same. The Company may have any types of annotations and registrations made in the Land Registry and may have them rescinded; and may also engage in any and all kinds of dispositions on the real estates, related to its objectives and fields of activity.

j) It may make any kind of donation in accordance with the applicable laws and regulations provided that the limit of such donation is determined by the General Assembly.

Moreover, the Company may perform any and all types of transactions which relate to its objectives and field of activity.

In the event that it should be necessary and useful for the Company to engage in businesses other than those indicated above, the matter shall be submitted, upon a proposal of the Board of Directors, for the approval of the General Assembly of Shareholders and after having obtained a decision to that effect, the Company may perform whatever business it wishes within the scope of the General Assembly's resolution.

Such decisions which are in the nature of an amendment to these Articles of Association, before they can be resolved, shall be subject to the prior consent of the required authorities in accordance with the provisions of the Turkish Commercial Code, the Banking Code and the Capital Markets Act.

the new address shall be registered in the Trade Registry and announced in the Turkish Trade Registry Gazette and separately notified to the Ministry of Industry and Commerce, the Capital Markets Board and other relevant official authorities. Notices delivered to the registered and announced address of the Company shall be deemed to have been duly served to the Company. Failure of the Company to have its new address registered in the legal period of time after leaving its registered and announced address will constitute a just cause of dissolution of the Company.

By a decision of the Board of Directors and on condition that it shall obtain the required authorizations within the framework of the provisions of the Banking Code and of the Turkish Commercial Code, the Company may open branches, bureaus and representative offices both in Turkey and abroad and similarly, may maintain relations with correspondents.

Pursuant to the provisions of Article 55 of the Turkish Commercial Code, the Company's abbreviated business name shall be "TEB".

Term

Article 4-

The legal existence of the Company has not been restricted to any specific term. Nevertheless, the General Assembly of Shareholders may, on condition that it shall comply with meeting and decision quora stipulated by law, amend these Articles of Association and limit the term of the Company.

Such a restricted term may, in compliance with the conditions prescribed by law, be even further limited and similarly, it may also be extended and rendered indefinite again.

Term

Article 4-

The legal existence of the Company has not been restricted to any specific term. Nevertheless, the General Assembly of Shareholders may, provided that it shall comply with meeting and decision quorum stipulated by law, amend this Articles of Association and limit the term of the Company.

Before the implementation of such decisions which are in the nature of amendments to these Articles of Association, the approbation of the BRSA, the approval of the CMB, and the permission of the Ministry of Customs and Trade must be obtained.

SECTION TWO

THE CAPITAL STOCK

Capital of the Company

Article 5-

In accordance with the provisions of the 2499 Capital Markets Act, the Company has accepted the registered capital system and started to apply the registered capital system upon the permission, ref. 53/704, dated 10/6/1999, of the Capital Markets Board.

The Company's registered capital is TL 2.204.390.000,- (TWO BILLION TWO HUNDRED FOUR MILLION THREE HUNDRED NINETY THOUSAND TURKISH LIRAS), divided into 2.204.390.000,- (TWO BILLION TWO HUNDRED FOUR MILLION THREE HUNDRED NINETY THOUSAND), registered shares each with a nominal value of TL 1 (ONE TURKISH LIRA).

The issued capital which has been fully paid is TL 2.204.390.000,- (TWO BILLION TWO HUNDRED FOUR MILLION THREE HUNDRED NINETY THOUSAND TURKISH LIRAS) and divided into 2.204.390.000,- (TWO BILLION TWO HUNDRED FOUR MILLION THREE HUNDRED NINETY THOUSAND registered shares each with a nominal value of TL 1 (ONE TURKISH LIRA).

The shares representing the capital shall be monitored through the records kept in accordance with the

Such decisions are in the nature of amendments to these Articles of Association and before they can be put into effect, an approbation from the Banking Regulation and Audit Administration, and an approval from the Capital Markets Board, and a permission of the Ministry of Industry and Commerce must be obtained.

SECTION TWO

THE CAPITAL STOCK

Capital Of The Company

Article 5 –

In accordance with the provisions of the 2499 Capital Markets Act, the Company has accepted the registered capital system and started to apply the registered capital system by a permission, ref. 53/704, dated 10/6/1999, of the Capital Markets Board.

The Company's registered capital is TL 2.204.390.000,- (TWO BILLION TWO HUNDRED FOUR MILLION THREE HUNDRED NINETY THOUSAND TURKISH LIRAS), divided into 2.204.390.000,- (TWO BILLION TWO HUNDRED FOUR MILLION THREE HUNDRED NINETY THOUSAND), registered shares each with a nominal value of TL 1 (ONE TURKISH LIRA).

The issued capital which has been fully paid is TL 2.204.390.000,- (TWO BILLION TWO HUNDRED FOUR MILLION THREE HUNDRED NINETY THOUSAND TURKISH LIRAS) fully paid up and divided into 2.204.390.000,- (TWO BILLION TWO HUNDRED FOUR MILLION THREE HUNDRED NINETY THOUSAND registered shares each with a nominal value of TL 1 (ONE TURKISH LIRA).

The shares representing the capital shall be monitored in record in accordance with the recording principles.

At any time deemed necessary, and in accordance with the pertinent provisions of the Capital Markets Act and other relevant laws and

dematerialization principles.

It is mandatory for the Company's shares to be issued against cash payment, to be registered and to be listed in the Stock Exchange.

Capital Increase, Decrease- Increase of the Registered Capital Ceiling

Article 6-

The Company's capital may be increased or decreased in accordance with the applicable legislation. The General Assembly shall be authorized to increase the Company's registered capital ceiling, and the Board of Directors shall be authorized to increase the issued capital up to the registered capital ceiling in accordance with the Capital Markets Act and other applicable legislation.

As per the Capital Markets Act, Turkish Commercial Code and other applicable legislation, the Board of Directors, when deemed necessary, shall be authorized to increase the issued capital, up to the registered capital ceiling by issuing registered shares.

The Board of Directors shall be authorized to issue shares worth above the nominal value per share, to restrict or to remove the shareholders' pre-emptive rights, and to sell them through public offering or without public offering. The authority to restrict the shareholders' pre-emptive rights may not be exercised in a way to cause inequality between the shareholders.

Unless otherwise resolved, in case of the increase of the issued capital, the Company's then current shareholders have the pre-emptive rights to purchase new shares pro rata to their shares in then current capital.

The transactions regarding the increase of the issued capital and the exercise of the pre-emptive rights and, in case the pre-emptive rights are not exercised within the given legal period, the transactions regarding the remaining shares shall be made as per the applicable legislation.

At the capital increases, the bonus shares will be

regulations, the Board of Directors will be entitled to increase the issued capital by issuing registered shares up to the registered capital ceiling.

The Board of Directors is further entitled to issue share certificates worth above the nominal value per share, and to restrict or fully remove the rights of pre-emption of the shareholders, and to sell the newly issued shares with or without a public offer.

At the time of incorporation of the Company, founder's shares equal to 7% of the capital stock have been allocated to the founders who have signed the Articles of Association and have subscribed and paid the original capital, as stipulated in Article 298 of the Turkish Commercial Code, and accordingly, 125 registered and bonus founder's shares have been issued. No other founder's shares will be issued.

The founder's shares entitle their holders to the dividends envisaged in the Articles of Association and in case of liquidation of the Company, to a share of liquidation proceeds to be assessed by the General Assembly approving the liquidation.

The Company is obliged to issue its share certificates against cash payment, as registered shares, and to have them quoted in the Stock Exchange.

Form of the Share Certificates

Article 6- (Repealed)

Temporary Share Certificates

Article 7- (Repealed)

Share Certificates

Article 8-

All the Company's share certificates must be registered, must be issued against cash payment, must have a nominal value of not more than one hundred thousand liras, and must be quoted on the Securities and Foreign Currency Exchange and

distributed to the then current shareholders pro rata to their shareholding ratio.

Procedures pertaining to increase of the registered capital ceiling and decrease of the capital, which by nature is an amendment of these Articles of Association, shall be carried out in accordance with the provisions of the Turkish Commercial Code, the Capital Markets Act, the Banking Code and other relevant laws and regulations. It is mandatory to obtain the prior permission of the CMB, the BRSA and the Ministry of Customs and Trade.

Issuance of Capital Market Instruments in the Nature of Debt Securities

Article 7-

The Board of Directors of the Company may resolve to issue capital market instruments in the nature of debt securities. For adoption and implementation of such a resolution, all pertinent provisions of the applicable legislation must be strictly complied with.

SECTION THREE

SHARES, TRANSFER OF THE SHARES

Shares

Article 8-

The Company's shares and founder's shares are registered. All Company shares must be issued against cash payment.

Share certificates representing the shares shall not be printed. The shares representing the capital shall be monitored through the records before the Central Registry Agency -*Merkezi Kayıt Kuruluşu A.Ş.*- ("MKK") in line with the dematerialization principles.

Indivisibility of Shares

Article 9-

Shares represent an indivisible unity vis-à-vis the Company. If a single share has several owners, the co-owners may exercise their rights over the Company only through a joint representative. In case such a joint representative is not appointed, any notice to be made

the number of shareholders cannot fall below the minimum limit specified in the Turkish Commercial Code and other pertinent laws and regulations.

Transfer of Shares

Article 9-

Transfer of share certificates will be governed by the pertinent provisions of the Turkish Commercial Code and other relevant laws and regulations.

Transfer of shares corresponding to the percentages specified in the Banking Code and transfer of share certificates holding rights of usufruct shall be subject to prior permission of the Banking Regulation and Audit Board and the Capital Markets Board.

In order for such transfer and assignment to be binding upon the Company and upon third parties, however, the transfer of shares must be approved and certified by the Board of Directors and recorded in the share register.

The Company's Board of Directors may reject approval and registration without being bound to show any reason; provided, however, that the Board of Directors may not refrain from registering the share certificates purchased in the Exchange Markets and other organized markets.

Indivisibility of Shares

Article 10-

Shares represent an indivisible unit with regard to the Company.

The Company shall recognize a single owner for each share.

If a single share of stock has several owners, the co-owners may exercise their rights over the Company only through a joint representative. This representative shall be regarded by the Company as being the owner of the aforementioned share

by the Company to any of these co-owners shall be valid for all of them.

The voting right pertaining to a share over which a usufruct right is established shall be used by the usufruct right holder, if there are more than one person, then by a representative to be appointed by them. In case a representative is not appointed, the above provisions shall apply regarding the notices to be served.

Founder's Share Certificates

Article 10-

At the incorporation of the Company, a founder's usufruct share of 7% was allocated to the signatories of this Articles of Association and to those subscribed and paid the first share capital, and 125 registered bonus founders' shares certificates were given. No further founder's share certificates may be issued.

The founder's shares certificates give the right to benefit from the dividend share set forth under this Articles of Association and, in case of liquidation, to acquire a liquidation share to be defined by the General Assembly of Shareholders which will approve the liquidation.

Transfer of Shares

Article 11-

Transfer of the shares and exercise of the rights pertaining to the shares will be governed by the pertinent provisions of the Turkish Commercial Code, the Banking Code, the Capital Markets Act and other applicable laws and regulations.

Transfer of shares corresponding to the percentages specified in the Banking Code and transfer of shares holding rights of usufruct shall be subject to the prior permission of the Banking Regulation and Supervision Agency.

Company's Acquisition of its Own Shares or Pledge of the Company's Shares in favour of the Company

Article 12-

Within the limits to be defined by the applicable laws and regulations, the Banking Regulation and Supervision Agency and the Capital Markets Board, the Company may acquire its own shares and accept its

of stock.

In the event that those who have the rights of usufruct on a share of stock are different individuals, they, too, shall be obliged to exercise their rights over the Company through a joint representative.

Liability of the Shareholders

Article 11 - Shareholders cannot be required to pay anything more than the value of shares set at the time shares are issued and which may be equal to or greater than the face value of the share certificate.

Shareholders and their Heirs and Creditors

Article 12 –

Possession of Company shares or entitlement to the rights of usufruct thereof implies acceptance of the provisions of these Articles of Association.

All the rights (including possible rights over dividends and legal reserves) provided by a share of stock as well as the liabilities and obligations in connection therewith belong to the owner of that share of stock as well as to any usufructuary thereof.

Neither the heirs nor the creditors of any shareholder may for any reason involve themselves in the Company's management or may request a seizure on the Company's properties or their forced sale. In the matter of the enjoyment of their rights, they shall be obliged to accept the Company's books of account.

Disputes arising between the Company and the Shareholders over Share Certificates

Article 13- The judicial authorities where the Company's headquarters is located shall have jurisdiction in resolution of any and all disputes that may arise between shareholders or stock usufructuaries and the Company on account of

own shares to be pledged in favor of the Company.

SECTION FOUR

CORPORATE BODIES

A. General Assembly of Shareholders

Article 13-

This is the decision-making body which is convened in the occasions clearly set forth by the law and the Articles of Association. The General Assembly of Shareholders convened as per the Turkish Commercial Code and these Articles of Association represents all shareholders. The resolutions made by the General Assembly of Shareholders convened in that way are legally binding not only for dissenting shareholders but also for those who have not participated to that meeting.

The shareholders shall hold ordinary and extraordinary meetings as the General Assembly of Shareholders. Ordinary meetings of the General Assembly shall be held within three months following the closing of the fiscal year and in any case, once a year. At these meetings the issues stipulated in the relevant provisions of the Turkish Commercial Code and other issues that are duly included in the agenda shall be discussed and resolved. The Extraordinary General Assembly meeting is convened when and at the time and with the agenda deemed necessary for the Company's businesses.

The presence of any and all of the executive directors and at least one of the Board of Directors members is mandatory. The auditor shall also participate to the meetings.

In addition, the persons who are required to make explanations for the agenda issues and/or who are in charge of these issues shall participate to the meetings.

The Board of Directors shall prepare an internal guideline including the rules concerning working procedures and principles of the General Assembly and this internal guideline shall be enacted upon the approval of the General Assembly. This internal guideline shall be registered and published.

share certificates.

Increase of Registered Capital Ceiling

Article 14- The General Assembly shall be authorized to increase the Company's registered capital ceiling.

Procedures pertaining to increase of the registered capital ceiling, which by nature requires an amendment to these Articles of Association, shall be carried out in accordance with the provisions of the Turkish Commercial Code, the Capital Markets Act, the Banking Code and other relevant laws and regulations, with a prior consent and permission of the Capital Markets Board and the Ministry of Industry and Commerce.

The Board of Directors will be authorized to increase the issued capital up to the registered capital ceiling, in accordance with the pertinent provisions of the Capital Markets Act and other relevant laws and regulations.

In capital increases, bonus shares will be allocated and distributed to the holders of capital shares existing as of the date of increase.

New Shares To Be Issued in Capital Increases

Article 15- (Repealed)

Sale of Unpaid Shares

Article 16- (Repealed)

Preemptive Rights

Article 17- Unless the Board of Directors adopts a decision to the contrary, the existing shareholders of the Company shall be entitled to purchase newly-issued shares in proportion to their existing share holdings.

The Board of Directors is further entitled to issue share certificates worth above the nominal value per share, and to restrict or fully remove the rights of option of the shareholders on the newly issued shares, and to offer the newly issued

Saved the provisions of the Turkish Commercial Code setting forth the non transferable duties and powers of the General Assembly of Shareholders, the following duties and powers may not be transferred:

a) Amendment of the Articles of Association.

b) Appointment of the Board of Directors' members, decision on the Board of Directors' members' term of office, fees, honorariums, bonuses, premiums and similar fiscal rights, decision on their release and their dismissals.

c) Saved the exceptions in the law, the appointment and dismissal of the auditor.

d) Decision on the financial statements, the Board of Directors' yearly activity report, the disposal of the yearly profit, determining the dividend share, decision on the utilization of the reserve including its transfer to the share capital or to the profit to be distributed.

e) Except for the exceptions set forth in the law, the dissolution of the Company.

f) The whole sale of a material amount of the Company's assets.

Participation to General Assembly meeting through electronic media:

The persons entitled to participate to the Company's General Assembly meeting may participate through electronic media as per the article 1527 of the Turkish Commercial Code. The Company may either establish an electronic general assembly meeting system allowing the related parties to participate the General Assembly meetings, to express their opinions, to make proposals and to vote through electronic media as per the "Regulation regarding the General Assembly Meetings of Joint Stock Companies through Electronic Media" or may purchase services from system providers for this purpose.

In each General Assembly meeting, exercise of the rights granted by the said Regulation provisions to the stakeholder and their representatives must be ensured through the system installed.

Participation to the general assembly meeting through electronic media, appointing representative, making

shares directly to public.

The announcements pertaining to increase of the issued capital will be published in compliance with the relevant laws and regulations. The period of time during which stockholders may exercise their preemptive rights to acquire shares may not be less than fifteen days.

Reductions in the Capital Stock

Article 18- The Company's capital stock may be reduced by decisions of the General Assembly of Shareholders. In such cases, the written forms stipulated in the Turkish Commercial Code must be complied with.

Issue of Bonds and Other Capital Market Borrowing Instruments

Article 19- The Company's Board of Directors may decide to issue bonds and other capital market instruments of indebtedness. For adoption and implementation of such a decision, all pertinent provisions stipulated in the Turkish Commercial Code and the Capital Markets Act and all decisions of other authorized bodies in relation therewith must be strictly complied.

Loss of Share Certificates and Bonds

Article 20- In the event that share certificates or bonds are lost, stolen, or destroyed or for whatever reason, are no longer in the possession of their owner against their will, the pertinent provisions of the Turkish Commercial Code shall apply on the procedures that are to be followed.

SECTION THREE

ADMINISTRATION OF THE COMPANY

Administrative Organs

Article 21- The Company's administrative organs shall consist of the Board of Directors, the Credit Committee, and a Managing Director or General Manager (or another person performing this duty).

motions and/or declarations and voting shall be exercised through the Electronic General Assembly System ("EGAS") to be provided by MKK.

Invitation and Meeting Place

Article 14-

The General Assembly shall be convened upon the Board of Directors' invitation. The provisions of the Turkish Commercial Code and the Capital Markets Act related to convening the General Assembly of Shareholders for meeting are however reserved.

The shareholders holding shares representing at least one in twenty of the Company's issued capital may request from the Board of Directors and mentioning in writing the grounds for it and the agenda, to convene the General Assembly or, in the case the General Assembly is about to convene, to include in the agenda the issues they want to be discussed. The request to add an item to the agenda must be sent via notary public and be delivered to the Board of Directors before the payment of the fees related to the publication of the resolution for invitation in the Turkish Trade Registry Gazette.

In case the Board of Directors rejects the request for convening the General Assembly meeting or inclusion of an item to the agenda or in case no affirmative answer was given within seven business days, upon the application of the same shareholders, the competent commercial court in the Company's headquarters address may resolve to convene the General Assembly meeting.

The General Assembly meetings shall be convened in the Company's headquarters or, when deemed necessary by the Board of Directors, in another appropriate place in the same city. The meeting place shall be mentioned in the invitation letters and the related announcements.

<p>Board of Directors</p> <p>Article 22-</p> <p>The Board of Directors shall consist of a total of 10 (ten) members, elected amongst the candidates carrying the qualifications set forth in the Turkish Commercial Code and Banking Act, and one being the General Manager. In the absence of the General Manager, his deputy is a natural member of the Board of Directors. Natural membership of the General Manager or his deputy in the Board of Directors shall continue as long as the term of their duty in the said positions. General Management and Chairmanship duties cannot be vested in the same person.</p> <p>At least one more than half of the members of the Board of Directors and the managing directors shall bare the qualifications of the General Manager, as mentioned in the Banking Act.</p> <p>In order to be elected as a member of the Board of Directors, one must be a shareholder or the representative of a legal entity shareholder and possess the authority to exercise his civil rights, and not be hindered by any legal encumbrance against membership.</p> <p>Legal entity shareholders cannot be elected to the Board of Directors, though real persons who are representatives of legal entity shareholders may be elected. Real persons elected to the Board of Directors as representatives for legal entities shall automatically lose their seat in the Board of Directors, if and when the termination of their representation relations with the represented legal entity is notified to the Board of Directors by the relevant legal entity.</p> <p>Each Board member shall be obliged to deposit with the Company a number of shares corresponding to at least one percent of the share capital in nominal value; provided, however, that</p>	<p>Announcements</p> <p>Article 15-</p> <p>The announcement for the General Assembly meeting shall be made not only as per the term and procedures stipulated in</p> <p style="padding-left: 20px;">the Turkish Commercial Code, the Capital Markets Act and other applicable legislation but also, to the extent possible as per the Company’s possibilities, in a way to access the maximum number of shareholders, including the Company’s web site, electronic media and other appropriate means of communication.</p> <p>It is mandatory to mention in the announcement the meeting agenda, place, date and time. Align with the General Assembly announcement, the power of attorney template for the persons who will be represented by proxy shall also be announced and moreover any and all information and documents related to the meeting shall be made available to the shareholders on the Company’s website.</p> <p>Meeting and Decision Quorum</p> <p>Article 16-</p> <p>The meeting quorums and decision quorums for the General Assembly meetings are subject to the Turkish Commercial Code and in case of specific provisions, to the Capital Markets Act. The provisions of the Banking Code are however reserved.</p> <p>As per the relevant provision of the Turkish Commercial Code, in order to confirm and check the right to participate to the General Assembly meeting for the dematerialized shares, the shareholding list to be obtained by the Board of Directors from MKK in accordance with the Capital Markets Act will be taken into consideration. The Turkish Commercial Code and the Capital Markets Act shall apply to the participation of the shareholders to the General Assembly meeting and the exercise of the voting rights.</p> <p>In case a higher decision quorum imposed by the applicable legislation which may not be lowered, the rule is that the decisions are made with the affirmative</p>
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if one percent of the capital stock exceeds TL 1, it will not be obligatory to deposit shares in excess thereof. The shares deposited as above shall stand as a pledge for the duties and obligations of the Board member until he is released and discharged by the General Assembly of Shareholders, and accordingly, may not be transferred to third parties or received back from the Company. Shares deposited as a pledge may also be delivered and furnished by a third person, with a prior consent of the Board of Directors.

For the members elected to the Board of Directors as representatives of a legal entity shareholder, the aforementioned shares may be deposited by the represented legal entity shareholders.

The chairman and members of the Board of Directors are obliged to give an oath in accordance with the principles and procedures to be determined by the board of the Banking Regulatory and Supervisory Agency, following their election or appointment. Members of the Board of Directors may not take office unless and until they have taken this oath.

Term of Office of Members of the Board of Directors

Article 23- Members of the Board of Directors shall be elected by the General Assembly for a term of office of not more than three years. Before electing the members, the General Assembly shall first determine the Directors' term of office. Directors may be reelected when their term of office has expired.

If a membership should become vacant for any of the reasons indicated in Article 31/1-a of the Banking Code or in Article 315/2 of the Turkish Commercial Code, or due to death, resignation, or other causes, the Board of Directors shall temporarily appoint someone possessing the qualifications sought for election to the Board of Directors and submit such appointment for approval at the next session of the General

vote of the majority of the participants. This majority rule applies as to the appointment of the Board of Directors' Members and the auditor. However, if the majority is not reached for the appointment of the Board of Directors' Members, the same shall be voted once again. In that second voting, the nominees in the order of having the highest votes shall be appointed as the Board of Directors Members. In case of parity of the votes there shall be a draw.

Votes

Article 17-

Each shareholder participating in meetings of the General Assembly of Shareholders shall be entitled to one vote for each share he holds. Voting through proxies is also valid. The provisions of the Banking Code in connection therewith are, however, reserved. For voting through proxy, a power of attorney must be submitted to the Company at the General Assembly meeting, together with a statement showing the number of shares, before election of the Meeting Chairmanship in the meeting of the General Assembly of Shareholders at the latest. The provisions of the Capital Markets Act regarding the form of the power of attorney and the voting through proxy are reserved.

However, if a shareholder is a government organization, an incorporation, an establishment having a legal personality, or a real person placed under guardianship, no separate power of attorney is required provided that the documents evidencing the representation rights as per the applicable legislation are submitted. The voting right pertaining to a share with multiple shareholders may only be exercised by a representative. The transfer or delivery of the share certificates to another person for the purposes of exploiting loopholes regarding the restrictions over the exercise of the voting rights or to render them ineffective are null and void.

The provisions of the Turkish Commercial Code regarding the representation of the shareholders in the General Assembly meetings are reserved.

The shareholders who are physically present in the General Assembly meeting shall vote by raising their

Assembly to be convened. Upon approval by the next session of the General Assembly, a member appointed in this way shall complete the term of office of his predecessor.

Members of the Board of Directors may be dismissed at any time by a decision of the General Assembly of Shareholders.

The provisions of the Turkish Commercial Code and of the Banking Code shall be complied with in connection with the qualifications sought for membership in the Board of Directors.

Board Meetings, Quorum

Article 24- The first meeting of the Board of Directors shall be held within one month after its election. In the first meeting, resolutions regarding the appointment of the Board Chairman and Vice-Chairman, distribution of duties and establishment of committees, shall be taken. Chairman of the Board shall act as the president of the General Meetings of Shareholders.

For due keeping of the documentation regarding the Board meetings, a secretariat, serving to all Board members and reporting to the Board Chairman, shall be established.

The Board of Directors shall meet as and when needed in the course of business. Chairman or vice chairman of the Board of Directors may, in his sole discretion and initiative, call the Board of Directors for a meeting. The Chairman is obliged to call the Board of Directors for a meeting, upon demand of at least two of the directors. Board meetings shall be held at the Company's headquarters or at any other convenient place in Turkey or abroad, which is to be specifically mentioned in the meeting calls.

Meeting quorum is met with the presence of at least 8 (eight) members. Decisions are taken with the affirmative vote of at least 8 (eight) members. Board members cannot vote for each other.

hands, the persons who participate through electronic media shall vote through the electronic system. However, upon the request of the majority of the participant shareholders voting by ballot may be exercised. In case of ballot, for each item of the agenda, a ballot paper showing the number of votes of each participant shall be distributed to the participants by respecting the secrecy of the ballot.

The Board of Directors shall take the measures in order to confirm and check the participation right to the meeting and the discussions and voting rights of the shareholders.

A shareholder may not vote in the discussions related to a business, transaction or a dispute before a court or arbitration concerning the Company and himself, his spouse, his descendants or ascendants or sole proprietorships where he or one of the persons listed herein is a shareholder or equity companies which are under their control.

The Board of Directors' members and the persons who have management and signing authorities can not exercise the voting rights pertaining to their shares for the resolutions concerning the release of the Board of Directors members.

Shareholders holding less shares than the number of shares required to participate in meetings of the General Assembly of Shareholders, may choose a proxy among themselves to represent them jointly.

Sessions

Article 18-

A roster indicating the signatures, names, surnames, residences and number of shares of the shareholders or their proxies or their representatives present in the General Assembly meeting shall be drawn up and made available in the place where the meeting will be held, before the first collection of the first votes.

Meetings of the General Assembly shall be chaired by the Chairman or the Vice Chairman of the Board of

Meeting minutes are prepared and attached to the decision book, including the issues discussed during the meeting, as well as the names of the Board members that were present. The minutes shall be signed by the Board members. Dissenting Board members shall sign the minutes by explaining the grounds of their dissenting opinions.

Chairman of the Board

Article 25- At each of its first yearly session following the annual meeting of the General Assembly of Shareholders, the Board of Directors shall elect from among its members, a chairman and a vice chairman who will act as deputy for the former in his absence. The Chairman of the Board of Directors shall preside over meetings of the General Assembly of Shareholders.

The duty of secretary for the Board of Directors may be entrusted to one of its members or to someone from outside the Board.

Duties and Authorities of the Board of Directors and Representation of the Company

Article 26- The administration of the Company, the performance of transactions in the name of the Company, and the power to represent and bind the Company shall be the responsibilities of the Board of Directors.

a) The Board of Directors shall perform and carry out the duties assigned by the Turkish Commercial Code, these Articles of Association, the provisions of laws and regulations, and decisions adopted by the Company's General Assembly of Shareholders on such matters. The Board of Directors shall be authorized to take decisions on all matters that are not dependent upon the adoption of a resolution by the General Assembly and that lie outside the authorities of the Credit Committee and of the General Manager or Company Manager.

b) The Board of Directors shall have absolute authority over the disposition and administration of the movable and immovable properties

Directors or in their absence by a person elected by the General Assembly among the members of the Board of Directors. The Chairman shall designate a secretary and, if he deems necessary, a vote collector, and thus shall form the the Meeting Chairmanship.

The Meeting Chairman may decide to continue the meeting in form of series of sessions until decisions have been adopted by the General Assembly on all the matters included in the agenda. Upon demand of a present majority or of a present minority of at least one in twenty of the Company's capital stock, discussions on the ratification of the balance sheet shall be postponed for one month; notification thereof shall be made to the shareholders as stipulated in the relevant article of the Turkish Commercial Code through announcement. Furthermore, in order for discussions to be re-postponed upon demand of a minority of at least one in twenty of the Company's capital stock, the objected issues on the balance sheet must still remain insufficiently explained.

Meeting Minutes

Article 19-

In order for the decisions adopted by the General Assembly to be binding, minutes must be drafted comprising the resolutions passed. These minutes shall be drafted in accordance with the pertinent provisions of the Turkish Commercial Code and signed by the the Meeting Chairmanship and the representative of the Ministry of Customs and Commerce the presence of whom is mandatory. The General Assembly shall grant authorization to Meeting Chairman, to the secretary and to the vote collector, if elected, to sign the minutes.

A roster signed by the Chairman and indicating the names and surnames of the shareholders or their representatives present at the meeting, shall be attached to the minutes with documents indicating that the invitation to the meeting was duly made or be stated their contents shall be included in the minutes.

The Board of Directors is obliged to submit a notarised copy of the minutes immediately to the Commercial Registry Office, and to register and announce such

belonging to the Company and over the conduct of any and all types of contracts and transactions related to the Company's fields of business. Included among the authorities of the Board of Directors are the power to make settlements, waive from debts, write off the debts, and appoint arbitrators.

c) The Board of Directors shall be charged with overseeing the activities of the Credit Committee. Every Board member shall have the authority to demand the Credit Committee any and all types of information concerning the activities of the Credit Committee and to perform controls of whatever sort which may seem necessary.

d) The Board of Directors may set aside appropriations as deemed necessary to ensure the regular conduct of the Company's internal affairs, to regulate the duties and work of its personnel, and to determine retirement and other rights; and may also issue internal by-laws, regulations and conclude agreements that are not limited with its own term of office.

e) The Board of Directors may borrow on its own credit or by establishing chattel mortgages on the movable assets of the Company; and may purchase real properties, within the limits permitted by the Banking Code for purposes related to its objectives and fields of business, and also have them built and sell them; and may pledge the Company's immovable properties and may borrow by issuing bonds.

f) The Board of Directors shall determine the conditions under which extraordinary rewards and bonuses are to be given to managers, employees and unqualified employees in return for various services or extraordinary success, and shall distribute such bonuses. The aforementioned conditions are to be included among the Company's overheads.

g) The Board of Directors shall determine and set aside amounts for amortization, provisions and legal reserves within the framework of the provisions of law on such matters; and shall determine the manner in which dividends should be distributed in accordance with the provisions of these Articles of Association and make proposals thereon to the General Assembly of

matters contained therein which are subject to registration and announcement, moreover the minutes shall be immediately posted on the web site of the Company. Resolutions amending the Articles of Association shall have no legal force towards third persons prior to the registration.

Notification of the Meetings to Relevant Authorities Article 20-

The notifications pertaining to the Ordinary and Extraordinary meetings of the General Assembly of Shareholders shall be made to the related authorities as per the pertinent provisions of the applicable legislation.

B. Administration of the Company

Management and Supervision Bodies

Article 21-

The Company's management and supervision bodies consist of the Board of Directors, the Audit Committee, the Credit Committee, the General Manager, the Deputy General Manager and the Assistant General Managers.

Board of Directors

Article 22-

Number- Composition: The Board of Directors shall consist of 12 (twelve) members one being the General Manager, elected by the General Assembly amongst the candidates having the qualifications set forth in the Turkish Commercial Code, the Capital Markets Act and the Banking Code. In case appointment of the Independent Member is obligatory, the Board of Directors shall consist of 14 (fourteen) members. The General Manager, and in his absence, his deputy are the natural member of the Board of Directors. Natural memberships of the General Manager or his deputy to the Board of Directors shall continue as long as they hold their positions. A same person cannot assume the duties of the General Manager and of the Chairman of the Board of Directors.

Shareholders.

h) In situations where deemed necessary, the Board of Directors shall have the Company's books audited by chartered accountants and receive their reports.

i) The Board of Directors shall make proposals to the General Assembly concerning any and all types of amendments in or additions to these Articles of Association.

j) The Board of Directors shall invite the General Assembly of Shareholders to a meeting in the situations and by the ways stipulated in these Articles of Association, decide the agenda for such meetings, perform such formalities as may be required, and carry out the decisions of the General Assembly.

k) The Board of Directors shall grant Company managers as well as employees all and any powers of representation and signature needed for the administration of the Company's business. The powers so granted and the places and ways in which they are to be exercised shall be registered with the Commercial Registry and publicized.

In order for documents and certificates written and issued in the name of the Company, as well as any and all types of agreements and contracts entered into on behalf of the Company to be valid and binding on the Company and to represent the Company, they must be signed by those persons whose degree, place, and form of power of signature have been designated and granted by the Board of Directors and the manner of whose signature has been duly registered and announced and the signature must be placed by them under the legal name of the Company.

l) At meetings of the Board of Directors, members shall have the right to request the persons representing the Company and charged with the performance of the Company's business to give information concerning the progress of the Company's affairs and all its transactions.

The Board of Directors may also decide that all

Qualifications: At least one more than half of the members of the Board of Directors and the executive directors must have the qualifications of the General Manager as required by the Banking Act, must hold civil capacity and be able to exercise the civil rights and must not be hindered by any legal encumbrance against membership.

Independent Members: Minimum number and qualifications of the Independent Members to be appointed to the Board of Directors shall be determined pursuant to the corporate governance regulations of the Capital Markets Board.

In case independence is jeopardized in any way within the Independent Board Member's term of office or in case a situation is occurred in which the Independent Member is not able to fulfil his duty, then this member, who lost his independency, shall, in principle, resign within the framework of the Corporate Governance Principles of the Capital Markets Board.

Oath: The Chairman and Members of the Board of Directors are obliged to take an oath in accordance with the provisions of the Banking Act following their first election or appointment. Members of the Board of Directors may not take office unless and until they take this oath.

Fiscal Rights: The Chairman and Members of the Board of Directors shall receive a monthly or yearly fee or a fixed allowance per meeting (honorarium) to be determined by the General Assembly of Shareholders. Payment plans prepared based on the Company's performance shall not be taken into account for remuneration of the Independent Board Members.

Term of Office of the Board of Directors Members

Article 23-

Members of the Board of Directors including Independent Members may be elected by the General Assembly for a term of office of three years utmost. Before election, the General Assembly shall determine the Board of Directors Members' terms of office. The Board of Directors Members may be re-elected when

books and files be submitted to it. Every member may make a written request to the chairman for convention of the Board and in such cases, the chairman shall call the Board of Directors to a meeting.

m) Every member of the Board of Directors shall be obliged to show in his performance of the Company's business the same prudence and activity that would be incumbent upon him in his own affairs and that is customary in business. The Board of Directors possesses the power to act on behalf of the General Assembly of Shareholders in connection with the conduct of all the decisions of the General Assembly. Dismissal of members of the Board of Directors by the General Assembly and the General Assembly's rejection of the transactions performed by the Board shall not vitiate any rights that may have been vested to third parties.

n) In compliance with the pertinent provisions of the Capital Markets Act and other relevant laws and regulations, the Board of Directors is authorized to increase the issued capital up to the registered capital ceiling, and to take decisions on issue of share certificates above the nominal value per share, full or partial restriction of the preemptive rights of the shareholders on the newly issued shares, and issue of bonds and other capital market instruments of indebtedness.

o) The Board of Directors may perform its above duties and execute its above powers either directly or may delegate the same to committees formed or to be formed in accordance with these Articles of Association or to persons permitted by the following article pertaining to delegation of authority.

Delegation of Authority

Article 27- The Board of Directors may divide the duties of administration and representation as well as its powers and authorities among its own members, and likewise, in compliance with the provisions of the Banking Code, it may delegate all or some of the duties of administration to one

their terms of office have expired. The General Assembly of Shareholders, if deemed necessary, may at any time change the Members of the Board of Directors.

If a membership should become vacant due to death, loss of legal capacity, resignation, dismissal or any of the reasons pursuant to the Banking Code, the Turkish Commercial Code and the Corporate Governance Principles of the Capital Markets Board, or other relevant legislation, then, as per the applicable legislation, the Board of Directors shall temporarily appoint a person having the qualifications sought for election to the Board of Directors and submit such appointment for approval at the next meeting of the General Assembly. Upon approval in the next meeting of the General Assembly, a member appointed in this way shall complete the term of office of his predecessor. The member appointed in this way shall have the same term of office as the other members.

Board of Directors Meetings and Quorum

Article 24-

The Board of Directors, each year, in its first meeting following the General Assembly of Shareholders elects a Chairman and at least one Vice Chairman who will substitute the Chairman in his absence.

The Board of Directors shall meet as often as needed in the course of business. The Chairman or Vice Chairman of the Board of Directors may, in their sole discretions and initiatives, call the Board of Directors for a meeting. Each of the Board Members may request from the Chairman in writing to call the Board of Directors for a meeting.

Board meetings may be held at the Company's headquarters or in country or abroad.

The persons entitled to participate to the Company's Board of Directors' meeting may participate through electronic media pursuant to the article 1527 of the Turkish Commercial Code. The Company may either establish an Electronic Meeting System allowing the related parties to participate in the meetings and to

or more Managing Directors who are Board members or else to a General Manager who need not be a shareholder. If there are more than one Managing Directors, their decisions shall be taken by a simple majority. The duties, authorities, and salaries of Managing Directors shall be indicated in the decisions of the Board of Directors. Such salaries shall be recorded as Company overheads.

Prohibited Transactions

Article 28-

The current provisions of the Turkish Commercial Code, the Banking Code and the Capital Markets Act shall apply to the business activities and transactions that the chairman and members of the Board of Directors as well as the Chairman and members of the Credit Committee may not engage in.

Remunerations Payable To Members of the Board of Directors

Article 29- The Chairman and Members of the Board of Directors shall receive a monthly or annual salary or a fixed remuneration (honorarium) for attendance at each meeting, as determined by the General Assembly of Shareholders.

Liability

Article 30- The chairman, Deputy Chairman, and members of the Board of Directors shall be legally liable for the performance of their duties.

Duties and Authorities of the Credit Committee

Article 31- The Credit Committee shall be a board of **five** members consisting of the General Manager (or his deputy) and **four** members elected by the Board of Directors among its members at its first meeting following the annual meeting of the General Assembly of Shareholders.

Two alternate members shall also be elected to serve in place of any Credit Committee member who has good grounds for being unable to

vote through electronic media as per the provisions of the "Communique Regarding the Meetings of Commercial Companies Other Than General Assembly Meetings of Joint Stock Companies through Electronic Media" or may purchase services from system providers for this purpose. In the meetings, exercise of the rights granted to the stakeholders by the applicable law must be ensured within the scope of the provisions of the said Communiqué through the system installed or through the system for which the support service will be procured.

Meeting quorum is met with the presence of at least 10 (ten) members in case the General Assembly determines the number of the Board Members as 12 (twelve). Resolutions are passed with the affirmative vote of at least 9 (nine) members. In case number of the Board Members is determined as 14 (fourteen) when appointment of the Independent Members are obligatory, meeting quorum is met with the presence of at least 11 (eleven) members and resolutions are passed with the affirmative vote of at least 11 (eleven) members. In the Board meetings, a Board Member cannot vote as a representative of another Board Member, and they cannot be represented by proxy.

Meeting minutes are drafted and posted to the resolution ledger comprising the issues discussed during the meeting as well as the names of the Board Members who were present, and it is signed by the Members who participated to the meeting.

Unless there is a request for a physical meeting, any and all types of Board of Directors' resolution may be passed by signing of such resolution by at least 9 (nine) members in case there are 12 Board Members or by at least 11 (eleven) members in case there are 14 (fourteen) Board Members.

Provisions of the Corporate Governance Principles issued by the Capital Markets Board are reserved for the resolutions for which the attendance and/or affirmative vote of the Independent Members are required.

In order to be valid, the resolutions must be in writing

participate in any one meeting. This committee shall be charged with performance of the duties specified in the Banking Code. The unanimous decisions of the committee shall be carried out directly by it, while those adopted by a majority vote shall be carried out after they have been approved by the Board of Directors.

The Credit Committee shall be obligated to maintain a committee resolutions register in accordance with the provisions of the Banking Code.

The Credit Committee may decide to extend credit facilities within the limits and authorities delegated and granted by the Board of Directors and within the frame of the rules determined by the Banking Regulation and Audit Board.

The form and rates of payments to be made to the members of the Credit Committee on account of their additional duties shall be decided upon by the General Assembly of Shareholders.

The General Manager and his Deputies

Article 32- The Board of Directors shall appoint a General Manager and a sufficient number of Deputy General Managers from among its members or from outside the Board, bearing the attributes and qualifications specified by the Banking Code and other pertinent laws and regulations.

The General Manager shall be an ex officio member of the Board of Directors and of the Credit Committee. With the same authority and in possession of the right to vote, he shall participate in the meetings and discussions of the Board of Directors and of the Credit Committee.

The conditions of the General Manager's service contract, his salary and other fringe benefits, and his duties and authorities shall be determined by the Board of Directors within the framework of laws and other relevant legal provisions. The General Manager may be appointed and contractually employed for a period of time that exceeds the term of office of the members of the

and signed.

For due keeping of the documentation regarding the Board meetings, a secretariat, serving to all Board Members and reporting to the Board of Directors shall be established.

Duties and Authorities of the Board of Directors

Article 25-

The management of the Company, the performance of transactions in the name of the Company, and the power to represent and bind the Company shall belong to the Board of Directors.

As per this Articles of Association, the Banking Code, the Turkish Commercial Code, the Capital Markets Act and the provisions of laws and regulations, the Board of Directors is authorized to take and implement resolutions on all matters which are not assigned to the exclusively authority of the General Assembly or the other bodies within its scope of management and representation authorities.

The Board of Directors, in order to ensure to duly fulfill its duties and responsibilities, shall establish, by taking into consideration the Company needs, committees within the Company and determine committee members and their working principles and procedures as per the Turkish Commercial Code, the Banking Code, the Capital Markets Act and other applicable laws and regulations.

The Board of Directors, through an internal guideline to be issued, is authorized to delegate the management, partially or wholly, to one or several Board Member(s) or to a third party.

The Board of Directors may delegate its representation authorities to one or several executive directors or third party managers provided that at least one Board Member shall keep the representation authority.

The followings are the non-assignable and inalienable duties and powers of the Board of Directors:

- a. High-level management of the Company and the

Board of Directors. Dismissal of the General Manager and Deputy General Managers shall also be effected by the Board of Directors. Appointments and dismissals shall be registered and announced by the Board of Directors.

Names of the persons to be appointed as the General Manager or Deputy General Manager shall be notified to the Banking Regulation and Audit Administration, together with the documents evidencing that they bear the qualifications sought for by the Banking Code.

Appointments shall be made in accordance with the proviso of the Banking Code.

Authorities

Article 33- The General Manager is the Company's highest administrative and executive officer in authority after the Board of Directors and the Credit Committee and he takes his power and authorities from the Board of Directors. The General Manager shall conduct and manage all the Company's affairs and business within the framework of the provisions of these Articles of Association as well as of the decisions of the Board of Directors and of the Credit Committee and he shall represent the Company. He is authorized with and responsible for overseeing the progress of the Company's transactions and whether or not they are being properly conducted and managed and taking all measures he considers appropriate for this purpose.

SECTION FOUR

THE STATUTORY AUDITORS

Election of the Statutory Auditors

Article 34 - At least two Statutory Auditors, who shall be charged with audits in accordance with the provisions of these Articles of Association and of various laws, shall be elected each year by the General Assembly of Shareholders to serve for a term of office of maximum three years. Before their election, the General Assembly shall first

power to give relevant instructions.

- b. Determining the management organization of the Company.
- c. Establishing necessary organization for the accounting and financial planning and management and audit of the Company.
- d. Appointment and dismissal of managers and other managerial-level personnel, and persons who hold representation and binding signatory powers.
- e. High-level supervision of management staff whether or not they comply with the legislations, the Articles of Association, internal guidelines and instructions of the Board of Directors.
- f. Keeping share ledger, Board of Directors resolution ledger and General Assembly meeting minutes; issuing the annual activity report and statement regarding compliance with corporate governance rules; submitting the same to the General Assembly; preparing the General Assembly meetings; and implementing General Assembly meeting resolutions.
- g. Notifying the court if the share capital of the Company is in debt
- h.

Representation of the Company

Article 26-

The representation of the Company pertain to the Board of Directors. The Board of Directors may delegate partially or totally the management and representation authority of the Company to persons who are members or not of the board and to the employees of the Company when necessary. The authorities to be delegated and the terms and conditions for their exercise shall be registered with and published on the Trade Registry.

In order for documents and statements written and issued in the name of the Company, as well as any and all types of agreements and contracts entered into on behalf of the Company to be valid and binding on the Company and to represent the Company, they must be signed by those persons whose degree, place, and form of signing authority have been designated and granted

determine the number of Statutory Auditors and their term of office.

The Statutory Auditors must be chosen from among persons who have university degree and who are knowledgeable and experienced in the fields of banking, law and accounting.

Statutory Auditors whose terms of office expire may be reelected.

The General Assembly shall decide upon the salaries to be paid to the Statutory Auditors.

The election, appointment and replacement of Statutory Auditors shall be registered and announced by the Board of Directors.

Statutory Auditors may not be elected to seats on the Board of Directors, nor may they be employees or contracted personnel of the Company, without first resigning from their positions as auditors. Members of the Board of Directors whose terms of office have expired cannot be elected as Statutory Auditors until they have been acquitted of their responsibilities by the General Assembly of Shareholders.

In the event that the position of one of the Statutory Auditors is vacated for any reason whatsoever, the remaining Auditor shall elect another in his place who possesses the qualifications required by law to serve until the next meeting of the General Assembly.

Duties of the Statutory Auditors

Article 35- The Statutory Auditors shall be obligated to perform the duties stipulated in the Turkish Commercial Code, the Banking Code, and in these Articles of Association. In performing these duties, they shall possess the authority to examine and audit all the accounts and transactions of the Company. They may examine and check on site all of the Company's books, correspondences, documents and memoranda. At the end of every year, the Statutory Auditors shall prepare and submit to the General Assembly a report covering their opinions on the Company's financial situation and standing, on the balance sheet and other accounts drawn up

by the Board of Directors and the manner of whose signature has been duly registered and announced and their signatures must be affixed under the title of the Company.

Credit Committee, Duties and Authorities

Article 27-

The Credit Committee is a board consisting of five members being the General Manager or his deputy and four members elected by the Board of Directors among its members at its first meeting following the annual meeting of the Ordinary General Assembly of Shareholders.

Two alternate members shall also be elected to serve in case any Credit Committee member who is absent due to his reasonable grounds. This Committee is responsible for performance of the duties specified in the Banking Code and other related legislation. The unanimous decisions of the Committee shall be directly implemented, while those adopted by a majority shall be implemented after the approval of the Board of Directors.

The Credit Committee is obliged to keep a committee resolutions book in accordance with the provisions of the Banking Code.

The Credit Committee may decide to extend credit facilities within the limits and authorities delegated by the Board of Directors within the frame of the rules determined by the Banking Regulation and Supervision Agency.

Audit Committee, Duties and Authorities

Article 28-

An Audit Committee is established by the Board of Directors in order to assist the Board of Directors for the execution of the audit and supervision activities. The Audit Committee consists of at least two members. Members of the Audit Committee are elected among the Board Members having the qualifications stipulated in the applicable laws and regulations. Members of the Audit Committee must meet the qualifications required

by the Board of Directors, and on the report of the Board of Directors with regard to the profit distribution proposal, and on other documents. The General Assembly may not take any decision on the balance sheet so long as such a report has not been received. If in the course of the performance of their duties the Statutory Auditors discover deficiencies or malfeasances pertaining to the business of management or acts that are contrary to the provisions of law or of these Articles of Association, they shall be under an obligation to notify the immediate superior of the responsible persons, as well as the Chairman of the Board of Directors and in important situations, they shall notify the General Assembly as well. In addition, in compelling and urgent situations, they shall be required to call the General Assembly for a meeting.

At the request of shareholders who hold at least ten percent interest in the Company's capital stock and who have entrusted share certificates representing this amount to a reputable bank, the Statutory Auditors shall be obligated to call the General Assembly for extraordinary meeting and to place on the agenda thereof the items which are the subject of this request.

The Statutory Auditors may attend the meetings of the Board of Directors without participating in its discussions or voting thereat. They may also submit proposals to the Board of Directors and have them placed on the agendas for ordinary and extraordinary meetings of the General Assembly of Shareholders.

In the event that the Statutory Auditors witness acts on the part of the Chairman and members of the Board of Directors, of the members of the Credit Committee, and of Company managers and employees that are contrary to the provisions of law and of these Articles of Association, they shall be obligated to indicate them in a report, based on documentary evidence thereof, that they will draw up and address to the General Assembly of Shareholders.

The Statutory Auditors shall be obligated to send one copy of these reports to the Undersecretariat

by the Banking Regulation and Supervision Agency.

The Audit Committee, on behalf of the Board of Directors, is delegated with and responsible for supervising the sufficiency and efficiency of the Company's internal control, risk management and internal audit systems, for supervising the operation and integrity of the generated information of those systems and the accounting and reporting systems as per the Banking Code and other relevant legislation, pre-assessing the appointment of the independent auditors, regular monitoring the activities of the appointed independent auditors, maintaining the consolidated internal control functions of the entities subject to consolidated audit as per the Banking Code and ensuring the coordination.

General Manager and Assistant General Managers

Article 29-

The Board of Directors shall appoint a General Manager and a sufficient number of Assistant General Managers having the attributes and qualifications specified by the Banking Code and other pertinent laws and regulations. A Deputy General Manager may be appointed if needed. The persons to be appointed as such must be notified to the BRSA along with the documents evidencing that they meet the qualifications required by the Banking Code. The appointments shall be made as per the provisions of the Banking Code.

The General Manager, in his absence the Deputy General Manager, shall be a natural member of the Board of Directors and of the Credit Committee.

The General Manager may be appointed and contractually employed for a period of time that exceeds the term of office of the Members of the Board of Directors. Dismissal of the General Manager, Deputy General Manager and Assistant General Managers shall also be effected by the Board of Directors. Appointments and dismissals shall be registered and announced by the Board of Directors.

The General Manager is the Company's managing and executive officer and he takes his power and authorities

of the Treasury and Foreign Trade within one week from the date thereof.

In addition to the annual report that the Statutory Auditors draw up for the General Assembly of Shareholders in accordance with the provisions of the Turkish Commercial Code, they shall also be obligated to draw up reports once every three months concerning the situation of the Company with regard to said code and other legislation and to send their reports to the Company's Board of Directors and to the Undersecretariat of the Treasury and Foreign Trade within one month following the end of the pertinent period.

Special Auditors

Article 36- The General Assembly may, when necessary, appoint a special "ad hoc" auditor for examination and inspection of a number of particular matters. The pertinent provisions of the Turkish Commercial Code are, however, reserved.

The Bank shall further carry on audit by a sufficient number of inspectors and through an effective and efficient internal audit system and risk control and management system.

Liability

Article 37- Statutory Auditors may not divulge either to individual shareholders or to third parties any of the matters which come into their knowledge in the course of performance of their duties.

The Statutory Auditors shall be responsible for the conduct of the duties entrusted to them by laws and by these Articles of Association.

SECTION FIVE

THE GENERAL ASSEMBLY OF SHAREHOLDERS

The General Assembly of Shareholders

Article 38- The shareholders shall assemble in ordinary and extraordinary meetings as the General Assembly of Shareholders to exercise the

from the Board of Directors, the General Manager shall conduct and manage all the Company's acts and transactions within the framework of the provisions of this Articles of Association, the decisions of the Board of Directors and of the Credit Committee and he shall represent the Company; he is authorized with and responsible for overseeing the progress of the Company's acts and transactions and whether or not they are being duly conducted and managed and taking all measures he considers appropriate for this purpose.

Corporate Governing Principles

Article 30-

The Corporate Governance Principles shall comply with Regulations of the Banking Regulation and Supervision Agency and the Capital Markets Board.

Prohibited Transactions

Article 31-

The Chairman and members of the Board of Directors as well as the Chairman and members of the Credit and Audit Committees, the General Manager, the Deputy General Manager and the Assistant General Managers comply with the provisions of the Turkish Commercial Code, the Banking Code, the Capital Markets Act and other related laws and regulations on the acts and transactions that may not engage in.

SECTION FIVE

AUDIT OF THE COMPANY

Auditor

Article 32-

The General Assembly of Shareholders shall elect an Auditor and a Group Auditor for the group companies among those meeting the terms and conditions sought in the Turkish Commercial Code, the Banking Code, the Capital Markets Act and other relevant regulation, to audit the Company's and the group companies' financial statements and any other reports required to be audited under the legislation including annual activity report of the Board of Directors. The Auditor

rights granted to them by the Turkish Commercial Code, the Banking Code, and these Articles of Association. General Assemblies convened in accordance with the provisions of law and these Articles of Association shall adopt the necessary resolutions and the decisions made at General Assemblies so convened shall be legally binding not only for the dissenters but also for those who were absent from the meeting.

Ordinary meetings of the General Assembly shall be held within three months following the closing of the fiscal year and in any case, once a year. At these meetings, the Company's transactions for the year as well as its balance sheet and profit and loss accounts shall be examined and decided upon.

Invitations and Agenda for Meetings

Article 39- Ordinary meetings of the General Assembly shall be convened upon invitation of the Board of Directors.

The agenda for this meeting must include the following matters:

- a) Reading of the reports presented by the Board of Directors and by the Statutory Auditors;
- b) Approval, admission of amendment or rejection of the Company's balance sheet and profit and loss statement and of proposals concerning the distribution of profit;
- c) Determination of salaries and remunerations payable to Members of the Board of Directors and Members of the Credit Committee and Statutory Auditors;
- d) Reelection or replacement of Members of the Board of Directors and the Statutory Auditors whose terms of office have expired;
- e) Other matters which are deemed necessary by the Board of Directors; and
- f) Proposals made through written demands (indicating the reasons for their necessity) put forth by shareholders whose total shareholdings amount to at least one-twentieth of the Company's capital stock.

Extraordinary meetings of the General Assembly shall be called by the Board of Directors or -in compelling and urgent situations- by the Statutory

and the Group Auditor can be the same person. If no Group Auditor is appointed, the Auditor is considered to be the auditor of the group companies' financial statements. The elected Auditor shall be registered and published in the Turkish Trade Registry Gazette and announced on the Company's web site.

Special Auditor

Article 33-

The provisions of the Turkish Commercial Code and other applicable legislation shall apply to the appointment of Special Auditor.

SECTION SIX

FINANCIAL PROVISIONS

Fiscal Year, Financial Statements

Article 34-

The Company's fiscal year is the calendar year, beginning on the first day of January and ending on the last day of December.

At the end of each fiscal year, the financial statements showing the Company's financial standing shall be drawn up as required by the provisions of the Banking Code in accordance with the formula determined by the concerned authorities and with the provisions of current legislation.

The financial statements, the annual report drafted by the Board of Directors and its proposals concerning how net profit is to be distributed and the determination of the date of distribution, and the report of the Auditor shall be made available for examination of the shareholders at the Company's headquarters and branches as of the announcement of the ordinary meeting of the General Assembly of Shareholders, and the same shall be available by electronic means for the shareholders' review on the Company's web site.

The financial statements shall be at the disposal of the shareholders for a period of one year following the meeting.

Auditors. The Board of Directors shall also be obligated to convene the General Assembly for an extraordinary meeting upon written demands (indicating the reasons for the necessity) put forth by shareholders whose total shareholdings amount to at least one-twentieth of the Company's capital stock. In the event that the Board of Directors fails to comply with this obligation, then upon application by shareholders with a total interest of at least one-twentieth, the Statutory Auditors must make the call to meeting. In situations where neither the Board of Directors nor the Statutory Auditors make the invitation, the shareholders may do so themselves by obtaining a court order from a competent court at the location of the Company's headquarters.

Upon the written demand (indicating the reasons for the necessity) put forth by shareholders whose total shareholdings amount to at least one-twentieth of the Company's capital stock, items that they wish to have discussed must be included by the Board of Directors in the agenda of a General Assembly whose meeting has been decided upon. Nevertheless, this demand must be made before the formally announced invitation to the meetings. Matters not included in the agenda may not be discussed.

The provisions of Article 370 of the Turkish Commercial Code are, however, reserved.

Announcements

Article 40- Announcements concerning the Company shall be made through a newspaper circulated at Company's headquarters, without prejudice to the provisions of the Capital Markets legislation and provided that the provisions concerning the announcement in the Turkish Commercial Registry Gazette are reserved pursuant to paragraph 4 of Article 37 of the Turkish Commercial Code.

The agenda of the General Assembly meetings will be prepared and announced by the Board of Directors. These announcements, also indicating the place, date and time of the meeting, will be published in the newspapers referred to in the first paragraph hereabove no later than fifteen

Dividend Distribution

Article 35-

The amount remaining after taxes have been deducted from the trade profit which is the amount after deduction from the revenues of the Company from its transactions within the fiscal year, of any and all expenses; amounts of depreciation; interests and commissions paid; salaries, wages, bonuses and all other similar overheads paid to the Company's employees; all other expenses incurred for the management and conduct of the Company's business; as well as any and all kinds of socially and philanthropically-oriented payments, provisions and reserves shall represent the Company's fiscal year's net profit. The provisions of the Turkish Commercial Code, Capital Markets Act and other relevant regulation are however reserved for the calculation of the fiscal year's net profit.

As a rule no profit may be distributed unless and until the accumulated losses from previous years are off-set.

Of the fiscal year's net profit calculated as above;

A)

1- 5 % shall be set aside as a general legal reserve; until the reserve amount equals to twenty percent of the issued capital,

2- 5 % of the issued capital shall be set aside as a first dividend from the balance.

B) Of the amount of net profit remaining after deduction of the legal reserves, and first dividend stipulated in the paragraph (A) above;

1- 7% of part corresponding to 60,000 (sixty thousand) shares worth TL 30,000,000 (thirty million Turkish Liras) corresponding to the Company's capital in 1980 prior to the most recent capital stock increase based on the 1982 amendment of the Articles of Association, may be distributed to the holders of founder's jouissance shares;

2- 10% utmost thereof may be distributed to the members of the Board of Directors;

days prior to the date of meeting.

Place of Meeting

Article 41- Meetings of the General Assembly of Shareholders shall convene at the Company's headquarters or at some other suitable place in the city where the Company's headquarters is located. This matter shall be indicated in the letters and announcements calling the meeting.

Meeting Quorum

Article 42 – Meetings of the General Assembly of Shareholders and the decision quora thereat are governed by and subject to the provisions of the Turkish Commercial Code and specific provisions of the Capital Markets Act, without prejudice to the provisions of the Banking Code.

However, the meeting quorum specified in Article 372 of the Turkish Commercial Code will be applied on the General Assembly meetings to be convened for the issues listed in second and third paragraphs of Article 388 of the Turkish Commercial Code.

While the shares of stock belonging to the members of the Board of Directors shall be considered in determining meeting quorum for the approval of the balance sheet and in matters pertaining to the liabilities of the members of the Board of Directors, they shall not entitle their owners the right to vote on such matters. Similarly, other shareholders may not exercise their voting rights in matters that are of concern to themselves, to their ascendants and descendants, and their spouses; nor may shareholders who participate in the conduct of the Company's business, vote in decisions concerning the acquittal of the Board of Directors of its liabilities. This prohibition shall not apply to the Statutory Auditors.

Votes

Article 43- Each shareholder participating in meetings of the General Assembly of

- 3- 10% utmost thereof may be distributed to the Bank's employees.
- 4- The General Assembly of Shareholders has the authority to decide whether all or part of the balance is to be distributed as a dividend to the shareholders or whether all or part of it is to be added to the extraordinary reserves.
- 5- Following the distribution of the dividend of five percent to the shareholders set forth under article A paragraph 2 above, ten percent of the total amount to be distributed from the net profit to other stakeholders shall be added to the legal reserves.

The General Assembly of Shareholders has the authority to decide whether the dividends mentioned in paragraphs (A) and (B) above other than the legal reserves and provisions are to be either distributed or retained and added to the extraordinary reserves.

Provided that there is a net profit which may be distributed, the holders of founder's jouissance shares shall receive their dividend shares even if the Company has resolved not to distribute dividend.

In accordance with the the law and this Articles of Association, all shareholders are entitled to participate to the net profit which will be distributed in accordance with the provisions of the Turkish Commercial Code and the Capital Markets Act pro rata to his shareholding in the company's share capital.

Legal Reserves

Article 36-

Each year five percent of the net profit must be set aside as legal reserve until the reserve amount reaches to twenty percent of the issued capital.

The legal reserves may only be used to offset losses, to take necessary measures to keep the enterprise functioning or to avoid the unemployment and to mitigate its impacts at the times of embarrassed business until it reaches to the half of the issued capital. In the event of the depletion of the legal reserves as a result of such offsetting, legal reserves shall continue to be set aside until the deficiency has been eliminated. The provisions of the Banking Code are however

Shareholders shall be entitled to one vote for each share he holds. One may vote through proxies. The provisions of the Banking Code in connection therewith are, however, reserved. Proxies must themselves be shareholders and entitled to vote and at least one week before the date of the meeting, they must present to the Company a power of attorney issued in accordance with the Capital Markets legislation, together with a statement showing the number of shares, before election of the Chairmanship Committee in the meeting of the General Assembly of Shareholders at the latest. Legislative arrangements of the Capital Markets Board pertaining to the form of powers of attorney and the voting in proxy are, however, reserved.

However, if a shareholder is a government organization, an incorporation, an establishment possessing a legal identity, or a person placed under guardianship, then there shall be no need for a separate power of attorney, and it shall be sufficient to evidence and document the right of representation in accordance with the pertinent legislation. The voting rights belonging to shares held by more than one owner may be exercised only by a single joint representative of them. Transfer of shares to another person for use of votes in the General Assembly meetings with a view to eliminating or avoiding any of the restrictions or limitations on voting rights will be null and void.

At meetings of the General Assembly of Shareholders, votes shall be used by show of hands. However, if the majority of shareholders present so request, balloting method will be applied.

In the case of balloting, the ballots shall be drawn up, for each agenda item that is to be decided upon, indicating the number of votes possessed by the shareholders present, in such a way as to ensure secrecy. These ballots shall be distributed to the shareholders present at the meeting by the Chairman and vote-collectors of the General Assembly. The Board of Directors shall take the necessary measures in order to determine

reserved.

In case the Company duly acquires its own shares in accordance with the relevant legislation, legal reserves amounting to the acquisition price of those shares shall be set aside. Those legal reserves shall be dissolved in the amount of the acquisition price in case the said shares are transferred or removed. The provisions of the Banking Code, the Turkish Commercial Code and the Capital Markets Act and other applicable legislation are however reserved.

SECTION SEVEN

MISCELLANEOUS

Company Officers and Prohibitions

Article 37-

The Company's employees or workers may not, in any way, disclose the confidential information pertaining to the Company or to the persons doing business with the Company and they may not assume other duties without the Company's approval.

Termination of the Company's Activities

Article 38-

The provisions of the Turkish Commercial Code, the Capital Markets Act and the Banking Code shall apply to the termination or dissolution of the Company, its liquidation, the appointment and dismissal of the liquidators and the consequences of its liquidation.

Competent Jurisdiction

Article 39-

The judicial authorities of the place where the Company's headquarter located in shall be competent to resolve any dispute that may arise between the shareholders or jouissance right holders and the Company in connection with the shares.

whether or not shareholders have the right to participate in the meeting and the discussions therein and to cast votes thereat.

Shareholders holding less shares of stock than the number of shares required to participate in meetings of the General Assembly of Shareholders, may choose from among themselves a proxy to represent them jointly.

Sessions

Article 44- A roster indicating the signatures, names, surnames, residences and number of shares of the shareholders or of their proxies or their representatives, and signed by the Chairman shall be drawn up and, before the taking of the first vote, hung in a place where it will be visible to those present.

Meetings of the General Assembly shall be presided over by the Chairman or the Vice Chairman of the Board of Directors or in their absence by someone elected by the General Assembly from among the members of the Board of Directors. In addition, the General Assembly shall also elect by simple majority two vote collectors and two secretaries.

The Chairman may decide to continue the meeting in the form of a series of sessions until decisions have been adopted by the General Assembly on all the matters included in the agenda. Upon demand of a majority of those present or by minority whose total shareholdings amount to at least one-twentieth of the Company's capital stock, discussions on the ratification of the balance sheet shall be postponed for one month; notification thereof shall be made to the shareholders as stipulated in Article 40 of these Articles of Association, and in addition, the matter shall be duly announced. Nevertheless, in order for discussions to be postponed a second time upon demand of a minority whose total shareholdings amount to at least one-twentieth of the Company's capital stock, the points on the balance sheet that are being objected to must still remain insufficiently explained.

Validity of the Legal Provisions

Article 40-

The provisions of the Turkish Commercial Code, the Banking Code, the Capital Markets Act and other applicable laws and legislation shall apply on all matters not specified in this Articles of Association.

Decision Quorum

Article 45- Decisions at meetings of the General Assembly shall be adopted by a majority of votes of those present. This majority rule shall also apply to the election of the members of the Board of Directors and of the Statutory Auditors.

If majority cannot be obtained in the election of members to the Board of Directors, the matter shall be resubmitted to vote. In this second election, those who receive a plurality of votes shall be elected to positions on the Board which are determined by the number of votes obtained. In the event of ties, lots shall be drawn.

Amendments to the Articles of Association

Article 46- The meeting and decision quora at meetings of the General Assembly held to amend provisions of these Articles of Association shall be subject to the provisions of the Turkish Commercial Code. The pertinent provisions of the Banking Code are, however, reserved.

Before the General Assembly can be convened to amend these Articles of Association, an approbation from the Banking Regulation and Audit Administration, and an approval from the Capital Markets Board, and a permission of the Ministry of Industry and Commerce must first be obtained for the text of the amendment.

Minutes of the Meeting

Article 47- In order for the decisions adopted by the General Assembly to be binding, minutes must be taken indicating the nature and the consequences of the resolutions passed. These minutes shall be signed by the shareholders participating in the voting, as well as by the representatives of the Ministry of Industry and Commerce and of the Undersecretariat for the Treasury and Foreign Trade. Shareholders who participate in the voting may authorize the Chairman and Vote-counters of the Chairmanship Committee of the General Assembly meeting to

sign the minutes.

A roster signed by the Chairman and indicating the names and surnames of the shareholders or their representatives present at the meeting, shall be attached to the minutes as well as documents indicating that the invitation to the meeting was duly made or else statements to that effect shall be included.

While the Board of Directors may present a certified copy of these minutes immediately to the Commercial Registry Office, it shall be obligated to register and announce such matters contained therein as they are subject to registration and announcement.

Matters that are contained in the decisions of the General Assembly concerning the amendment of these Articles of Association, and whose registration is obligatory, shall be registered by the Board of Directors with the Commercial Registries of the places where the Company's headquarters and branches are located and matters that are subject to announcement shall be separately announced. Decisions to amend the Articles of Association shall have no legal force until they have been duly registered.

Notification of Meetings to Related Authorities

Article 48- The Ministry of Industry and Commerce and also the Banking Regulation and Audit Administration and the Istanbul Stock Exchange Market must be notified of ordinary and extraordinary meetings of the General Assembly of Shareholders. Copies of the meeting's agenda and of other documents pertaining thereto shall also be presented to the said authorities, in the same manner.

SECTION SIX

ACCOUNTS AND DISTRIBUTION OF DIVIDENDS

The Fiscal Year

Article 49- The Company's fiscal year shall be the calendar year, beginning in the first day of January and ending in the last day of December.

Balance Sheet and Profit and Loss Statements

Article 50- At the end of each fiscal year, a balance sheet and a profit and loss statement showing the Company's financial standing shall be drawn up as required by Article 51/2 of the Banking Code in accordance with the formula determined by the concerned authorities and with the provisions of current legislation.

The balance sheet, the profit and loss statement, the annual report arranged by the Board of Directors and its proposals concerning how net profit is to be distributed and the determination of the date of distribution, and the report by the Statutory Auditors shall be made available for examination of the shareholders at the Company's headquarters and branches at least fifteen days before the ordinary meetings of the General Assembly of Shareholders.

Profit and loss statement, balance sheet and annual reports shall be kept available to shareholders for a period of one year following each meeting. Invitations to the meeting that are sent to registered stockholders whose address is known shall contain a separate indication of this matter.

Announcement of the Balance Sheet and Provision of Information

Article 51- One copy each of the balance sheet and of the profit and loss statement certified by the independent audit firms and the Statutory Auditors shall be sent, together with those of the reports of the Board of Directors and of the Statutory Auditors, within three months following the date of the annual ordinary General Assembly Meeting, to the Republic of Turkey, Prime Ministry, Treasury Undersecretariat, the Ministry of Industry and Commerce, and the Central Bank of the Republic of Turkey, after which they shall be announced in the Official Gazette and in a newspaper published nation-wide.

In addition, account statements prepared in accordance with the principles and the format given in Article 56/1 of the Banking Code shall be sent quarterly to the Republic of Turkey, Prime

Ministry, Treasury Undersecretariat and the Central Bank of the Republic of Turkey pursuant to the provisions of Paragraph 2 of the Article 56 of the Banking Code.

The financial statements and reports envisaged in the Capital Markets legislation, as well as the independent audit report, shall be publicized and separately delivered to the Capital Markets Board in accordance with the procedures and principles set forth in the relevant legislation.

Distribution of Dividends

Article 52- The amount remaining after taxes have been deducted from the trade profit, which is the amount after deduction, from the revenues of the Company from its transactions during the balance sheet period, of any and all expenses; amounts of depreciation; interests and commissions paid; salaries, wages, bonuses, and all other similar overheads paid to the Company's employees; all other expenses that must be incurred for the management and conduct of the Company's business; as well as any and all kinds of socially and philanthropically-oriented payments; and reserves shall be equal to the Company's net profit.

Of the net profit calculated as above :

A) 1- 5 % shall be set aside as a legal reserve;

2- From the balance, a portion of 5 % of the paid-in capital shall be set aside as a first dividend.

B) Of the amount of net profit remaining after deduction of the legal reserves, and first dividend stipulated in the paragraph (A) above:

1- 7 %, corresponding to the 60,000 (sixty thousand) shares worth TL 30,000,000 (thirty million lira) prior to the most recent capital stock increase may be distributed to the holders of founder's jouissance shares;

2- a maximum of 10 % thereof may be distributed to the members of the Board of Directors;

3- a maximum of 10 % thereof may be distributed

to the Bank's managers, employees and unqualified employees;

4- The General Assembly shall have the authority to decide whether all or part of the balance is to be distributed as a dividend to the shareholders or whether all or part of it is to be added to the extraordinary reserves.

5- The provisions of Subparagraph 3 of Paragraph 2 of Article 466 of the Turkish Commercial Code are, however, reserved.

The General Assembly shall have the authority to decide whether the dividends mentioned in paragraphs (A) and (B) above excluding the legal reserves and provisions are to be distributed or else to be retained and added to the extraordinary reserves.

Dividends shall be allocated and distributed equally to all of the shares as of the end of the fiscal period, irrespective of the dates of their issuance or acquisition.

Legal Reserves

Article 53- Each year one-twentieth of the net profit must be set aside as a legal reserve until the reserve is equal to one-fifth of the paid-in capital.

These provisions can only be used to offset losses. In the event of their depletion as a result of such offsetting, funds shall continue to be set aside until the deficiency has been eliminated.

The provisions of Subparagraph 3 of Paragraph 2 of Article 466 of the Turkish Commercial Code as well as of the provisions of the Banking Code are, however, reserved.

Article 54 - (Repealed)

SECTION SEVEN

TERMINATION OF THE COMPANY'S ACTIVITIES

Decision of Dissolution

Article 55- In the event that it becomes necessary for any reason whatsoever for the Company to be

dissolved and liquidated, the General Assembly shall be convened for an extraordinary meeting and a decision shall be made on the matter. The procedures to be followed in the decision to dissolve the Company shall be subject to the provisions of the Turkish Commercial Code as well as to the pertinent provisions of the Banking Code.

Liquidators

Article 56- Liquidation procedures shall be carried out by two or more liquidators. These liquidators shall be appointed or elected by the General Assembly.

Liquidators shall be authorized to sign on behalf of the Company in liquidation. Liquidators shall be obligated to report on the progress of liquidation to the Banking Regulation and Audit Administration at intervals which the Administration deems suitable.

The Banking Regulation and Audit Administration is authorized to audit the liquidation proceedings and to request all kinds of documents and information if and when deemed necessary.

Sworn Bank auditors and their assistants shall possess the authority to examine liquidation procedures within the framework of the provisions of the Banking Code.

The Liquidation Proceeds

Article 57- If any assets remain after the conduct of liquidation procedures, these shall be divided among the stockholders in accordance with the provisions of the Turkish Commercial Code and in proportion to their shares in the paid-in capital.

SECTION EIGHT

MISCELLANEOUS PROVISIONS

Article 58- (Repealed)

Company Officers and Prohibitions

Article 59- The Company's officers or unqualified employees cannot in any way divulge privileged information pertaining to the Company or to persons doing business with the Company. Without the Company's consent, they may not assume other duties.

Article 60- (Repealed)

Applicable Laws

Article 61- The provisions of the Turkish Commercial Code, the Banking Code, the Capital Markets Act and other current laws and legislation shall apply on all matters not specified in these Articles of Association.

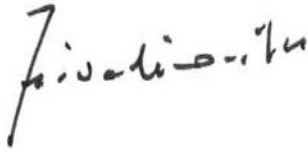
SECTION 1 - PRESENTATION

STATEMENT CONCERNING THE 2013 ANNUAL REPORT OF TÜRK EKONOMİ BANKASI A.Ş.

The Annual Report of Türk Ekonomi Bankası A.Ş. has been prepared in accordance with the "Regulation on Principles and Standards for the Preparation and Publication of Annual Reports by Banks" published in the Official Journal numbered 26333, dated 1 November 2006.



Yavuz CANEVi
Chairman of the
Board of Directors



**Jean Milan
GIVADINOVITCH**
Board Member and
Chairman of Audit
Committee



Dr. Akın AKBAYGİL
Vice Chairman of the Board of and
Vice Chairman of Audit Committee



Ümit LEBLEBİCİ
General Manager



M. Aşkın DOLAŞTIR
Assistant General Manager in
Charge of Financial Reporting



Gökhan KAZCILAR
Director in Charge of Financial
Reporting

TÜRK EKONOMİ BANKASI A.Ş. 2013 ANNUAL REPORT

Reporting Period	: 01.01.2013 – 31.12.2013
Title of the Bank	: Türk Ekonomi Bankası A.Ş.
Headquarters	: TEB Kampüs C ve D Blok Saray Mah. Sokullu Cad. No: 7A-7B Ümraniye 34768 İstanbul
Telephone	: +90 216 636 35 35
Fax	: +90 216 636 36 36
Web Site	: www.teb.com.tr
E-mail	: yatirimciiliskileri@teb.com.tr
Trade Registration Number	: 189356
Central Registry Number (MERSİS)	: 8760043420001

SHAREHOLDING STRUCTURE OF TEB

The distribution of the Bank's 2,204,390,000 TL paid-in-capital as of 31 December 2013

Shareholder's Name/Title	TRY 2,204,390,000.00	
	Share in Capital	Percentage
TEB HOLDİNG A.Ş.	1,212,414,499.99	%55.00
BNPP HOLDİNG A.Ş.	518,342,498.52	%23.52
BNP PARIBAS FORTIS YATIRIMLAR HOLDİNG A.Ş.	380,310,500.60	%17.25
PUBLICLY TRADED	92,221,677.73	%4.18
Other Shareholders	1,100,823.16	%0.05
TOTAL (ISSUED CAPITAL)	2,204,390,000.00	%100.00

Shares of the Chairman and Members of the Bank's Board of Directors, General Manager and Assistant General Managers

Yavuz Canevi (Chairman)	28.83 TL
Dr. Akın Akbaygil (Deputy Chairman of the Board and Deputy Chairman of the Audit Committee)	46.36 TL
Ayşe Aşardağ (Board of Member)	38.05 TL
Kubilay Güler (Assistant General Manager, Banking Operations and Support Services)	8,210.00 TL
Nuri Tuncalı (Assistant General Manager, SME Credits)	8,889.61 TL
Saniye Telci (Assistant General Manager, Operations)	4,759.08 TL

TEB: FROM PAST TO PRESENT

TEB (the “Bank”) was initially founded under the title of Kocaeli Halk Bankası T.A.Ş. in Izmit in 1927. The Bank was acquired by the Çolakoğlu Group in 1982 and renamed “Türk Ekonomi Bankası A.Ş.”, and its head office was moved to Istanbul.

Having focused on foreign trade finance and investment banking during the 1980s, TEB shares were offered to the public in February 2000. The Bank’s shares began trading under the TEBNK ticker in the National Market of the Istanbul Stock Exchange on December 31st, 2013. TEB shares are also listed on the depository receipt market of the London Stock Exchange.¹

On February 10th, 2005, TEB signed a partnership agreement with BNP Paribas, one of the leading banks in the Eurozone and the 7th largest in the world by year 2012, operating in 78 countries. By entering cooperation with BNP Paribas, one of the most prestigious brands in the international markets, TEB was able to carry its global vision further.

As the BNP Paribas Group acquired a majority stake in Fortis Bank Belgium and Fortis Bank Luxemburg, the Group became the principal shareholder of Fortis Bank Turkey (Fortis Bank) in 2009. Consequently, BNP Paribas and the Çolakoğlu Group, the indirect majority shareholders in TEB, entered a memorandum of understanding, whereby TEB and Fortis Bank were to be merged. The two banks were legally merged on February 14th, 2011.

Following the merger, TEB Holding remained the majority shareholder in TEB with a 55% share, while BNP Paribas Group and the Çolakoğlu Group will each continue to hold 50% of TEB Holding.

By capitalizing on the global organization and expertise of the BNP Paribas Group, TEB offers its customers a wide array of financial products and services, including Corporate, SME, Personal and Private Banking, and Treasury and Capital Markets

services, as well as investment, leasing, factoring, insurance and asset management.

At the end of 2013, TEB was serving its 5 million customers through:

- 10,001 employees,
- 544 branches,
- a balance sheet size of TL 53.4 billion,
- 1,677 ATMs,
- the Internet branch at www.teb.com.tr,
- the 444 0 666 Call Center

Relying on the strength of its partner, BNP Paribas, and the support of the BNP Paribas organizations in 78 countries, TEB enables its customers to benefit from the global vision and the facilities of BNP Paribas. The synergic cooperation established with BNP Paribas allows TEB to continuously maintain a close view of developments in the global market.

¹Up to date information about TEB Shares can be found at the following website: www.teb.com.tr

CHAIRMAN'S MESSAGE

Esteemed shareholders, customers and employees,

The global economic crisis in 2008, which left an indelible mark on the modern history of the economy and sent shockwaves through the global financial markets, gave way to a new era in 2013; while, for the first time in the last 5 years, developed economies began to exhibit healthy and sustainable signals of a recovery from the crisis, what had been a relatively strong performance among emerging markets was replaced by uncertainty and volatility, particularly in the second half of the year.

The FED's announcement in 2013 regarding the termination of the bond purchase program paved the way for capital outflows from emerging markets, resulting in the devaluation of the currencies of these countries.

As a consequence of a period of weak performance in global economic activity, a decline in commodity prices was observed, accompanied by low rates of inflation globally. However, as recent fluctuations in capital flows negatively affect expectations, there is now some debate over whether there is upward pressure on the global inflation rate.

Asset purchase program and the US economy

The quantitative easing (QE) program which has been applied in USA for five years has become the principal focal point of the economic improvement. In the last 5 years, the FED raised the money supply by nearly US\$ 2 trillion. As indicated by the unemployment rate, which stood at 6.6% as of January 2014, increasing money supply provided much needed relief to the US economy, allowing for the creation of new employment opportunities in a sustainable manner. On the other hand, despite some concerns among economists that increasing money supply would lead to high inflation rates, the inflation rate - which stood at around 1.5% at the end of 2013 - would suggest that such concerns are unfounded.

Exiting the QE policy will be the most critical process facing the US economy in 2014. In its

meeting on January 29th, 2014, the Federal Open Market Committee tapered monthly asset purchases by US\$ 10 billion to US\$ 65 billion and is expected to complete the entire program by tapering in tranches of US\$ 10 billion per month until the end of the year. The FED aims to complete the QE program without causing alarm to the markets. This process, which is expected to take place in 2014, could prove a determining factoring setting the course of events in the global economy, including Turkey.

1% growth in the EU-28

There were also strong signals from Europe that the continent was finally overcoming the recession in 2013. According to Eurostat data announced in February 2014, the Eurozone's GDP grew by 0.5% (2012: -0.7%) in 2013 against a 1% rate of growth (2012: -0.4%) in the EU-28. In the same period, the inflation rate in the Eurozone stood at 0.8%. This bright picture indicates that economic recovery had got underway in Europe, which is Turkey's most important trade partner.

In the period to come, possible steps to be taken by the European Central Bank (ECB) will prove important in avoiding a return to recession in the Eurozone. Having opted for conventional monetary policy instruments, the ECB will first find a way to eliminate conflicts between member countries in order to apply a non-traditional approach. In addition to long-term refinancing operations (LTROs), the ECB is also considering the acquisition of private sector assets as well.

As we head towards 2014, it is observed that European banks have substantially completed their program of strengthening their capital structures. However, the stress test that banks are held subject to and the Basel III capital adequacy criteria effectively compromise the banking sector's appetite for placements. Further, in light of the experience that they have gained during the global economic crisis since 2008, banks now prefer much more conservative policies than in the past and are more cautious in extending loans to the private sector.

The Turkish economy has demonstrated efforts to adapt to international developments in 2013

It was observed that economy activity in Turkey

gained momentum despite the fluctuations in global markets. According to TURKSTAT data, economic activity continued to grow in the first nine months of 2013. Turkey's GDP increased by 3% in Q1/2013, 4.5% in Q2/2013 and 4.4% in Q3/2013. The PMI index illustrates that economic activity also remained strong in the last quarter of 2013. According to these findings, Turkey's GDP growth rate, which is expected to reach 4% at the end of the year, will be realized at 2.2% in 2014 because of tight monetary policies.

The seasonally adjusted unemployment rate stood at 9.9% in October 2013. This compares with an unemployment rate of 12.1% in the Eurozone and 10.9% in the EU-28. According to the same data, the unemployment rate in Turkey was lower than the average unemployment rate of 13 EU countries.

The inflation rate in Turkey was higher than the CBT's 5% target. The average inflation rate in Turkey has been hovering at around 8% since 2004. As a result of the recent devaluation of the Turkish Lira, it is projected that inflation rate will remain high at around 8% in 2014.

Having slid to as low as 6.1% in April 2013, the annual rate of CPI inflation started to edge up in the remaining months of the year. As of December 2013, the annual rates of CPI and PPI inflation had reached 7.4% and 6.9%, respectively. The rate of CPI inflation was mainly affected by the devaluation of the Turkish Lira and increasing unprocessed food prices. While the increase in global oil prices and fall in the Turkish Lira have raised energy prices, there has also been an increase in the rate of inflation in the services sector.

As one of the most important issues on the economic agenda, Turkey's current account deficit rose by US\$ 16.5 billion to US\$ 65.4 billion by the end of 2013, while the current account deficit excluding non-monetary gold fell by US\$ 983 million to US\$ 53.2 billion. The current account deficit/GDP ratio increased from 6% at the end of 2012 to 7.8% by the end of 2013.

As a result of the expected slowdown in economic activity and the normalization of the gold trade,

the current account deficit/GDP ratio is expected to fall back to 6% in 2014.

Budget discipline remains one of the most solid foundations of our national macroeconomic structure. In 2013, the budget deficit/GDP ratio was realized at 1.2%, one percentage point lower than the target specified by the government. According to the Medium Term Program, which is based on the projection that budget discipline will be strictly maintained, the budget deficit/GDP ratio is expected to fall to below 2% by 2016.

The CBT applied a cautious monetary policy in 2013, keeping an eye on both inflation indicators and the risks imposed by global uncertainty. To this end, the CBT implemented additional fiscal tightening policies in order to limit the negative impacts of the inflation indicators (which are higher than targets) on pricing behavior. In August, the CBT raised the overnight lending interest rate from 7.25% to 7.75%, expanding the interest rate corridor upward.

Volatility in exchange rate in recent months has increased the concern over the inflation outlook. In its meeting on January 28th, 2014, the CBT's Monetary Policy Committee announced that it would steadfastly continue to implement the policies to limit the impacts of this trend on pricing, and declared that it had raised the 1-week repurchase interest rate from 4.5% to 10% and the overnight lending interest rate from 7.75% to 12%.

In the light of these developments mentioned above, the Turkish economy is expected to grow at a slower pace in 2014 than in 2013. Depending on the steps taken by the FED based on its asset purchase policy, the global economy is now on the verge of entering a new path, while actors in the Turkish economy will continue to closely monitor the current account deficit and inflation without deviating from the growth model that is based on local market dynamics.

Continued growth in 2013

Despite the slowdown in economic activity, particularly in the second half of the year, the Turkish banking system continued its healthy development. The sector's total assets grew by

20.6% to TL 1.653 trillion in the first 11 months of 2013. Meanwhile, deposits and general funding costs increased in Q2 and Q3/2013 because of declining risk appetite and increasing interest rates in domestic and foreign markets. However, these developments did not lead to any negative impact on the sector's asset structure.

By the end of 2013, sector loans rose by 27.1% and reached TL 1.009 trillion compared to the end of 2012. The ratio of non-performing loans continued to edge up in 2013, rising by 23.3% to TL 29.1 billion as of November. Also, in November, the banking industry's capital adequacy ratio reached 15.6%, exceeding the legal limit of 8% and the target ratio of 12%. The sector, which has been able to manage its risks successfully, maintains its equity capital structure.

Maintaining a healthy balance sheet structure and cementing TEB's position in the sector.

As one of the most prestigious players in the Turkish banking industry, TEB has maintained its progress with determination in line with its vision, mission, target and strategies and completed the year with a successful performance as indicated by the figures below:

- TL 56.2 billion of consolidated assets and
- TL 5.6 billion of consolidated shareholders' equity

While we maintained our efforts to build infrastructure in our business lines and expand our branch network throughout 2013, we have also taken steps to build a more effective and efficient organization. Our Bank has also focused on enhancing and diversifying the synergy with its strategic partner, BNP Paribas, which has continued to offer global service channels to its customers. TEB has also reinforced its collaboration with its financial subsidiaries and increased its performance by capitalizing on the opportunity to offer complementary products and services to its broad and wide client base.

TEB also injected momentum into its social responsibility efforts in 2013. We have successfully undertaken efforts to promote financial literacy, which, in our opinion, is highly important in raising the social wealth and success of the banking industry. Thus, we were able to

reach a total of 105,000 people in a year through the TEB Family Academy. I would like to add that we find such projects highly useful in terms of sustainable growth and social development. TEB will continue to support these areas not only through substantial means, but also through the active participation of its qualified management teams as instructors.

Another development important to TEB was the change in the management team. Having served TEB as the CEO for a period of 10 years, Mr. Varol Civil handed over the reins to Mr. Ümit Leblebici. From now on, Mr. Civil will be sharing his broad experience and knowledge with us at a more strategic level on our Management Boards. I would like to wish the greatest success to Mr. Leblebici and Mr. Civil.

TEB has been successfully applying its strategies with the purpose of becoming a much stronger bank with its expanding and diversifying service channels. We will further cement our prestigious position in the sector by expanding our product and client portfolios. Thanks to its strong shareholding structure and resources, TEB is currently able to undertake the necessary investments for growth. Supporting this strength with flexible and swift decision making processes and the managerial competency of its professional team, TEB looks to the future with confidence.

I would like to take this opportunity to extend my sincerest gratitude to our competent team and strong shareholders for their valuable support and helping us realize our targets, as well as our customers for their unwavering trust in us.

Yours respectfully,

Yavuz Canevi
Chairman of Board of Directors



MESSAGE FROM THE CEO

Esteemed shareholders, customers, business partners and colleagues,

Our ability to predict the future and accurately interpret the dynamics of change has also allowed us to maintain our strong market position throughout our 86th year of operation.

In 2013, our increasing profitability, growing asset base and rising business volumes have proven the relevance of our proactive strategy, and our success in executing a customer-oriented banking business in such a volatile market environment.

TEB's strategy is to demonstrate long-term sustainable growth and attain high profitability by creating continuous value. Our financial and operational results in 2013 are a reflection of the successful steps we have taken towards our strategic vision.

Our policies, which are focused on efficient growth in all business lines, envisage balanced balance sheet growth. I am delighted to report that TEB's total assets expanded by 23% when compared to the end of 2012 to reach TL 53.4 billion. In 2013, TEB not only expanded its balance sheet, but also significantly increased the total volume of resources allocated to its customers and the total value it generates for its stakeholders. The volume of funds provided by TEB to the real sector through cash and non-cash loans rose to TL 49.4 billion in 2013.

Our Bank generated TL 699 million in operating profit and a TL 535 million net profit in 2013, corresponding to a YoY increase of 8%. In the same period, TEB's net banking revenues increased by 16% to TL 2.791 billion. In line with our improving efficiency in 2013, TEB improved its shareholders' equity and return on assets broadly in line with the sector average rates. By the end of 2013, our shareholders' equity had reached TL 5.3 billion and our capital adequacy ratio was realized as 14.23%.

Thanks to the balanced distribution of our loan portfolio across the sectors, the sum of cash and non-cash loans provided to any one sector does not exceed 10% of our total loan volume.

Consumer loans, on the other hand, account for 27% of our total loan portfolio.

We achieved especially significant growth in the number of our deposit accounts in 2013. Our Marifetli Hesap (Skillful Account) product played a key role in our efforts to develop saving products, helping us gain 170,000 new accounts throughout the year. Our total deposits rose by 19% to TL 34.3 billion in 2013.

Our Bank continued to expand its branch network by opening 35 new branches in 2013. By the end of 2013, TEB was offering its products, services and solutions to more than 5 million customers and serves in 72 cities through 544 branches, with 10,000 employees, more than 1,600 ATMs, and a network of more than 120,000 POS devices and a wide range of alternative delivery channels

We are determined to maintain our loan supply activities in a volatile conjuncture

The growth performances of developed countries and emerging markets decoupled in the wake of the global crisis in 2008, but a new threshold was reached in 2013 as a result of a number of developments in the USA and Eurozone.

The signal of a change in USA financial policy precipitated capital outflows from emerging markets. During the same period, the currencies of emerging markets – including the Turkish Lira – were significantly devalued. These developments resulted in market volatility, forcing the CBT to tighten its monetary policy.

Moreover, a number of regulatory changes such as restrictions that have started to be imposed on the interest rates of overdraft accounts, gradual increases in general loan interest rates, higher credit risk weightings on some receivables and restrictions being applied to installments on a product and loan basis for sales on credit, have been introduced in 2013. Also, rising funding costs have required the implementation of new strategies.

Under the circumstances that we have summarized, TEB continued to stand by the real sector and support the national economy in all circumstances during 2013. At the end of 2013,

the share of loans – the largest item under the assets section of the balance sheet – in our overall balance sheet was realized at 71%. Our Bank continued to provide cash and non-cash loans to its customers, including SMEs, from various sectors.

By the end of 2013, the loans/assets ratio had climbed to 71% and the share of loans provided to SMEs in our total loan volume reached 45.33%. The Bank was actively working with more than 155,000 SMEs at the end of 2013. According to BRSA data, our bank commanded a 5.11% market share in terms of the number of customers. In the same period, TEB's share in the cash loan market and non-cash loan market in the SME segment stood at 6.19% and 9.79%, respectively.

Export loans, an area in which we are the sector leader, remained a major business line for us in 2013. According to data as of September 30th, 2013, TEB was the leader of the Turkish banking industry in terms of the share of export loans to total loan volume (excluding personal loans). Our Bank assumed 3rd position in the sector in terms of total export loan volume.

As of end-2013, the number of customers served by TEB's Private Banking unit reached 4.6 million. The Bank's private client base grew by 18% year-on. While the sector grew by 18% when compared to the end of 2012 in terms of personal saving deposits, TEB achieved a 22% rate of growth and reached a 3.71% market share in this category.

In 2013, another area where our Bank grew more rapidly than the sector was in credit cards: TEB raised its market share in this category, chalking up 33% growth, against the 17% growth rate in the sector. Launched in 2006, TEB POS – another area where we are growing rapidly – served 120,000 locations by the end of 2013, while TEB, with a 6.15% market share, ranks as the 6th largest bank in this segment, where a total of 25 banks operate.

TEB attached significant importance to risk management and asset quality in 2013 as well. Our Bank succeeded in keeping its non-performing loans ratio below the sector average in 2013. The non-performing loans ratio, which

stood close to 2.25% throughout 2013, is an indicator of the health of TEB's loan stock and how TEB manages it in a risk-sensitive and sustainable manner.

One of the best three SME banks worldwide

Chosen by IFC as one of the best three SME banks worldwide in 2012, TEB continued to share its knowledge and experience with other banks in emerging markets by participating in a number of events held by the IFC in 2013. In the same context, we also participated in the annual ADFIMI meeting held by the Islamic Development Bank in Tajikistan. We have also shared our experience in the SME segment with the BNP Paribas Group. In 2013, we conducted a series of workshops with BNP Paribas Poland where we were able to share our vision of becoming the consultant bank for SMEs.

More success for the TEB SME Academy

Conducting its activities since 2005 under the motto, "KOBİ neredede, TEB orada" (where there is SME, there is TEB); TEB provides consultancy services to SMEs throughout Turkey within the framework of the TEB SME Academy. The TEB SME Academy continued to hold conferences in 2013, reaching 1,500 people in total in 6 cities. In the 8 years since the academy entered service, we have reached 20,000 SME representatives in 41 cities through a total of 71 events.

In 2014, our Bank unwaveringly will continue its efforts to raise the level of financial literacy of SMEs and to offer the differentiated services that they require.

Another exciting development for us in 2013 was to receive the Most Innovative SME and Enterprise Banking award within the scope of the Turkish Innovation Week, organized by the Turkish Exporters Assembly (TIM). Considering innovation as a topic that closely concerns all segments of the community and must be strategically dealt with, the award demonstrates TEB's progress on the right track and the added value it generates for its shareholders.

Carrying out the most comprehensive enterprise banking program in Turkey

Within the scope of its efforts in the area of enterprise banking, TEB supports entrepreneurs with its financial and non-financial products and lays the foundations of the SMEs of the future. We provided financial support to 17,000 entrepreneurs in the space of just 10 months, through consultancy and training programs, we reached 3 thousand entrepreneurs.

In context of our approach, we attach special importance to the economic potential of the business ideas of our entrepreneur customers and evaluate loan supply decisions based on the potential of the business idea in question. In Turkey, an average of 260,000 enterprises are established and 140,000 enterprises are closed each year, so we are well aware of the importance of the support we offer in the area of enterprise banking.

Through the support project that we have restructured under the name, "TEB Enterprise House", we have played a key role in the realization of ideas of thousands of entrepreneurs, breaking new ground in the Turkish banking industry.

In the TEB Enterprise House, which was opened in Istanbul, we focused on listening to everyone who came to us saying "I have a business idea". In the Enterprise House, we not only provided training and consultancy services, but also listened to 273 project owners during the year before mobilizing the facilities of our Business Incubator for 31 projects. Our target is to introduce angel investors with the projects that are accepted to the Business Incubator and to support their implementation with our banking products and services.

Before starting the enterprise banking business, TEB aimed to reach 13,000 entrepreneurs every year within the scope of a 5-year roadmap. The realizations in 2013 indicate that we exceeded our annual target. Our target mass is entrepreneurs. We are determined to meet more frequently with people who has value added, sustainable business ideas and offer them our support. We also consider this also an element of our social

responsibility and adopt it as a requirement for modern responsible banking.

Promoting an awareness of saving, accessing banking services, financial literacy and TEB Family Academy

Building an awareness of saving and a sustainable savings ratio are crucial in economic development. Our country has not yet reached the desired level in terms of propensity to save. We believe that banks must play a key role and assume responsibility in this area. TEB aims to grow more assertive in savings banking, a largely untouched area in terms of product diversity and richness, and to support initiatives that would improve individuals' awareness to save.

To this end, we launched the TEB Family Academy – TEB's national platform that aims to improve financial literacy. Having reached 20,000 people in 2012, TEB Family Academy provided training on financial literacy to 105,000 people, exceeding the Bank's targets in 2013. The free training sessions, that have attracted a great deal of attention from participants, have primarily focused on the profit-loss balance of individuals and families, proper use of banking products and customer rights in the banking industry. As part of our efforts, we have reached children through in-class training and the TEB Children website (including the associated application, at www.tebcocuk.com) prepared to furnish children with an awareness of saving in a way that is enjoyable for them.

The TEB Family Academy joined forces with the Boğaziçi University and conducted the first Financial Access Index study in Turkey in 2013. At the end of the study, a score of 43 out of 100 was achieved for accessing financial services by those who work with or who are able to work with banks in Turkey. The study shows that Turkish banking industry has limited access to young people, women and rural. TEB aims to reach these segments and to improve their financial literacy. TEB sees this not only as a business opportunity, but also as a responsibility.

Another activity that we are engaged in is to determine Turkey's financial literacy index. As a result of our joint work with Finansal Okuryazarlık ve Erişim Derneği (Financial Literacy and Access to

Financial Services Association – FODER), we determined the financial literacy index in Turkey to be 59.8.

TEB turned its branches into classrooms and branch managers into teachers, thus opening its doors to everyone to provide training on financial literacy. As a result of the strong interest that this scheme attracted, we moved these training sessions outside branches and began to train people in universities, public institutions, private sector companies, associations and chambers. In Ankara, we opened the TEB Family Academy House with a 100-person capacity. The size of the audience we reached in 2013 illustrates how accurate our vision is and how firmly we have progressed. We are determined to diversify our efforts within the TEB Family Academy and to reach broader masses.

A Bank That Transforms Technology into Service

Having devoted itself to innovation, TEB presses ahead in its efforts to improve non-branch banking services that are summarized under the motto, “A Bank That Transforms Technology into Service”.

We expanded the scope of our ATM network, invested TL 40 million, increase the number of TEB ATMs by 44% throughout Turkey compared to 2012. Moreover, we presented CEPTETEB (a new version specifically designed for iPads; there is another version for iPhone or Android-based devices) – our mobile banking practice – to our customers at the App Store in 2013.

Another important development in 2013 was the increasing rate of utilization of digital banking channels. The utilization rate of the alternative banking channel reached 80% in some financial transactions, such as money transfer and withdrawal and money deposits, while the user base in the internet banking channel grew by 33%. The fastest growing channel of the year was CEPTETEB that reached 120,000 active users in total.

Digitalization of banking transactions, a process we attach a great deal of importance to, continued in 2013. During the year, 55% of money deposit transactions, 83% of withdrawal

transactions, 72% of credit card payments and 84% of money transfers were carried out through our digital banking channels.

By moving financial transactions from our branches to digital channels, we continue to reduce our operating costs. This process is important not only in terms of maintaining precise control of our cost curve, but also increasing the added value that we produce for our shareholders.

TEB’s efforts in the area of digital banking were crowned with various awards in 2013, while the Bank is determined to intensively carry out these efforts and to further invest in this area in 2014.

Looking ahead to 2014...

Today’s global and national economic conditions suggest that 2014 will be a volatile year. A cautious approach to liquidity and risk management will be again at the top of banking sector agenda.

We believe that the precautions taken by the CBT in 2013, which essentially aim to protect financial stability by rebalancing Turkey’s growth composition, will yield positive results for the Turkish economy in the medium term.

The Turkish banking industry, which has been comprehensively restructured and now offers a sound financial structure, is, despite the economic crisis, ready to provide all forms of support as required by the Turkish real sector in 2014, just like every year since 2008.

Despite the economic crises, comprehensively restructured Turkish banking system is ready to provide all forms of support to Turkish real sector in 2014 as it did since 2008.

During this period, TEB will continue to utilize its growth potential and the financial assets under its management with an approach for its shareholders to add more value.

Besides our sophisticated collaboration with our business partner BNP Paribas, so strongly believes in the future of the Turkish economy and considers the Turkish market as one of the three

major centers of growth in the world it will play a key role in our growth.

We plan to expand our loan supply activities – which is our primary field of work – by maintaining the healthy structure of our loan portfolio. Each new customer who shares the same values with us will contribute to our success and make it easier for us to further improve our sound structure.

With its prestigious brand being synonymous with trust for depositors, companies, correspondent banks and business partners, TEB will continue to grow in full compliance with the law and ethical values.

I would like to extend my thanks to our shareholders who have raised the sustainability of the TEB brand with their precious and uninterrupted support, our customers who have bestowed their trust in us in all circumstances, our employees who have adopted our shared values from the bottom of their hearts, and our business partners who have never stinted in their support at different points of our business cycle.

Ümit Leblebici
CEO

A handwritten signature in black ink, appearing to read 'Ümit Leblebici', with a large, stylized initial 'U' and a horizontal line extending from the end of the signature.

OVERVIEW OF THE ECONOMY AND THE SECTOR IN 2013

As a result of US Federal Reserve's (Fed) signal that it would slow down monetary expansion, a volatile trend was observed in global financial markets

In May, the FED announced that it may eventually terminate its bond purchase program by gradually tapering the volume of purchases. Immediately after this announcement, there was a significant increase in bond yields in both developed countries and emerging markets, while the currencies of emerging markets were devalued as a result of slowing capital flows. Having begun to taper bond purchases in December, FED is expected to end its balance sheet growth program in 2014 and increase interest rates in 2015. Despite the strong outlook for the US economy, economic growth remains weak in the Eurozone. Furthermore, the European Central Bank may well implement an additional monetary expansion program in view of the mounting risk of deflation. Still, the likelihood is that the FED's revised policy will dominate over other developments in the world as far as global financial markets are concerned, and that the changes in global liquidity conditions will limit capital flows into emerging markets.

Volatility in financial markets have only a limited impact on economic activity in Turkey in 2013.

Turkey's credit rating was raised to investment grade by Fitch at the end of 2012 and Moody's at the beginning of 2013, a situation that accelerated capital inflows.

Increase in Turkey's credit rating to investment grade by Fitch at the end of 2012 and Moody's at the beginning of 2013 accelerated capital inflows. However, this rosy state of affairs proved short lived and capital inflows began to dry up after the FED's announcement. As a result, the interest rate of the 2-year benchmark bond, which had fallen to less than 5% in May, climbed to 10%. Similarly, the value of the Turkish Lira plunged by about 20% against the US\$ between May and the end of the year. Despite these developments in the financial markets, domestic economic activity remained robust as the CBT continued to follow a loose monetary policy. As a result, Turkey's GDP is

expected to have grown by 4% in 2013. On the other hand, however, the rate of GDP growth is expected to fall to 2.2% in 2014 due to tightening monetary and financial conditions in Turkey and abroad. In addition, the political uncertainty we have recently witnessed in Turkey and ongoing fluctuations in financial markets represent a primary risk, putting downward pressure on economic growth.

The annual rate of inflation ended the year 2013 at 7.4%, exceeding the CBT's inflation target.

Because of the devaluation of the TL, tax hikes and high food prices, CPI rate is significantly higher than the 5% target rate. Similarly, the rate of core inflation which is 7% is above the expectations. The inflationary outlook for 2014 will be adversely affected by rigidity in service sector, weak TL, tax hikes imposed at the beginning of the year and possible increases in energy prices. Thus inflation for 2014 is projected to be 8.2%.

CBT tightens monetary policy in the second half of the year.

The CBT cut the policy interest rate by 1 point to 4.5% in the first half of 2013, when capital inflows were strong following the volatility precipitated by concerns that the FED would change its policy, the CBT raised the reference interest rate to 7.75%. However, considering the current inflation rate, the Bank's monetary policy continues to support economic growth. In order to limit the devaluation of the TL, the CBT sold a total of US\$ 18 billion worth of FX since the middle of 2013. On the other hand, as a result of the repayment of accrual loans used by exporters, the decline in the CBT's net reserves was limited. In addition, the Bank continued to apply the reserve options mechanism that allows banks to keep TL-based required reserves in the form of foreign exchange or gold. Meanwhile, the Bank continued to increase reserve options coefficients (ROC) that determine FX or gold provisions, which will be allocated in per unit TL-based required reserves. In conclusion, even after selling US\$ 18 billion in foreign exchange, the CBT's gross reserves increased by US\$ 12.5 billion in 2013 to reach US\$ 132.9 billion. However, the Bank's net reserves fell by US\$ 5.4 billion to end the year at US\$ 48.3 billion.

Current account deficit remains high.

Despite the devaluation of the TL, imports continue to climb due to the strong domestic demand. An exceptional US\$ 5.7 billion in net gold exports in 2012 were reversed in 2013, another factor contributing to the increase in the current account deficit. As a result, the current account deficit/GDP ratio increased from 6.1% in 2012 to 7.9% in 2013. Unless there is a contraction in domestic demand or significant fall in oil prices, Turkey is expected to continue to be challenged by a wide current account deficit. Accordingly, the current account deficit/GDP ratio is expected to stand at around 6% in 2014.

Turkey's external financing needs are projected at US\$ 216 billion in 2014, including US\$ 39 billion of medium-long term debt payments and a short-term debt stock of US\$ 129 billion. Turkey's massive need for external financing will remain element of fragility in fending off foreign shocks. On the other hand, if economic activity turns out to be weaker than projections, the current account deficit may shrink much more rapidly than has been forecasted.

The Turkish banking system maintains its strong structure.

The sector's total assets climbed from TL 1.4 trillion by the end of 2012 up to TL 1.7 trillion by the end of 2013. Asset growth is mainly due to loan growth. Accordingly, the sector's capital adequacy ratio, which had stood at 17.9% at the end of 2012, fell to 15.3% by the end of 2013; however, it remained considerably higher than the 12% limit, which is required for growth.

Turkish Banking Sector Data

	2012 December	2013 December
Total Assets	TL 1.37 trillion	TL 1.73 trillion
Credit Volume	TL 795 billion	TL 1.05 trillion
Marketable Securities Portfolio	TL 270 billion	TL 286.7 billion
Deposit Volume	TL 772 billion	TL 945.8 billion

TÜRK EKONOMİ BANKASI IN 2013

GENERAL OVERVIEW

TEB successfully closed the 2013 operating year with a pre-tax profit of TL 699.2 million and a net profit of TL 535 million.

As of December 31st, 2013, TEB's total assets had increased by 23% YoY and reached TL 53.4 billion. Loans, which are the most important indicator of TEB's support to national economy and its customers, increased by 28% YoY to reach TL 38.1 billion, constituting 71% of TEB's total assets. Among the total loans, constituting 71% of total assets, bank's loans to SME's, the engines of Turkish economy corresponded to 45.3% of the total.

The ratio of non-performing loans was 2.2% as a result of TEB's cautious growth approach, which also pays attention to asset quality.

TEB's total deposits increased by 19% during the year and reached 34.3 billion TL. In accordance with the Bank's strategy of expanding its deposit base, TEB recorded a growth rate of 23% in personal deposits. Although deposits, with a 64% share in total liabilities, are TEB's primary source of funding, TEB has decided to diversify its financial resources in line with changing market conditions and to offer alternative products to account holders. Accordingly, TEB offered domestic markets bank bonds with a nominal value of TL 1,264.4 million in 2013, with most of the bonds having a maturity of 1 year.

TEB recorded a net profit of TL 535 million in 2013, with an 11.5% return on equity.

This strong performance was primarily due to the revenues generated from basic banking activities, as well as the Bank's increasing operational efficiency.

With its shareholders' equity having increased by 10% to TL 5.3 billion in 2013, TEB's capital adequacy ratio, which is calculated according to Basel II standards, stood at 14.2% in the same period.

TEB'S POSITION IN THE SECTOR

TEB's financial highlights, its market shares and the indicators regarding the developments in these market shares as of December 31st, 2013 and December 31st, 2012 are provided below.

In an evaluation conducted in 2013 based on the Bank's balance sheet sizes in 2012,

- TEB's total assets grew by 23% in 2013.
- TEB's shareholders' equity reached TL 5.286 billion.
- The share of total deposits in the balance sheet reached 64%.

- The Bank expanded its credit portfolio by 28% YoY, while its loans/total assets ratio rose from 68% to 71%.
- The Bank's non-performing loans ratio closed the year at 2.2%, a result of the Bank's strong loan policies and cautious risk approach.
- The Bank's loans/deposits ratio stood at 111% at the end of 2013 with a capital adequacy ratio of 14.2% and return on equity of 11.5%.

In this period, TEB's performance results, summarized above, indicate that the Bank completed 2013 with considerable success.

(TL million)	31.12.2013			31.12.2012		
	TEB	Sector	TEB's Share (%)	TEB	Sector	TEB's Share (%)
Total Assets	53,409	1,732,419	3.08	43,532	1,370,739	3.18
Total Loans	38,135	1,072,990	3.55	29,686	812,602	3.65
Total Deposits	34,288	1,006,348	3.41	28,727	819,067	3.51
Number of Branches	544	11,986	4.54	509	11,066	4.60
Number of Personnel	10,001	214,263	4.67	9,288	201,474	4.61

Source (sect oral figures):December 2013 Monthly Bulletin, Banking Regulation and Supervision Agency

AWARDS

CALL CENTER

Bronze medal at the Stevie Awards in the Call Center Management Team category

ADK

11TH GOLDEN SPIDER WEB AWARDS
TEB Children: Education, Golden Spider

TEB Practical Internet Branch: Internet Banking, 2nd Best Internet Branch

TEB Practical Internet Branch: Advergame, 2nd Best Website

Time Journey with TEB: Advergame, 3rd Best Website

TEB Children: Micro Website, 3rd Best Website

ÜniversiTEB Website: Micro Website, People's Favorite

TEB Family Academy

2013 Stevie Awards, Customer Services, Innovation Category, Best Use of Technology

CepteTEB QR Code Application 2013

Products and Services

SME

Activation of Sleeping Customers – 2013

TEB SME Consultants– 2013, The European Business Network for Corporate Social Responsibility, Social Responsibility Award

TEB SME Banking Approach– 2013, Asian Banking & Finance, Turkey's Best SME Bank

TEB Enterprise Banking– 2013, Financial World Innovation Awards, Innovation in Supporting Entrepreneurship Category

TEB Enterprise Banking – 2013, Turkish Innovation Week, Most Extensive SME and Enterprise Banking

CORPORATE BANKING

Innovative Financial Instrument, Sukuk Transaction 2013

TEB PRATIK HABERCI

Stevie International Business Awards (ABD) Best B2B Product / Services of the Year, Bronze Stevie Award

TEB CEPPOS

Banking Technology Awards, Jury Special Honorable Mention

Retail Banking Marketing

TEB Family Academy, European CSR Awards, Effective Management Category

TEB Active Sales Channels Team, 2013 Stevie Awards, Award for Best Technology Using Sales Team

TEB CORPORATE BANKING GROUP

CORPORATE BANKING

TEB Corporate Banking serves large-scale national and international firms, groups and holding companies with annual turnover equal to or exceeding TL 50 million, offering them a wide array of products and services that also include the products and service capabilities of its partner, BNP Paribas.

The following areas are where TEB offers strong solutions with high added value to its customers in the Corporate Banking business line:

- Foreign trade finance,
- Operating and investment loans,
- Cash and risk management products,
- Standard treasury products or derivatives,
- Commodity finance and
- Project finance

TEB deepens its relations with its customers through:

- A total of 17 corporate branches, 8 of which are in Istanbul,
- TEB Trade Centers with specialized staff,
- The special organization it has built with multinational companies and
- The synergy it has created with BNP Paribas and Group companies operating in 78 countries.

In 2013, TEB aimed to maintain the highest level of customer satisfaction by meeting its customers' unique banking needs in continuously changing financial markets and in a fiercely competitive environment, and to strengthen its image as a strong and trustworthy bank in the field of Corporate Banking.

The Bank will continue to render service in line with its target to become "the first bank that comes to the minds of customers" in every required product in the field of corporate banking.

Having intensively focused on foreign trade since the 1980s, TEB is now a specialized bank that sets itself apart in the area of foreign trade finance, strengthened by the global presence of its partner, BNP Paribas.

BNP Paribas ranks among the top three banks in the world and as the first bank in Europe in foreign trade finance. BNP Paribas' activities in 78 different countries and its Trade Centers, which operate in 100 locations in 64 countries; support TEB's competitive strength in this area.

TEB, in cooperation with more than 2,000 correspondent banks, develops new relations in line with its customers' needs. In 2013 TEB raised its market shares in various areas and created different solutions for a range of various needs in international trade.

TEB helps its customers access the markets in various countries in Asia, Middle East and Africa, which Turkey has been recently developing its trade relations with. To this end, the Bank has offered its customers special operational solutions, such as the Foreign Trade Legislation Hotline and Letter of Guarantee Preparation Service.

Furthermore, TEB is today able to confirm the letters of credit of more than 100 banks in 13 countries in Middle East and more than 175 banks in 45 countries in Africa. The Bank also offers methods and solutions that will minimize the risks in these new markets, which Turkish exporters have recently begun to conduct business with, and provides tailored financing solutions, such as letters of guarantee against counter guarantees and discounted export receivables.

TEB customers may easily transfer money to more than 180 countries

Aiming to meet its customers' money transfer requirements in local currency to reflect the connections with their investments in different countries, TEB offers its customers the opportunity to send money to more than 180 foreign countries in 135 different currencies through its correspondent banks. Moreover, thanks to the special agreements

that TEB has with its Euro and US\$ correspondent banks, special prices are applied to FX transfers within Turkey. As such, the transactions of TEB customers transferring money in € or US\$ terms within Turkey are completed on the same day as the value date and in a cost-efficient manner.

TEB becomes the first bank in Turkey to perform financial transactions with the Chinese Yuan

Within the framework of the agreement it signed with Bank of China, TEB offered its customers the opportunity to carry out financial transactions in Yuan terms. With this agreement, TEB customers may send and receive money from China and other countries through their Yuan accounts and carry out foreign trade transactions in Yuan terms. TEB is now able to mediate in onshore and offshore payments in Yuan terms through its cooperation with the Beijing and Hong Kong Branches of Bank of China Ltd.

The use of the Chinese Yuan, the official currency of China – the world’s largest exporter and ranked 2nd in terms of global trade volume – in foreign trade payments and foreign trade finance increased significantly in 2013. The Chinese Yuan became the second most widely used currency in global foreign trade finance, overtaking the Euro.

TEB mediates its customers’ import payments in Yuan terms and provides letters of credit for import. TEB is the first bank in Turkey to provide letters of credit and guarantee, and to carry out the related transactions in Yuan terms.

In 2014, TEB aims to expand the number of solutions that it provides to its customers, in line with the further growth in the use of the Chinese Yuan in international trade and foreign trade finance.

A 127% renewal in syndication loans

Despite the negative developments that have been observed since the end of the second quarter of 2013 in global financial markets, TEB renewed the matured syndication loan (which has a 1-year maturity) at a rollover rate

of 127%. The loan, which is used to support exporters, was rolled over at an interest rate of Libor / Euribor + 0.75% and was one of the cheapest syndication loans provided by Turkish banks in 2013. This was an important reflection of TEB’s strong reputation in international markets. The syndication loan, which amounts to US\$ 553 million, was provided with the participation of 26 banks.

A 10-year term resource provided by issuing bonds to international markets

In order to strengthen its capital adequacy ratio, TEB received subordinated debt with an early repayment option in 2013 by issuing bonds to international markets through BNP Paribas. These bonds, totaling € 125 million and US\$ 65 million, have a 10-year maturity and TEB has an early repayment option at the end of a 5-year period. The loan was provided by issuing bonds.

TEB Trade Centers

As the first example in the Turkish banking industry, TEB’s Trade Center organization provides foreign trade financing and consultancy services. TEB Trade Centers are located in Istanbul, Bursa, Izmir, Ankara and Adana, which account for almost 70% of Turkish foreign trade volume.

Foreign trade finance models which best fit customers’ needs are developed through the expertise and wide correspondent network of TEB and BNP Paribas in the field of foreign trade finance, while appropriate solutions are offered in a rapid and cost-efficient manner by through the global Trade Center network of BNP Paribas in 100 different locations around the world.

TEB’s strength in export financing is also reflected to the data of the banking industry. According to sector data announced by the BRSA on September 30th, 2013, the share of export loans in total loan volume, excluding personal loans, stood at around 9% in the sector, while it is 20% in TEB.

As of September 30th, 2013, TEB was ranked first in the Turkish banking sector in terms of

the share of export loans to the total loans excluding personal loans.

In terms of total export loans, TEB ranks 3rd in the sector on the basis of the total volume of export loans.

In 2013, TEB received more than 6% share from Turkey's total foreign trade finance.

By developing solutions that are tailored to the commodities supplied as well as companies' cash flows, the "restructured trade and commodity finance team" operating under TEB Trade Centers offers companies with innovative financing products that stand out in the sector, in addition to the more traditional financing methods.

Within the scope of supply chain financing solutions, TEB discounts the export receivables of Turkish industrial companies that export high volumes of goods to large purchasers. With the special financing product designed for this purpose, TEB provides liquidity to exporters and supports them with respect to risk management and optimization of the operating capital.

In addition to extending finance to hazelnut and tobacco producers, an area where the Bank has traditionally been strong, TEB has developed solutions, for financing commodities such as grain, vegetable and chemical oils, oil and its derivatives, synthetic rubber, plastic raw materials, chemical products, concentrated fruit and iron, copper and chrome ore. With the assistance of professionals in these areas, TEB restructures its customers' financial needs from supply to the collection of revenues, both in the domestic market and in foreign trade.

A first in the sector from TEB - the commodity financing loan

With the completion of the necessary legal infrastructure, TEB began to offer licensed storage services at the beginning of 2013, thus restructuring the commodity financing loan. TEB became the first bank in the sector to provide the first loan in return of product certificates that are based on the products

stored in Turkey's first private licensed storage room.

Training programs on foreign trade

As well as providing its customers with private consultancy services on foreign trade finance and international investments, TEB, in cooperation with sectoral and regional exporter associations, chambers of trade and industry, organized industrial zone directorates and similar organizations, holds foreign trade seminars (trade learning) and has applied training programs on foreign trade finance which are tailored to the needs of companies in various regions throughout Turkey. In 2013, the Bank provided training on foreign trade to the representatives of 23 different companies.

By holding seminars and conferences on foreign trade finance and investments abroad, TEB Trade Centers ensure that companies seeking to open up to world markets are able to access the latest information in these areas. A country seminar under the theme, "Africa Is Not So Far Away", was held in Adana in 2013 in cooperation with the Adana Chamber of Industry (ADASO) and Foreign Economic Relations Board (DEIK). More than 150 company representatives participated in the seminar. The purpose of the seminar, which hosted presentations provided by senior officials from the Ministry of the Economy, Türk Eximbank and BNP Paribas, was to encourage Turkish exporters and investors to turn their attention to Africa. Information is provided in the seminar on the presence of BNP Paribas in 11 countries in Africa as well as TEB's widespread correspondent bank network in the continent and the tailored solutions offered to exporters.

Following the country seminar on "How to Do Business in China?" held in November 2012, TEB joined forces in 2013 with the "Network Business Development Department", which was established by our partner BNPP China and its subsidiary, Bank of Nanjing, in order to offer faster service to customers looking to conduct business or undertake investment in China.

TEB Trade Centers also serve those customers who have trade relations with China. Services such as consultancy and export-import financing are restructured under more favorable terms through cooperation between TEB and BNP Paribas.

A banking organization that fits customer preferences

In an environment where Turkey's foreign trade is increasing day by day and Turkish companies are opening up to new markets every year, companies have begun to prefer banks which provide domestic and global trade consultancy services and offer a wide array of products for trade financing. Solutions which aim to reduce the risk in collections and payments, extend the cash cycle, maintain liquidity and to meet operating capital needs will stand out.

Although letters of credit, transactions against documents and letters of guarantee are the most widely used banking products when it comes to reducing the risks in collections and payments in international trade, nearly 75% of Turkey's exports are carried out as open account. Therefore, export loan insurance is as important as the elimination of concerns in collections.

In order to respond to this need, TEB develops special financing solutions for export transactions, which fall under the scope of Türk Eximbank's short- and mid-term export loan insurance and Coface export loan insurance. TEB aims to increase the volume of export loan insurances, and the volume of export financing that it provides in return for these insured receivables.

CASH MANAGEMENT

In 2013 TEB's Cash Management Unit continued to develop innovative and customer-oriented services and products. Innovative practices in cash management were deemed worthy of many prestigious awards in the international platform in the finance and technology categories .

TEB takes justified pride from its recognition at the Stevie Awards within the scope of International Business Awards (IBA). With its new mobile product, TEB PRATIK HABERCI, TEB received the Bronze Stevie Award in the 'Best B2B Product / Service of the Year' category at the Stevie Awards, an organization where companies are evaluated based on their success and positive contributions to the social life.

Still the first and only system in its category in Turkey, CEPPOS is a mobile field collection system that adds the POS feature to mobile phones.

With CEPPOS, TEB was deemed worthy of the Jury Special Awards at the Banking Technology Awards 2013. CEPPOS had won the Stevie award in 2012 as the best B2B product of the year.

In addition to these achievements in the area of mobile cash management, TEB was involved as a special integrator in the "E-INVOICE" practice, which was launched to support the e-government transformation process. TEB began to offer unique and special services to its customers through the e-INVOICE practice.

Cash management services for multinational customers

Through its Multinational Corporations Cash Management Sales Team, TEB Cash Management provides tailored solutions to its multinational customers while extending appropriate support to them in meeting their needs. In practice, TEB's Solution Design and Implementation Team realizes sophisticated international solutions, while allowing customers to save time and ease their

business burden by professionally monitoring projects.

In the area of cash management, TEB also develops international solutions in conjunction with BNP Paribas. In 2013, TEB Cash Management provided tailored services and solutions to multinational corporations and a number of products and solutions for BNP Paribas' global customers. With these products and solutions, customers can establish control and increase efficiency in national and international payment and collection processes, in connection with their existing or planned activities in Turkey. TEB will continue to offer products and services to international customers looking for a single global solution partner in their worldwide subsidiaries with products and services that are fully integrated with the global cash management system of BNP Paribas.

Multinational Corporations Desk

Türk Ekonomi Bankası (TEB), in conjunction with its strategic partner BNP Paribas – with its commanding and effective position in the international world of finance – provides high-quality and niche services to multinational companies in Turkey and abroad.

In 2006, TEB was the first bank in Turkey to set up the Multinational Corporations Desk. The Bank is closely acquainted with multinational corporations and sets itself apart with the range of services it offers which aim to meet their needs.

Besides its wide domestic branch network, TEB provides significant advantages and ease in conducting business with multinational corporations and Turkish companies operating abroad under BNP Paribas's motto of "One Bank for Corporations in Europe and Beyond" with BNP Paribas, which serves 23 million customers through 190,000 employees in more than 7,000 branches and 90 Trade Centers in 78 countries.

Serving under TEB's Corporate Banking Unit, the Multinational Corporations Desk aims to be the most preferred bank for multinational firms operating in Turkey.

Cross sales and synergy

In 2013, TEB Corporate Banking Department continued to offer the most suitable products to meet its customers' needs under competitive and changing market conditions.

Besides the products offered within the scope of corporate banking, TEB's settled corporate cross sales culture and methods which are actively used has paved the way for a steady increase in the Bank's speed and capacity to respond to the needs of customers. One of the most important advantages provided by cross sales is that it supports the development of new products.

At TEB, cross sales and synergy and business development activities are carried out primarily in projects managed by Retail and Private Banking, SME Banking, and Enterprise and Agriculture Banking and are crowned with the cooperation between TEB and BNP Paribas.

Within this scope:

- Within the scope of cross sales and synergy established with the Retail Banking unit – TEB offers –services such as salary payments to corporate banking customers, POS services and development of payment and card systems that are exclusive to the activity performed.
- TEB's Private Banking officials recommend alternative saving products to company owners, partners and senior managers through corporate branches.
- Joint activities are performed with SME and Agriculture Banking units in order to supply loans to the dealers of Bank customers and to provide alternative loan support to customers operating in the agricultural industry.
- The Bank offers the most appropriate derivative and treasury products and services through Financial Markets.

The synergy and strategic partnership between BNP Paribas and TEB evolve on two grounds:

- providing joint financing support and loans for leading, large-scale projects in Turkey, offering the necessary facilities for foreign

trade and rendering alternative consultancy services; and

- Supporting its customers' activities in foreign countries through BNP Paribas.

Moreover, TEB and BNP Paribas make use of in-group synergy to offer the most suitable high-quality services to customers through their subsidiaries in Turkey:

- In the area of the private pension, BNP Paribas Cardif provides professional support to TEB customers via its specialized staff.
- TEB Arval shares its experience with TEB's corporate customers in Turkey's recently developed fleet renting service.
- TEB Asset Management and TEB Investment offer asset and fund management and capital markets brokerage services to TEB's corporate customers.

TEB will continue to improve its corporate banking products and services, to expand its customer portfolio, and to have different approach with its innovative products.

TEB SME BANKING GROUP

Aiming to provide structural support to its customers' efforts to develop by standing by the mat every juncture with innovative products and services that fit their changing expectations and requests, the TEB SME Banking Department maintained its financial success in 2013 by working with a broader customer mass through new products and services.

According to the data published by BRSA as of December 2013, the Bank commands a 6.19% market share in cash loans (SMEs) and a 9.79% market share in non-cash loans (SMEs).

One of the best three banks in the world

As indicated by the IFC (International Finance Cooperation) as one of the best three banks in the world in the category, "Offering Non-Financial Services to SMEs" in 2012, TEB sent guest speakers to the conferences held by IFC 2013, continuing to share the institution's

knowledge and experience in this area with banks in emerging markets.

In conferences held in Lebanon, India, the United Arab Emirates (Dubai), Mexico, Brazil and the Ivory Coast, TEB shared detailed information of how banks can support SMEs in their growth efforts. Again, under the IFC's coordination, TEB held workshops with two banks from Oman and Georgia on how they may develop non-financial services in their countries.

Participation in IFC conferences was not the only way in which TEB sought to enhance worldwide awareness of its non-financial services. The bank also took part in the annual meeting of the general assembly of the Association of National Development Finance Institutions in Member Countries of the Islamic Development Bank in Tajikistan, where it made a presentation to a large audience on what needs to be done to serve as a consultant bank for small- and medium-sized enterprises.

Similarly, TEB exchanges know-how with BNP Paribas. In this context, TEB conducted comprehensive workshops with BNP Paribas Poland.

Cooperation with governmental institutions

As the consultant bank of SMEs, TEB attaches importance and priority to cooperation with state institutions for SMEs.

On November 5th, 2013, TEB signed a Co-Finance Loan Program protocol with KOSGEB (Small and Medium Enterprises Development Organization) in order to facilitate enterprises

- access financial resources easily and
- complete their projects within the time set forth in the business plan.

The protocol in question applies to such enterprises that applied for the SME Project Support Program, Thematic Project Support Program, Cooperation-Collaboration Support Program, R&D Innovations and Industry Applications Support Program and Entrepreneurship Support Programs in 2013 and which had been deemed by KOSGEB as

being eligible for support. Thanks to this protocol, enterprises whose projects are approved by KOSGEB may apply to TEB for the Co-Finance Loan on their request.

Another protocol was signed with KOSGEB for the launch of the Reyhanlı District Emergency Support Loan. Through this package, TEB extends financial support at advantageous terms to enterprises to have certified their situation following the two separate terror attacks carried out in the district of Reyhanlı near the Syrian border with Hatay on May 11th, 2013.

Within the framework of the 2B law, TEB designed and began to offer special 2B Loans to its customers in the SME, Enterprise and Agriculture Banking segments with the purpose of informing its customers of the loans and to meet their loan needs.

Loan campaigns

Through a series of loan campaigns carried out during 2013, TEB continued to meet its customers' cash needs under advantageous terms. The Bank offered its customers low interest commercial loans repayable with up to 36 monthly installments through the following campaigns: Nefes Aldıran Kredi (The 'Breather' Loan) for the SME segment, and the Dükkan Şenlik Kredisi (Festivals for Stores Loan) and the Bahar Şenliği (Spring Festival) for the enterprise segment.

The innovative work performed by TEB is aimed at offering banking services more practically and under more feasible conditions.

TEB Pratik Haberci

TEB Pratik Haberci is a paid information service that allows customers to monitor their banking transactions and receive all important information via SMS or e-mail.

This service, which was launched in 2013, important information regarding payments, accounts and loans shared with customers, and provides convenience for cash management TEB Pratik Haberci is offered through the Small, Farmer, and Large

Packages or the "Kendin Oluştur" (You Create) option.

TEB SME Support Packages

TEB SME Support Packages are cost control packages that allow customers to keep a view of their transaction expenses in a planned manner. Customers benefit from various price advantages that are specific to the transactions within the scope of the package. These advantages are determined based on the analysis of most frequently performed transactions in line with TEB's customer-oriented approach. TEB SME Support Packages are offered in three different types: Support on Credit Package, Daily Support Package and Virtual Support Package

TEB SME Club

Aiming to help ease the day-to-day lives of SMEs by resolving their problems in the purchase and supply processes and to cut their purchase costs by up to 50%, the **TEB SME Club** platform continued to offer special advantages to customers in 2013.

The TEB SME Club expanded its business partner diversity with the participation of the companies, Ankara Patent, NMC (New Media Company), Safmarine and Markobi, offering SMEs discounts and special services in more sectors.

TEB SME Support Line

By means of the Incentive Information and Enterprise Banking lines that were added to the TEB SME Support Line in 2013, customers are now able to access solutions to their problems in these areas, free of charge.

Seeking to offer the best customer experience from any location

In all of the areas it serves its customers, TEB has implemented unique projects to offer the best customer experience.

In order to offer the most feasible solutions to customers, the Bank has launched a new system, where a customer's banking history, recent transactions and issues they are not satisfied with can be monitored through every

channel. Accordingly, customers are now able to receive the most effective services through any channel, including branches, the call center, the internet branch and ATMs.

www.alibaba.com

In 2013 TEB also joined forces with various organizations in order to ensure that its customers engage in foreign trade activities and/or increase their transaction volume in foreign trade. For instance, TEB entered into cooperation with **www.alibaba.com**, which is the world's largest B2B e-trade portal with millions of corporate members from more than 240 countries. With such cooperation, TEB customers who are members of **www.alibaba.com** are offered the chance to introduce themselves to the entire world through a special webpage in the portal. TEB customers may switch to the Verified Member status at **www.alibaba.com** without any additional approval, while they are also given priority to in search engines on the website.

TEB SME Academy

In 2013 TEB SME Banking uninterruptedly continued to provide nonfinancial services.

Comprising of interactive workshop activities with respect to enterprise management, TEB SME Academy training sessions were held with the participation of 1,500 business figures in Osmaniye (Samsun), Ivedik (Ankara), IMES (Istanbul), Van and Uşak in 2013. TEB SME Academy training sessions have been provided in a total of 44 cities over an eight year period, and the total number of participants has reached 20,000.

TEB SME Meetings

TEB has engaged in the mission of adapting its consultant bank identity to all of the customer segments which it serves. Moreover, TEB has carried the experience it has gained through the TEB SME Academy into the public banking area and launched the TEB Public Meeting series in 2013. Through a series of TEB Public Meetings held in Manisa, Izmir and Bursa throughout 2013, the Bank established direct communication with 650 executives from 80 municipalities.

TEB Agriculture Meetings

The second of the TEB Agriculture Meetings, brings participants from agricultural sector, was held in Konya. Customers' problems in the agricultural sector were discussed by specialists of the area, thus supporting the development of resolutions.

TEB SME TV

Broadcasting for 7 years, TEB SME TV continues to operate with the aim of addressing the lack of knowledge of SMEs through a digital environment. As the first internet TV channel in the banking industry, TEB SME TV kept its viewers informed of a whole range of topics in 2013, such as new business opportunities, marketing and sales activities, sector news and legislative changes that are closely related to commercial life.

In 2013, TEB SME TV was modernized in a number of areas and the website gained a more dynamic structure. For instance, members are now able to access the website through Facebook. With more than 6,000 special items, TEB SME TV reached more than 17 million visitors and 10 million viewers in total. In 2013, the number of visits to the website reached 20,000 per day and 4.5 million per year, while the number of members exceeded 137,000.

Serving SMEs with more competent human resources

Starting from the mission of becoming the consultant bank of SMEs, TEB SME Banking provided a unique long-term training program to its Customer Relations Managers (CRM), who are employed in branches to serve SME-Enterprise customers. With the SME Consultant Program, the number of CRMs participating in the Enterprise Experts Programs continued to increase. In 2013, a total of 75 completed their SME Consultant programs and 53 MIYs completed their Enterprise Specialist Training Programs, and began to provide support to customers in non-banking areas, such as marketing, sales and production. The program allowed a broader customer mass to be reached, while contributing positively to the business results

of TEB and its customers through more effective risk management.

TEB SME Banking wins a total of 34 awards

TEB SME Banking was deemed worthy of a total of 34 awards in and outside Turkey, thanks to its successful products and services. TEB SME Banking won 6 prestigious awards in 2013 with 4 different products and services.

Within the framework of the European Business Awards in which 15,000 projects from 34 different countries competed, and followed by 1.5 years evaluation process, the TEB SME Consultants project received the winning award in the customer orientation category, while TEB was deemed as Europe's best company of Europe in this area.

Other awards achieved by TEB SME Banking in 2013 are as follows:

- TEB SME Consultants – Corporate Social Responsibility Europe 2013 – Social Responsibility Award
- TEB's SME Banking approach – Asian Banking & Finance 2013 – Turkey's Best SME Bank
- TEB Enterprise Banking – 2013 Financial World Innovation Awards – Winner in the "Innovation to Support Entrepreneurship" Category
- TEB Enterprise Banking – Turkey Innovation Week 2013 – Most Extensive SME and Enterprise Banking

TEB Enterprise Banking

In order to carry its achievements into the 'entrepreneurship' area and continue to offer the benefits that it has provided to the national economy in this segment, the TEB SME Banking Department established the Enterprise Banking segment on January 29th, 2013.

Within the scope of Enterprise Banking for entrepreneurs, TEB has redesigned its financial and non-financial products and services offered to SMEs, while employing specially trained customer representatives to understand the entrepreneurs.

The enterprise module was added to TEB's loan supply processes which allows the Bank

to offer entrepreneurs the opportunity to carry out banking transactions free-of-charge, as well as special financing options that also take customers' ability to pay and payment maturities into account.

TEB Enterprise House

Operating on a 1,000 m² plot of land in Ataşehir, Istanbul, and the TEB Enterprise House aims to support all entrepreneurs who say "I have a business idea" and to offer various solutions to them in the context of enterprise banking. The TEB Enterprise House is a consultancy center for enterprises with a 50 person capacity training hall and two meeting rooms. Also hosting the TEB Business Incubator, the TEB Enterprise House provides training and consultancy services through enterprise management consultants.

In the TEB Enterprise House, entrepreneurs receive consultancy and mentoring services in required fields and participate in training sessions which are provided free-of-charge. Located in the TEB Enterprise House, the Business Incubator offers a physical working environment to entrepreneurs. Entrepreneurs are provided with various IT facilities, such as PCs, software and the internet in the Business Incubator, along with additional services crucial for today's budding entrepreneurs, such as Consultancy/Mentoring Services, Business Management Consultancy, Networking Support, Academic Support, Consultancy Support for Brand, Patent and Intellectual Certification and Financial Consultancy Services.

Aiming to provide a working environment to those entrepreneurs who carry out projects in such areas as e-business, IT and software, the Business Incubator has the capacity to serve nearly 50 entrepreneurs (25 entrepreneurs can use the center at all times, while the remaining 25 use it on a regular basis).

Activities throughout Turkey

The Bank carries out its efforts to widen all of the services offered by the TEB Enterprise House throughout Turkey. The TEB Enterprise House reached a total of 3,500 entrepreneurs through 76 training sessions and events by

establishing cooperation with 22 organizations in 17 cities and offered 868 sessions of business management consultancy services to 483 entrepreneurs. A total of 550 entrepreneurs applied to benefit from the Business Incubator at the TEB Enterprise House. In 2013, 16 entrepreneurs graduated from the Business Incubator, which offered job opportunities to 38 entrepreneurs.

In 2013, TEB Enterprise House introduced entrepreneurs to angel investors and exhibited the projects of entrepreneurs at TEB's booths in a number of events, including Turkish Exporters' Assembly Innovation Week.

The TEB Enterprise House entered cooperation with our country's reputable universities, including METU, Özyeğin University and ITU; and helped entrepreneurs at the TEB Business Incubator garner support for their projects from academics who are expert in technical issues.

The TEB Enterprise House began to work with 20,000 entrepreneurs and helped them realize their dreams by allocating credit limits amounting to nearly TL 180 million in 2013.

TEB GOLD BANKING

By concentrating on the products that raise customer loyalty, TEB Gold Banking attracted a considerable number of jewelers and individual investors throughout Turkey in 2013.

Gold prices fell by 27% in dollar terms in 2013 and by 12% in TL terms when compared to the beginning of the year. However, despite these circumstances, the sector notched up the best performance of the last 5 years, recording a 20% increase in gold and jewelry exports in US\$ terms, and a 150% increase in volume terms in gold bullion, according to data provided by the Istanbul Gold Exchange.

The sector leader with a 40% market share

Striving to respond to the short- and long-term needs of the jewelry industry with the most appropriate solutions for 18 years, TEB raised its market share in gold loans from 35% at the beginning of 2013 to 40% by the end of

the year, maintaining its leading position in the sector.

Having focused on jewelry manufacturers, wholesalers, exporters and retailers operating in the industry, TEB continued to sign protocols with the chambers and associations in the jewelry sector in order to reach a broad customer mass. TEB entered cooperation with the jewelry chambers of Istanbul, Izmir, Ankara, Adana, Antalya, Bursa and Gaziantep during 2013.

Developing special solutions for the financing needs of the jewelry industry through a range of products such as the Gold Loan, Gold Loan Payable by Installments, Gold/Diamond Collection System and Jewelry Package Insurance, TEB Gold Banking offers comprehensive products and services – such as Gold Drawing/Deposit Accounts, Silver Deposit Account, Damla Altın (Drop of Gold) Account and Type B Gold Fund – to those of its retail and corporate customers looking to save.

New Golden Age

In May 2013, TEB broke new ground in the sector by releasing its new TEB New Golden Age product to the market in order to recover gold savings that had hitherto been stowed under the mattresses into the registered Turkish economy. Within the scope of the new Golden Age, our customers may exchange their gold at contracted jewelers and automatically transfer the amount in grams to their gold accounts at TEB. With the launch of this product, TEB signed contracts with around 170 jewelers throughout Turkey and recorded a 15% increase in the number of TEB customers holding gold deposit accounts.

Having adopted its 'consultant bank' approach as a core principle, TEB not only develops financial solutions in the area of Gold Banking, but also offers non-financial services required by the jewelry industry. In 2013, TEB held meetings with the leading jewelers in Gaziantep, Kahramanmaraş, Nevşehir, Izmit, Karabük, Bolu and Antakya, where it shared information on the global gold markets and the jewelry industry in general.

the Izmir Chamber of Jewelers held a meeting In May 2013, under the topic of “The Future and the problems facing the jewelry industry and related solutions, as Turkey progresses towards its target for 2023” with the participation of nearly 60 NGOs related to the Turkish jewelry industry, TEB shared its expertise in the gold industry, reached broad masses.

TEB continued to support the sector in 2013 by sponsoring the 36th Istanbul Jewelry Show, the 5th Jewex Ring, Gold, Silver, Jewelry and Watch Fair in Izmir and the 9th Middle East Gold and Jewelry Fair in Gaziantep.

TEB AGRICULTURAL BANKING

As one of the sector’s major banks in the sector in the area of agricultural banking, TEB continued to break new ground by expanding its credit and client portfolio in 2013. According to BRSA data, the total volume of agricultural loans in the sector reached TL 37,790 million, while TEB reached TL 1.926 billion in agricultural loans, currently commanding a 5.16% market share in this segment.

Allowing farmers to meet their cash and shopping needs in line with their cash flows, the “Harman Kart” was enriched with new features in 2013. By entering collaboration with related organizations in order to provide the inputs most required by farmers, TEB also expanded the facilities available to its customers in the agricultural segment. In cooperation with Shell, TEB continued to meet farmers in every village, while also injecting momentum to its promotional activities aimed at raising brand recognition at the local level.

Five TEB customers were rewarded with tractors in the drawing made within the scope of the campaign held in October and November, 2013 in order to encourage the use of the Harman Kart.

TEB increased the support it provides to farmers, by giving them the chance to access financial resources with low interest rates

through the traditional “World Farmers Day” campaign.

TEB PUBLIC BANKING

TEB Public Banking remained one of the most important players in this area throughout 2013 by means of special products and services that it has designed based on the needs of local administrations.

TEB contributes to the faster implementation of infrastructure and superstructure investments. With its public banking TEB allows local administrations to have easy access to financial resources and TEB contributes to the faster implementation of infrastructure and superstructure investments Offering the first real-time/online collection service within the scope of cash management solutions, TEB enables citizens to fulfill their obligations against municipalities in faster and easier way.

In 2013, TEB Public Banking allocated credit limits amounting to nearly TL 1.1 billion for the investment projects of 318 municipalities and municipal subsidiaries working with the Bank.

Offering a wide range of services ranging from the collection of real estate tax to the collection of legal share accounts of the Bank of Provinces, the Bank reached almost TL 1 billion in collection volumes.

By making use of the channels such as TEB SME TV and TEB SME Academy, the Bank also began to generate new solutions for local administrations in a variety of areas, including budget management, where there currently a low level of awareness.

In TEB Public Meetings, the latest developments that are of close interest of local administrations and the progress of the Turkish municipal industry after the enactment of law no. 6360 were discussed. Moreover, the actions required to ensure effective budget management were discussed at a workshop entitled “Income and financing solutions for municipalities”. A total of 650

executives from 80 municipalities were brought together at the TEB Public Meetings, which were held in Manisa, Izmir and Bursa in 2013.

Participants provided extremely positive feedback to TEB Public Meetings, which have started to fill a significant gap in this area in Turkey.

TEB RETAIL AND PRIVATE BANKING GROUP

Retail Banking

A rich portfolio of credit products

TEB continued to respond to its customers' financing needs through a range of unique alternatives in 2013.

For those chose TEB, our priority has been placed on the improvement of customer experience with respect to loan applications and processes, aiming to create alternatives in the use of new channels and to bring about a richer product portfolio.

In order to support urban transformation, TEB signed a protocol with the Ministry of Environment and Urbanization in February 2013. Within the scope of the protocol, the Bank began to provide housing loans to the owners in buildings deemed to be an earthquake risk and who were seeking assistance in carrying out the demolishing and rebuilding of their apartment buildings.

Moreover, the Bank provided a new product – the 2B land purchase loan – to the owners of deforested land so that they could legally get such land registered.

TEB grew more rapidly than the market in personal loans in 2013.

Marifetli Hesap (Talented Account): Nearly 250,000 active customers

Having reached 249,000 active customers by the end of 2013, TEB's primary saving product, the Talented Account, holds an important place in the Bank's balance sheet.

A saving account, Firsat Hesap (Opportunity Account) and an investment product, İkili Hesap (Double Account) were added to the

Bank's portfolio for top-tier customers in 2013, the Çekmece Hesap (Drawer Account) was added in TEB's product portfolio in May 2013. This product allows customers to withdraw money before the maturity date due to changes in the withholding tax.

TEB serves its customers in the medium and upper segment through customer representatives who establish one-to-one communication with these customers, as well as the call center and a website specially designed for this segment. In 2013, the Bank continued to meet the needs of this segment through the TEB Star Platinum card.

In 2013, TEB began to send daily market reviews to its customers in the middle and upper tiers. Moreover, by joining forces with BNP Paribas, the Bank allows customers to open accounts outside Turkey and to withdraw cash free-of-charge with their bank cards from the ATMs of all BNP Paribas Group banks and other contracted banks.

TEB Family Academy

The TEB Family Academy is a financial literacy and access initiative implemented with the vision of providing a better future to millions of families. Within the scope of the initiative, a total of 105,000 individuals have been provided with financial literacy training, free-of-charge, since October 2012.

A number of projects carried out in 2013 through the TEB Family Academy initiative

The iPad version of www.tebcocuk.com that aims to teach the value of money and the importance of saving to children was launched in 2013.

TEB opened the first Family Academy House in Ankara on May 15th, 2013 while on May 22nd, 2013, TEB, in conjunction with the Financial Literacy and Access Association, held Turkey's first Financial Literacy and Access Summit. Having brought ministers involved with the issue together with academics and the leading figures of the subject who are accepted as experts on domestic and international platforms, TEB aims to raise common awareness and to set an agenda on the topic.

As a result of the work jointly undertaken by TEB and Boğaziçi University in 2013, Turkey's first Financial Literacy and Access Index. Announced to the public on the www.teb.com.tr website, the Index will be updated twice a year.

TEB became the first and only business partner of the Ministry of Family and Social Policies in the economics module within the scope of the AEP (Family Education Program).

In cooperation with the Ministry of National Education and UNICEF, TEB launched the "Social and Financial Education through Art" project, which will affect the future of 11 million elementary school pupils.

Rapid development in salary payments

TEB treats the customers it makes salary payments to as one of the driving forces of growth in the retail banking segment. The share of customers receiving salaries in the number of active customers rose to 32% in 2013.

TEB provides consultancy services to members of the BNP Paribas Group in different countries regarding salary payment segment. TEB's target in the salary payment segment is to become the primary bank for customers in all banking products, i.e. the "most preferred bank that comes to the mind first".

The "Sales Team That Makes Best Use of Technology" Award

TEB's Active Sales Channels Team broke new ground in the industry by allowing the use of tablets in the credit card applications and was granted the "Sales Team That Makes Best Use of the Technology" Award" at the Stevie Awards 2013 contest.

As a result of the efforts undertaken for the standardization of sales processes, for the first time in the finance sector, a sales team independently found worthy of receiving the ISO 9001 quality certificate.

TEB's target in the active sales channels is to deliver all banking services to customers and

generate added value by performing multiple product sales.

Retail Sales Academy

TEB entered cooperation with Boğaziçi University, one of Turkey's most highly reputed education institutions, in order to improve its Retail and Star Banking teams.

The doors TEB Retail Sales Academy were opened on July 26th, 2012. In the 1st step, all TEB Customer Representatives completed their 4-module training at the Retail Sales Academy in 2013. In the 2nd step, a total of 60 Customer Representatives, who were selected from among Retail and Star Banking teams due to their high performance and potential, participated in the Boğaziçi Certification Program. These 60 Customer Representatives completed this 6-module training program and became family consultants.

Through the Retail Sales Academy, TEB aims to:

- ensure sustainable and efficient growth;
- develop a different point view in customer management in line with customer needs;
- offer the right product to the right customer;
- Transform its customer representatives into consultants by raising competent human resources; introduce them a new point of view in this direction; and help them set themselves apart from their colleagues in the sector by enabling their development in their own areas.

Aiming to offer the best experience to its customers

TEB's CRM teams carry out efforts to offer the right products and services to the customers in a timely manner through the channels of their preference.

By means of its new sales and service model project launched in 2013, TEB has further improved its customer-oriented communication strategy that is based on multichannel practices. This project was developed by using an integrated strategy and in a manner that it would allow all channels to

communicate with each other in real-time.

This model serves TEB's following targets:

- ensuring that the call center and branches offer the same services through similar sales screen displays;
- offering customers the ability to make appointments with their own representatives through all channels; and
- establishing a fully customer-oriented CRM structure by utilizing opportunities of communication with customers and identifying important customer activities.

In addition, TEB has designed a geo-marketing infrastructure with the purpose of combining its analytical approaches with geographical practices. The Bank will also continue its efforts in 2014 to improve the infrastructure of its Social-CRM approaches, which would take customer relations management one step further.

Customer Interaction Center

Aiming to offer the exact solution at first sight

TEB's Customer Interaction Center lays down the foundations of structural changes, which will lead the banking industry in years to come.

TEB's primary target in customer experience is to offer exact solution at first sight.

Besides enabling diversity in its products and services, TEB, by investing in superior technologies, aims to create a unique customer experience.

Attaching great importance to education, TEB continuously invests in the personal development of its human resources. Successfully combining qualified customer representatives with technological innovations, the Bank is able to offer all banking transactions online, while positioning itself much closer to its customers through new service channels.

TEB Customer Interaction Center was rewarded in the "Best Management Team" category at Stevie Awards in 2013.

The TEB Customer Interaction Center serves about 2 million customers per year. In 2013, the Center:

- achieved a significant success in the sale of credit cards, credit card products and insurances, while raising its rate of success by 100% in inbound calls; and
- meet all banking needs of customers through special products and solutions by establishing communication with them on a total of 22.3 million occasions.

In 2013, a series of projects were conducted to transform TEB Customer Interaction Center's processes, operation model, efficiency cycle, human resources and technologies were transformed in accordance with the standards of BNP Paribas.

The Center's voice response system was updated with simple, easy and user-friendly features, thanks to the use of new generation technologies. Similarly, the Center's technical infrastructure was modernized with the latest technology.

In 2013, the TEB Customer Interaction Center raised its employee efficiency by 35% and sales revenues by 52%.

In 2014, TEB will:

- increase the technical investment besides its competent human resources investment;
- attach priority to fast, modern and practical solutions by also taking customers' changing needs into account; and
- continue to invest in multimedia technologies since only voice response systems remain insufficient to meet customers' needs.

PRIVATE BANKING SALES AND MARKETING

Growth in total assets and number of customers

TEB Private Banking increased its number of its customers by 17% in 2013 and its total asset volume by 26%.

Offering private banking services under Asset Management since 1989, TEB was the first bank in the sector to offer private banking and asset management services in real terms.

TEB's 'consultant bank' approach, which is an integral part of its corporate identity, also provides guidance for the products and services offered within the scope of TEB Private Banking.

The Bank designs tailored solutions that will add value to its assets by determining the needs and expectations of its customers through its 10 Private Banking Centers and 16 In-Branch Service Locations throughout Turkey.

TEB Private Banking offers its customers one-to-one, personalized services through its Private Banking Customer Relations Manager.

With its finger on the pulse of the latest developments in global and Turkish markets, the Bank designs investment alternatives that best fit its customers' assets and savings, while also offering performance monitoring and analysis through the Wealth Analysis Report service.

Private real estate service for private banking customers

TEB Private Banking also provides real estate services to its customers. The Bank directs customers looking to invest in private and commercial real estate in Turkey to consultants serving in this area. The Bank offers real estate solutions in the high-end segment in Turkey through Sotheby's Turkey and in the commercial segment through Kuzey Batı Gayrimenkul – the Turkish partner of BNP Paribas Real Estate.

The Bank directs its customers' global service requests to real estate consultants at BNP Paribas Wealth Management. The Bank also provides its customers with the opportunity to meet BNPP specialists to discuss charity donations. With a long track record of efforts in charity work, BNP Paribas commands a deserved reputation at the international level and was deemed worthy of the "Best Private Bank of Philanthropy" award by The Banker magazine in 2012.

TEB offers a wide array of products and services to its private banking customers under a single contract. As well as traditional banking products, this contract covers the products offered through BNP Paribas Wealth Management and TEB Asset Management.

New points of view for a private future

In line with its vision to create "new points of view for a private future", TEB Private Banking aims to stand by its customers at all times of their lives. In this vein, the Bank provides support to a number of selective events in art, sport and finance. Attending as special guests in the photography and painting exhibitions, concerts and sports events held under TEB's sponsorship, TEB's private banking customers can conduct workshops with famous painters or the opportunity to meet world-renowned sportsmen and women as in the TEB BNP Paribas WTA Championships tournament, which has been held in Istanbul for three years under TEB's sponsorship.

Private credit cards for private banking customers

TEB Private Banking customers have the opportunity to hold the TEB Special Platinum Card and the TEB Special World Signia Card, which is the most comprehensive and privileged card offered by the Bank under Master Card.

The comprehensive insurance policy offered through the TEB Special World Signia Card provides convenience and assurance while travelling; while the Priority Pass Card issued with the TEB Special World Signia Card allows cardholders to use business class lounges in a number of airports around the world. With its

current feature of a 10% refund for each 100 TL/US\$/Euros spent in restaurants and hotels in and outside Turkey, the TEB Special Signia Card is known as one of the most distinctive credit cards.

TEB Private iPad Application

Rewarded at BNP Paribas Innovation Awards, the TEB Private iPad Application – the first and only iPad application in Turkey – is a platform designed especially for private banking customers.

Thanks to this application, TEB private banking customers are able to instantly access market reviews and watch financial commentary video that is updated on a daily basis.

In December 2013, the “Face to Face with Your Customer Representative” feature allow customers to organize appointments online were added to the continuously updated TEB Private iPad application. Work is still under way to implement the video talk feature, which will allow customers to talk to TEB Private Banking representatives face-to-face.

TEB Private Angel Investment Platform

Launched in 2013, the TEB Private Angel Investment Platform brings TEB Private Banking customers and entrepreneurs together on the same platform.

The ‘angel investor’ concept, which has rapidly grown in importance since the Individual Participation Capital regulation entered effect in Turkey, is offered by the TEB Private Angel Investment Platform to TEB customers as an alternative investment instrument.

TEB offers private banking customers seeking to utilize their assets in areas other than ordinary financial instruments the chance to invest in unique areas, while also aiming to introduce new Turkish entrepreneurs to the national economy by raising capital for promising projects.

Support for Startup 2013

TEB Private Banking supported Startup 2013, a program that gives momentum to initiatives related to the internet, technology and the

new world economy and introducing them to investors. The event, Startup 2013, was held under the main sponsorship of TEB Private Banking in Bursa, the heart of the Turkish automotive industry, on September 20th, 2013 and in Ankara on October 4th, 2013 with the participation of public officials and university students. These two events brought important players together with asset owners seeking invest opportunities.

In 2014, the TEB Private Angel Investment Platform will carry out its efforts on a different model in order to diversify the initial investment resources and to introduce investors to the potential investments in new and different industries.

CARD PAYMENT SYSTEMS

New advantages offered by TEB credit cards

Having added an array of unique features to its credit cards in 2013, the Card Products Management Department continued to increase the number of advantages extended by TEB’s credit cards with special offers in a range of social and cultural activities, such as restaurants, entertainment, cinemas and theaters. The Bank generated more than TL 1 billion in monthly credit card turnover throughout 2013. The turnover that TEB generated from its credit cards grew by 33%, exceeding the 17% growth in total turnover recorded in the overall Turkish credit cards market.

In the credit cards market, TEB:

- Grew by 49% in terms of turnover per card, thus rising from 11th to the 9th place in 2013;
- Grew by 33% in a year to become the 2nd fastest growing bank in terms of shopping turnover, outperforming the 18% growth in the sector; and
- Grew by 45% to become the 5th fastest growing bank in 2013 in terms of cash turnover.

At the end of 2013, TEB had:

- Generated TL 1.1 billion in credit card turnover; and

- Reached TL2.7 billion in total receivables from credit cards.

The Bank launched the Euro Receipt Project in April 2013, reflecting all transactions in Euro terms to the credit card receipt. TEB is also integrated in the BKM (Interbank Card Center) Express Mobil Project, which was launched in June 2013. With this function, TEB customers are able to:

- Add other banks and credit cards to the BKM Express Mobil Wallet and carry out shopping at member stores through the BKM Express application;
- Transfer money from their own bank/credit cards to other bank cards through the BKM Express application; and
- Receive money transfers made from other bank/credit cards through the BKM Express application.

In early 2013, the Bank launched the TEB Mil program, which applies to all TEB credit cards. In the same context, the Bank began to provide free services to TEB's top-tier card holders at Istanbul Sabiha Gökçen Airport domestic and international lounges.

The TEB Yıldız Priority Card – a member of MasterCard's World Elite program that offers an array of privileges to card owners – was added to TEB's credit card portfolio.

Thanks to its new product entitled "Marifetli Kredi Kartı" (Talented Credit Card), which was launched in April 2013, TEB is now able to issue credit cards to those customers who would not normally have been able to receive a credit card from any bank for various reasons. Also offered to foreign customers, this card rapidly began to make a difference in the sector.

TEB Total Cards reached a circulation of 278,000 and generated more than TL 1 billion in turnover, allowing card owners to save a total of 1,000,000 liters of fuel. Likewise, the number of TEB SHE Cards – a unique product in the sector – exceeded 130,000. TEB began to offer the TEB TOTAL, TEB SHE and bank cards to its customers in all of its branches

within a period of 15 minutes, including the related allocation and printing processes.

The 1st Bank in terms of turnover per POS

As of December 2013, TEB was ranked 6th among 25 banks with TL 2.3 billion of turnover and a 6.15% market share in total POS turnover, while ranking 4th in terms of turnover per POS.

In the POS segment, which TEB's entered in 2006, the Bank rapidly climbed to 6th place in the sector, while also succeeding in reducing its costs by 16% YoY and raising its revenues by 9% YoY. With a total annual transaction volume of TL 23 billion, TEB POS serves nearly 120,000 locations.

Innovations implemented by TEB POS in 2013 can be summarized as follows:

- Amex (American Express) cards began to be accepted at TEB's POS devices. TEB is one of just 5 banks in Turkey to accept Amex cards.
- TEB launched the DCC practice, allowing workplaces that use TEB's POS devices to accept payment in the currencies of 12 countries.
- The 'late end of day' practice, a first in the sector, allows member workplaces working at night to see their transactions realized until 4.00 am in their accounts on the same day.
- Thanks to the ability to check the balance through the POS device, owners of TEB's POS devices were able to check their balance without going to the branches or using the internet.
- TEB accepted 4 brands in POS devices with its cash register feature, in order to offer more options to its customers.
- The Bank began to accept POS applications through SMS.

ALTERNATIVE DELIVERY CHANNELS

TEB turns technology into service

In 2013 TEB continued to invest in the alternative delivery channels that it has founded under the motto, "The Bank That

Turns Technology Into Service,” and which had been determined as a strategic area.

In 2013, TEB invested a total of TL 40 million in ATMs. With this investment, the total number of TEB ATMs nationwide increased by 41% YoY to 1,477 in 2013. TEB renewed its ATM network by adding ATMs, where money can be deposited in and which are able to complete payments in coins.

A special version of CEPTETEB, TEB’s mobile banking practice, was designed especially for iPads after iPhone and Android-based devices. The new version is now available at the App Store. Other groundbreaking development, TEB became the first bank in the sector is to offer access to its internet branch by drawing the PIN. The CEPTETEB application was also rewarded at the BNP Paribas Group Innovation Contest.

80% of TEB customers using digital channels

TEB significantly expanded the use of digital banking channels in 2013, 80% of TEB customers started to use digital channels, while the internet banking user base expanded by 33% to 500,000 and internet customer penetration rate rise to 23.5%.

CEPTETEB was the most rapidly growing channel during 2013, reaching 120,000 active users. By means of the first financial application developed in Turkey for Google Glass, users are able to locate the nearest TEB branches and ATMs and keep a view of latest credit card campaigns by using the state-of-the-art version of this wearable technology.

My TEB Tree

By joining forces with the TEMA Foundation in 2013, TEB has taken a step for the environment on behalf of its internet banking customers. Offered as part of the TEB Internet Branch, My TEB Tree donates saplings based on the amount of O₂ saved by the customer through the transactions they perform at the internet branch, rather than going to the branch.

TEB Pratik Haberci

The Bank offered special content sets to its retail, SME and corporate customers through TEB Pratik Haberci and launched the e-mail and SMS information service for accounts, payments, credit cards and investment products. TEB’s other initiative in 2013 was the opening of the Credit Card Internet Branch, accessible by credit card users by using their credit card numbers and passwords.

Growing transaction volumes in digital banking

In 2013, 53% of money deposit transactions, 82% of money drawing transactions, 72% of credit card payments, 69% of invoice payments and 82% of money transfers were performed through TEB’s digital banking channels. Moreover, 7% of the total product sales were realized through digital channels, while TEB continued to decrease its operating costs and expense/income ratio by moving all transactions performed through branches to the digital channels throughout 2013.

30 awards

TEB’s digital banking channels received a total of 30 awards both in Turkey and internationally in 2013. In 2013, TEB Children received the winning award in the Training category at the Golden Spider Web Awards and was deemed worthy of the Bronze Award at Kristal Elma (Crystal Apple). TEB’s Practical Stock Exchange practice was chosen as the Best Investment Practice in the Mobile Web Awards.

TEB in the social media

According to quarterly data published a social media analysis company, Social bakers, TEB was chosen as the Socially Devoted brand as it regularly replies its customers’ messages.

Keeping its Facebook wall open all times and establishing one-to-one communication with its customers through social media, TEB was deemed one of the “Top 50 Brands in Turkey to make best use of social media” by the magazine, Digital Age.

In 2014

In 2014, TEB will strive to implement business models which will allow customers to receive services through alternative distribution channels. To this end, TEB will continue to invest in the remote banking area and add all transactions performed through the internet branch to the range of services offered through CEPTETEB, TEB's mobile banking practice.

Increasing effectiveness in banc assurance

TEB works with the following companies in various segments with respect to insurance and private pension products:

- BNP Paribas Cardif Emeklilik AŞ, (life insurance, debt protection and unemployment insurance and private pension plans)
- Zurich Sigorta AŞ (personal accident insurances and elementary non-life insurance),
- Coface Sigorta AŞ (receivables insurance)

In 2013 TEB Bancassurance continued to provide services through TEB branches and alternative delivery channels, meeting its customers' needs for insurance and private pension products. Moreover, by taking TEB's ATMs as reference, efforts are under way to ensure that our customers can also access insurance products through this channel.

In the bancassurance channel, premium production in the life branch had grown by 31% YoY in the sector as of the end of December 2013, while premium production in the non-life branch grew by 21.2% YoY in the same period. As of December 2013, TEB Bancassurance had grown by 43% – in excess above sector average in the life branch, while growing almost in parallel with the sector in the non-life branch. In 2013, TEB captured a 3.24% market share in the number of private pension contracts.

Within the framework of the legislation on the Private Pension System that entered effect on January 1st, 2013, TEB Bancassurance began to offer new private pension products. The Bank also conducted various communication and marketing campaigns in an effort to inform

current and potential customers of the government contribution practice in private pension and to allow them to make use of it.

TEB carried out marketing campaigns through its internet branch for its products, Kredi Kartım Güvende (My Credit Card Is Safe) and Eşya Sigortası (Personal Possession Insurance), in order to ensure effective use of alternative delivery channels for the insurance products.

Striving to be the most popular bank for customers

TEB began to take a number of steps aimed at setting the Bank apart in the areas of customer satisfaction and customer experience. The Bank has made significant strides in this direction in 2013 to become the most preferred bank for customers in a very short space of time through unique practices, projects and approaches.

TEB set up the "Customer Recommendation Score" system, which aims to improve service quality by continuously monitoring customer satisfaction with respect to ongoing projects and the transactions performed by customers. This system has evolved into a systematic approach that continuously monitors, measures and reports the quality of services received by our customers from our call center and branches, and allows the Bank to take the necessary steps with respect to problem solving and improving service quality.

The primary target of this system is to ensure that the public have a positive perception of what is experienced by TEB's Retail, Star, Private, and Enterprise and SME customers and that the Bank will remain at the side of its customers in the long term, in a wider range of areas.

The customer recommendation score, which is continuously measured in all segments in 2013, increased strongly by:

- 221% in the retail segment,
- 128% in the star segment,
- 185% in the enterprise segment, and
- 208% in the SME segment.

The Bank will continue its efforts in 2014 to improve the Customer Recommendation

Score practice, which is the most critical factor in creating and maintaining a portfolio of loyal customers.

Rising success in communication with customers

In 2013, as in previous years, TEB aimed to raise customer satisfaction and loyalty by responding swiftly to messages submitted by its customers and by establishing rapid communication with them. The Bank also worked to raise customer satisfaction by resolving complaints which they had submitted through the branches.

The Bank noted all recommendations and complaints lodged by TEB customers for whom action could be taken and strived to resolve these complaints.

The Bank sensitively approached and swiftly responded to customer complaints forwarded through complaint sites and via social media.

www.sikayetvar.com is a website that publishes a Complaint Index report by monitoring the banks operating in Turkey in terms of how frequently they receive complaints and how rapidly they resolve them, as well as how satisfied customers are with the solutions offered. According to the report published by **Şikayetindex**, TEB was, in 2013:

- Ranked as the 4th best bank in the complaint management success category, with 54.1 points;
- The fastest responding bank in terms of resolving complaints; and
- Having the 4th least number of complaints among the banks included in the index.

TEB ASSET LIABILITY MANAGEMENT AND TREASURY GROUP

The focus of TEB's Asset Liability Management and Treasury Department's balance sheet management strategy is **to ensure the effectiveness of asset liability management and to protect the Bank's general liquidity.**

The mission of TEB's Asset Liability Management and Treasury Department is to ensure the effectiveness of asset liability management and to protect the Bank's general liquidity. In order to provide better serve its customers, the Bank gathered conventional customer transactions under the Financial Markets Department, leaving the remaining balance sheet responsibility to the Asset Liability Management and Treasury Department.

The primary goal of the Asset Liability Management and Treasury Department is to manage the Bank's interest, country, and structural FX and liquidity risks in its balance sheet in an optimal manner in order to maximize the Bank's risk-free capital.

In 2013, the Asset Liability Management and Treasury Department:

- Managed the expanding balance sheet, by keeping an eye on current and expected market conditions, in compliance with budget targets through a pricing policy that is in line with market dynamics. By reliably applying the right strategies, the Department provided significant contributions to the Bank, ensuring that profits exceeded targets;
- Successfully managed the Bank's interest rate risk, despite the volatility in global and domestic politics and perceptions over financial risk.

The market leader in precious metal and effective transactions

TEB maintained its market leadership in 2013 in the precious metal and effective transactions. In interbank effective FX transactions, TEB attained a transaction volume of US\$ 5 billion – the highest in the last 11 years - and signed new agreements with foreign banks.

TEB raised the volume of its domestic gold loans, reaching a 40% market share in this category. As a result of the competitive pricing policy pursued by TEB, gold deposits rose to their highest level in 2013.

Moreover, TEB successfully managed its liquidity and funding needs through gold loan

agreements that it has entered into with foreign banks.

By keeping a close view of the monetary policy being applied by the Central Bank of Turkey and by using other data, Asset Liability Management and Treasury Department models account for various balance sheet items under the financial engineering approach. The Department also undertakes a variety of financial transactions in foreign and domestic markets ranging from repo-reverse repo transactions to complex derivatives transactions in accordance with appropriate legislation and regulations, and by taking the utmost care to follow the Bank's traditional risk approach.

In 2013, effective liquidity and interest management contributed to TEB's steady profitability. At the same time, TEB maintained its return on capital in parallel with expectations by taking market conditions into account in the management of securities available for sale and securities held to maturity.

Responding to the need to increase funding resources

Raising the diversity of funding resources will be crucial in the coming period. In line with this aim, TEB strengthened its cooperation with BNP Paribas. One of the Bank's primary targets for 2014 is to expand its diversity with alternative funding resources.

Synergic cooperation with BNP Paribas

The cooperation between the Asset Liability Management and Treasury Departments of BNP Paribas and TEB continued in 2013. Through a series of regular meetings, a continuous exchange of information took place concerning a range of topics such as borrowing alternatives and, in particular, the modeling of required balance sheet products. BNP Paribas' effective business processes are adapted to TEB through IT front office projects which were launched in 2012 and had been largely completed by the end of 2013. TEB maintains such efforts in order to switch to a more effective structure in IT systems and the monitoring of market risks.

TEB Bank Bond

TEB issued 5 new bonds in 2013, making it a product preferred by customers. TEB will continue to issue a wider range of such bonds in 2014.

CORPORATE INVESTMENT BANKING GROUP

Growth in capital market transactions

TEB's Corporate Investment Banking Department considerably expanded the scope of transactions that it performs in capital markets during 2013 without compromising its risk management principles. The Bank offered new solutions that would protect customers against risk, particularly in FX and interest derivatives transactions. The Group also developed new products which would ensure protection against price fluctuations in commodity markets.

Having combined TEB's strength in domestic markets with BNPP's expertise and experience in such fields as capital markets, restructured finance and consultancy, the Corporate Investment Banking Department boasts a structure capable of single-handedly meeting all companies' needs in these areas. Corporate Investment Banking is integrated into TEB's client lines and BNPP's product lines.

Corporate Investment Banking primarily aims to create synergy by combining its local customer network with BNPP's global product expertise. In 2013, TEB created new synergies and produced added value, particularly in the areas of financial markets, restructured finance and corporate finance.

A trusted brand

Besides providing companies with the opportunity to access international markets, the trustworthy cooperation between TEB and BNP Paribas offers companies the ability to compete in the international arena by benefiting from the ideal pricing and restructuring facilities of BNP Paribas. TEB today offers its corporate clients the ability to access the Bank's entire corporate investment banking product range and brings its customers closer to international markets via BNP Paribas.

In November 2013, TEB was again the main sponsor of the Bonds, Loans and Sukuk Conference Turkey, which was held with the participation of Turkey's largest companies and financial institutions. The conference was the strongest indication of the massive potential promised by Turkish capital markets and the interest they draw. Based on the projection that this trend would continue in 2014, TEB will continue to contribute to the Turkish economy by maintaining its leading position in the domestic capital markets.

Products in fixed-income securities

TEB Financial Markets continues to enhance its business model to offer the best products and services in line with the needs of TEB customers. New information technologies systems currently under development will provide customers with the opportunity to create their unique solutions in a safe environment in line with their needs.

In the area of financial markets, TEB undertook the necessary revisions to its internal regulations so as to ensure the right products could be offered to its customers, to enable them to use of solutions that best fit their expectations and risk appetite.

TEB continued to successfully conduct its duty as a market maker in Treasury auctions in 2013.

TEB SECURITIES SERVICES

A deeply rooted tradition of service

The TEB Securities Services Department entered service in 2007 as TEB became responsible for the settlement and custody services which had been provided by BNP Paribas in Turkey since the 1990s.

The TEB Securities Services Department serves its customers with a specialized team at the head office and as the Turkey branch of BNP Paribas Securities Services, which is Europe's largest custody bank.

In addition to the settlement and custody services provided to foreign and domestic corporate investors, the department also

develops capital market and banking solutions for

- financial institutions,
- corporate investors and
- exporters

to meet their needs arising after their investment and funding decisions.

The TEB Securities Services Department offers:

- settlement and custody services for equities, government debt securities and other capital market instruments,
- collateral and cash management services for futures transactions,
- short-selling transactions,
- brokerage house "outsourcing" services,
- safekeeping and collateral management services,
- borrowing instrument and warrant issuance and payment services, and
- services for access to the Central Registry Agency (CRS) for exporters.

Moreover, in 2013, TEB maintained its work on adapting services offered by BNP Paribas Securities Services to the global asset management and fund industry to the requirements of companies located in Turkey.

2013: A year full of achievements

In 2013 TEB attracted a number of new big-ticket customers, not only in settlement and custody services offered to foreign corporate investors, but also in collateral management and related bank account transactions. Furthermore, there was an increase in the transaction volumes of existing customers. To sum up, the TEB Securities Services Department demonstrated a higher performance than expected in 2013 in terms of securities under custody, transaction volumes and the revenue generated from these services.

After Fitch and Moody's raised Turkey's credit rating to investment grade, Turkey's government bills and treasury bonds began to be used as collateral throughout the world, while TEB was preferred for custody and settlement management by major

international institutions that accept these securities as collateral.

Thanks to its superior electronic infrastructure, TEB Securities Services has played a key role in allowing foreign investors to rapidly access Borsa Istanbul in the most straightforward manner.

Along with the increasing importance attached to capital markets, TEB Securities Services almost completed the required legal arrangements in this area and will continue to grow in parallel with the ongoing 'Istanbul Financial Center' initiative.

With its pioneering and innovative approach and global point of view, TEB will continue to be a bank that is the first choice of those customers seeking something more than a "custody bank" can offer in 2014.

TEB HUMAN RESOURCES GROUP

Human Resources Policy

TEB's Human Resources Group strives to:

- ensure that the TEB Group is always prepared for change, while maintaining its organizational structure dynamic in line with the Group's strategic plans and targets,
- ensure that the TEB Group recruits individuals of the highest level of education with entrepreneurial talent and potential to develop themselves and their jobs, and who are well trained, innovative, like change, who are energetic, dynamic, adaptable to teamwork and able to adopt and lay claim to TEB's corporate values,
- support the personal and professional development of TEB employees through development programs determined in accordance with their career roadmaps in order to ensure the use of the Bank's human resources in the most effective and efficient manner, in line with TEB's targets and strategies,
- create professional business environment and career development opportunities by benefiting from the training programs provided by BNP Paribas,

- create the Most Ideal Workplace for employees and become the most preferred bank for employees in the sector,
- contribute to the development of Bank employees in line with TEB Group's targets and strategies within the framework of the approach entitled "continuous learning and development with the TEB Formation Academy", which considers training and development as an investment in human resources,
- raise Bank executives from within TEB and preferentially evaluate in-house applications for new positions,
- focus on various systems of reward and the Performance Evaluation System by improving individual and team performance through processes and systems that increase quality at all times, and
- offer equal opportunities and facilities to everyone in line with their career roadmaps.

With these practices, TEB Human Resources provides swift and effective support to all employees in all human resources related matters, while playing a key role in further raising the efficiency and performance of the TEB head office and the branches.

Recruitment

Recruitment in Numbers

At the end of 2013, the Bank had 10,000 employees on its payroll and a total of two head offices and 544 branches.

Of TEB's employees, 62% are university graduates, 5.5% hold a master's degree and 0.1% have a doctorate.

In 2013 TEB further strengthened its human resources by recruiting **2,410** new employees, **73%** of who were field personnel.

Attaching great importance to the education and employment of young employees, TEB:

- hired **159** individuals through **MT/ST programs** and **9** people through the examination for the **Assistant Inspector** program;

- provided job opportunities in our “Call Center” to **265** students seeking to begin their careers during their education, and
- offered internship opportunities to **660** university and **253** high school students.

University Activities–SMarch Ideas Campus

- In 2013, the TEB Human Resources Group continued to organize university campus activities aimed at identifying young, talented individuals and introducing them to TEB. The Bank carried out promotion activities in the campuses of Boğaziçi, METU, Koç, ITU, Sabancı, Bilkent, Galatasaray, YTU, İstanbul, Marmara, Bahçeşehir, Hacettepe, 9 Eylül and Ege Universities, thereby offering internship opportunity to 660 university students.
- Our SMarch Ideas Campus provides extraordinary training programs to students in their final two years at university with the opportunity to gain a better understanding of what innovation is, to get acquainted with a working environment where creativity and innovation is supported and rewarded, to have the chance for to talk to TEB’s senior managers and to meet new people and make new friends.
- A total of 95 students participated in 8 activities held in 2013, while the six most successful students were offered internship opportunities.

Recruitment through the Social Media Channel

- We started to publish job vacancies on **LinkedIn**, which is the world’s leading social media institution. By this means, we were able to access the most appropriate candidates directly and rapidly and evaluate about 5,000 candidates.
- We reach younger generations through social media; for instance, we began to hold “**TEB HR question-answer sessions**” through **Twitter**. By means of this interactive practice, we instantly answer all questions about TEB Human Resources and planning career at TEB through a **Twitter** feed.

TEB Passport

- The TEB Passport is a guide prepared to help recently hired employees get through their first days in TEB and adapt to the Bank much more rapidly. Containing the primary topics, TEB Passport is available through the Bank’s intranet portal.

Career Development

We carried out most management appointments from our in-house resources by focusing on the career development of our employees. In 2013, a total of **88** successful TEB employees had been promoted as managers.

By sharing all open positions within BNP Paribas and TEB Groups with all of our employees through the e-jobs practice, we allowed everyone to become informed of new career opportunities and apply for new positions under equal circumstances.

The In-House Career Opportunities Platform was launched in order to offer our employees various career paths within the TEB Group and prepare them for different duties and positions by enrolling them on rotation programs.

Comprising of people who are specialized in their areas, our Human Resources Job Opportunities team provides consultancy services to all TEB employees on the career topic, thus ensuring that employees are placed in the most suitable positions in line with their competencies and performances.

Mentorship Activities at TEB

TEB’s Mentor program aims self-development of employees within the Bank and the Group companies by benefiting from professional knowledge and experience of mentors. Within the framework of the TEB Mentor program, 230 mentors provided support to more than 500 TEB employees in 2012.

TEB continued the Mentor program in 2013, supporting the development of **87** employees.

Requests from Bank employees seeking to benefit from the TEB Mentor program, but

whose needs could be met through channels other than mentorship, were covered through different methods (such as training, rotation and career interviews).

Competence Management and Competence Development Plans in 2013

In 2013, the follow-on development of employees who had demonstrated high potential and performance within the framework of the Competence Management processes was specially conducted through Competence Management, in conjunction with the employee's manager.

Competence Development Plans

By means of online "Competence Development Forms" which are prepared for nearly 1,000 employees who offer high potential and who have demonstrated a high performance, we determine our employees' strengths along with areas open for improvement, and provide them with consultancy on their career roadmaps in the future. Moreover, we apply an 18-month development program enriched with rotation, e-learning and in-class training programs, interactive workshops and experience sharing meetings. A competence development form is prepared by the individual together with their manager and the respective Human Resources representative.

The Bank continued to support globally talented individuals seeking to work abroad in line with their career targets.

TEB continued to offer its employees international career opportunities throughout 2013 as a member of the "Mobility Community", a platform established between France, Belgium, Italy, Luxemburg and the UK which further allows for position changes within the BNP Paribas Group and where rules and policies concerning new assignments to be made within the Group are determined.

Annual celebrations for Talent Day on May 17th

Employees deemed to offer high potential who have demonstrated a high performance were brought together in the annual event

and the Bank's vision and common targets were shared with them. In the meeting held on the Talent Day, an open communication platform was established for these individuals within the framework of the theme, "Innovation for Changing Consumer Trends". The meeting was attended by the senior management of TEB. Following a number of speeches by senior managers concerning the Bank's vision and targets, the Bank's CEO and Deputy CEOs fielded a question and answer session about TEB's vision and targets, as well as the sector and expectations.

Pay and Social Benefits

At TEB, we pay our employees their net wages and salaries every month after the required legal deductions have been made. In addition to monthly wages, all employees may receive performance-based payments and sales premiums or performance bonuses. The annual average amount of performance-based payments made by TEB to our employees in 2013 was 1.8 times the average personnel salary who received such payments. Moreover, private vehicles and/or telephones may be provided to our employees in line with their duties and titles. All of our employees are covered by private health and life insurance policies. Our private health insurance policy also covers non-working spouses and children of employees. Moreover, our employees, at their sole discretion, may participate in our Bank's Employer-Contributed Individual Pension System. Employees working at our head office benefit from our on premise restaurants and cafes, while we provide meal cards to our branch and regional employees. Personnel busses are provided to our employees working at the head office. The related provisions of the labor act on annual permits are applied by our Bank. Our Bank also offers social facilities for the use of all our employees and their relatives for social purposes.

The **TEB Formation Academy in Saklıköy** was opened for the service of our Bank in 2013 - not only as an education center, but also as a social and sports activity center, where our employees may relax with their families.

HR Solution Center

As a communication platform, the Human Resources Solution Center was established as the first reference point of questions and requests submitted by internal and external customers with respect to TEB's HR practices. Aiming to respond to customers' questions and requests rapidly and seamlessly and thus increase their satisfaction, the Center continued its activities in 2013.

Great Place to Work®

TEB Human Resources Department acts like a Change Management leader in the Bank's strategic projects.

With the goal of creating the Most Ideal Workplace for its employees and to be the most popular bank in the sector for employees, TEB has taken a number of initiatives since it launched the "Great Place to Work" project at the end of 2012. To this end, the Bank conducted the "Great Place to Work" Survey at the end of 2013, which 84% of the banks employees contributed to the survey.

The survey score in 2013 exceeded the score in 2012, in what was deemed a real example of success by the consultants of 'Great Place to Work'.

Voice of Employees Platform

In another groundbreaking development in the sector, TEB established the 'Voice of Employees Platform' of 600 employees representing all departments within the Bank. The platform is a successful and exemplary practice in the sector, which helps all TEB employees get involved in decision processes with respect to issues in their area of interest.

Communication Activities at TEB

TEB Employees Are Together

Events such as the "Photography Exhibition", "Healthy Life" and "New Year Party", etc. were held which allow employees of the Bank to spend enjoyable time together and discuss common issues.

TEB Bulletin

Published regularly every two months, the TEB Bulletin is a publication which includes all

news related to TEB and current issues to TEB employees. TEB undertook the necessary work for the publication of the magazine in an electronic format.

Celebration of Special Days

Various activities were organized for employees to celebrate such special days as Teachers' Day, New Year and holidays.

TEB Club

TEB Club continued to conduct various sport, hobbies, and art and entertainment activities with the aim of bringing employees together out of working hours. Some of the events held by TEB in 2013 were as follows:

- Charity Marathons,
- Football Tournaments,
- Basketball Tournaments,
- Volleyball Tournaments,
- Trekking Tours,
- Yoga/Pilates Trainings

Directors Summit

The regular annual review meeting was held in 2013 to inform managerial staff and share the senior management's messages.

HR Bizbize Meetings

HR Bizbize Meetings were held with the participation of more than 1,700 people from all regions, groups and the field in order to stand closer to our employees and listen to what they say.

A breakfast with new employees

Breakfasts were organized at specific intervals in order to hear the initial impressions of recently hired employees.

BNP Paribas Communication Tools

BNPP's internal magazine, Ambition, and the internet TV channel, Starlight, which serve about 200,000 BNPP employees in 78 countries, continued to be offered to TEB employees in Turkish in 2013. Moreover, news concerning TEB was also published on the Echonet – BNPP's intranet site.

TEB Formation Academy in Saklıköy

The TEB Formation Academy began to provide training sessions in Saklıköy. As well as training, various sports and art event are held for TEB employees and their families at the TEB Formation Academy in Saklıköy.

Innovation at TEB

Highlighted as an example of innovation by the Gartner Group thanks to its continuous efforts in the field of innovation since 2007, TEB was deemed to have been the “Most Successful Bank in Innovation Management” for 4 years in succession by the European Financial Management Association (EFMA).

TEB continued to foster a culture of innovation in 2013 by offering innovative and creative products to its customers, and encouraging its employees and customers as well as university students and technological entrepreneurs to generate innovative and creative ideas through internal initiatives.

The 7th TEB SMarch Ideas Competition, one of the clearest reflections of TEB’s efforts in innovation, was held in 2013.

Helping the lives of its customers with a range of innovative and creative services, TEB deems innovation as one of the most important instruments in its strategy of making a difference.

A total of 10,200 projects were submitted to TEB in 2013 through the SMarch Ideas Competition. Our website at www.icatcikar.com which received applications for the competition attracted 171,000 visitors from 102 countries.

Ideas submitted by customers, university students, new graduates and young professionals were once again turned into products and services by TEB and offered to its customers.

The TEB Family Academy was one such measure which was implemented. The scheme provides information on the

preparation and management of family budgets, keeping family expenses under control, the accurate management of debt, items that must be paid attention to when undertaking an investment, private pensions and the proper use of loans and credit cards. Another such innovative practice was TEB Pratik Haberci, which allows customers to instantly obtain information about all their accounts, credit cards and account activities.

Finalists in the contest were offered career opportunities at TEB, in addition to monetary prizes. A total of eight finalists joined the TEB family in 2013.

Kıvılcım Portal

We continued to receive ideas for innovative products and services from TEB employees through our in-house innovation portal, “Kıvılcım”, and maintained a close view of these ideas in order to ensure that they were put into practice.

Every week in 2013, we carried out a practice entitled “Idea of the Week” on a separate topic related to TEB’s targets in order to receive our employees’ opinions about such topics.

The annually held traditional in-house “Innovation” contest, which aims to raise employees’ awareness on innovation and creativity, encouraged TEB employees to work as a team with those from other departments to generate new ideas, promoting team spirit while fostering an enjoyable competitive environment where innovative projects competed together.

A total of 350 ideas from TEB employees for innovation and improvement were implemented through the Kıvılcım Portal, while efforts are still under way for another 60 ideas.

Traditional TEB SMarch Ideas Conference

The TEB SMarch Ideas Conference, an annual organization attended by TEB employees and customers, as well as globally known speakers, was held for the sixth time in 2013.

Themes

- 2013: Innovation for Changing Consumer Trends
- 2012: New Generation Banking in the Digital World
- 2011: Innovation in Customer Experience
- 2010: Innovation from the Future to Today
- 2009: Overcoming Difficult Times with Innovation
- 2008: Open Innovation

In the SMarch Ideas Conference, whose theme for 2013 was “Innovation for Changing Customer Trends”, some of the industry’s leading representatives discussed the global developments in changing consumer trends, while awards were handed out to the most creative employees who submitted their ideas through the Kivilcim Portal along with customers, university students and new graduates who ranked in the top three in the SMarch Ideas Competition.

Training at TEB

Knowing that the most distinctive characteristic in today’s financial services sector is “qualified and well-trained human resources”, TEB aims to support the personal and professional development of its employees in the most effective manner. Training sessions held for this purpose, as well as projects of development and change are conducted with in-house or external resources and topics such as “enabling internal customer service standards” of training centers are included within the scope of training activities.

In 2013, a variety of studies were performed on topics such as the effective use of our internal resources by expanding our team of internal instructors and by involving digital platforms in our training programs by keeping a close view of developing teaching technologies.

The following activities were carried out within the framework of TEB’s training and development strategies and targets during 2013:

- A training program entitled “Strategy Map of TEB Stars”, attended by all of our

employees and which aims to create and spread the common corporate culture;

- Orientations, Basic Training Programs and Rotations for recently hired Bank employees;
- “Individual development plans” were prepared for employees of the Bank who had demonstrated high potential and superior performance; also, special training programs were designed in line with their needs;
- Training and coaching programs to improve the leadership skills of managerial staff;
- Performance Management Training sessions were held to support our managers, both in the head office and in the field, in evaluating employees’ performance and capabilities;
- Training programs were held to increase sales for sales personnel to teach how to establish long-term and profitable relationships with customers with different methodology and tools;
- Advanced programs were provided at the consultancy level for those sales personnel demonstrating a high performance;
- Seminars were held in branches on basic financial issues and banking needs for Bank customers within the scope of the TEB Family Academy initiative;
- Training sessions and tests aimed at enabling customers of the Bank to perform all basic checks before the realization of banking transactions, such as ensuring that the content of the transaction as well as all related information and documents comply with rules of procedure; that the Bank would not incur any losses during the provision of services to its customers; and to ensure customer satisfaction;
- Personal development training sessions, and classroom and online English lessons for employees;
- “Assistant Manager Responsible for Operations” and “Promotion to the Individual Sales Staff” tests performed within the scope of the ‘Promoting as a Financial Transaction Executive’ test;
- The Bank began to organize Basic Training on Occupational Health and Safety in line

with the Occupational Health and Safety Law no. 28339 and dated: 30 June, 2012 and the Legislation on the Methods and Principles of Trainings on Occupational Health and Safety for Employees no. 28648 and dated: 15.05.2013; and

- The Bank places its customers at the heart of its activities within the framework of the MOSAIC project, which aims to change the working principle of all channels (branches, call center, internet branch, etc.) which touch the lives of its customers in some way. Meetings were held so that the senior management could inform all employees of the fundamental purpose of this project as well as its benefits.

E-learning training programs were prepared for the systemic applications of the new project. More comprehensive training sessions were provided to those people, who were selected as project representatives.

For employees who have changed their way of doing business within the scope of the project, separate role-based behavioral training sessions were prepared. The Bank also began to provide coaching training to team managing employees, to enable them to provide coaching services with a point of view that fits their new way of doing business.

In addition to classroom training programs:

- Our studio was launched to; raise the use of technology in our training programs, to increase the effectiveness and to save time and costs. With this studio, the Bank began to provide training programs through webinar.
- The Bank has adopted the multi-tool education approach by sharing educational videos that support our training programs, as well as virtual training sessions associated with classroom trainings and various reading materials supporting all training materials with all employees.
- The Bank completed its efforts to enrich its current e-learning catalogue with various types of virtual and game-based training, particularly product training.

In 2013, an average of 71 hours of training was provided to each employee, corresponding to a 15% increase compared to the average training provided in 2012.

Our New TEB Formation Academy: Saklıköy

Formerly located in Cumhuriyetköy, the TEB Formation Academy was moved to our new education facilities, where our employees can participate in multi-purpose training and development programs in a much more pleasant and efficient environment.

The **TEB Formation Academy in Saklıköy** was offered for the service of our Bank in 2013, not only as an education center, but also as a social and sports activity center, where our employees may spend time relaxing with their families.

BNPP Learning Tour

The BNPP Learning Tour was organized in Belgium in 2013 for the benefit of a select group of globally talented employees in TEB, BNL (Italy), BNP Paribas Fortis (Belgium) and BDDF (France), with the aim of improving their personal and professional competencies and to acquaint them more closely with the BNPP Group. Two young talented individuals from our Bank joined the program.

TEB FINANCIAL SERVICES GROUP

TEB FACTORING

As one of the sector's three biggest companies, TEB Factoring continued to serve corporate and commercial firms along with SMEs in 2013, and increased its business volume in 2013 through a range of various export, import and domestic factoring products.

TEB Factoring raised its business volume by 21% from TL 7 billion in 2012 to TL 8.5 billion in 2013. The company also expanded its total assets by 45%. The company's net profit, on the other hand, declined by 10% in parallel with the falling interest rates in Turkey. Thus, the company generated a 26.41% return on equity and a 1.48% return on assets.

TEB Factoring boasts one of the highest productivity yields in the factoring sector.

TEB Factoring expanded its total client base to 17,193 in 2013. The company ended the year 2013 with 3,137 active customers, 15 branches and 124 employees.

TEB Factoring was awarded the "Best Export Factoring Company" for 4 years in a row between 2009 and 2012 by the members (a total of 272 members from 76 countries) of Factors Chain International (FCI), the world's largest and the most important factoring organization. TEB Factoring also ranked second in the world, after the Bank of China, in terms of transaction volume in export factoring in 2013.

Considering the developments in business life in 2013, the loan insurance product – the availability of which is currently limited – is expected to be more widely available in the domestic market from 2014. Factoring companies which progress rapidly in this area will thus gain a product, thus shifting the leadership in the sector going forward. Having completed the necessary infrastructure of this product, TEB Factoring aims to raise its market share in the sector by performing guaranteed factoring transactions in the coming years.

Another goal of TEB Factoring is to represent Turkey among the world's leading countries in the factoring sector.

TEB ASSET MANAGEMENT

Managing a volume of nearly TL 3.5 billion, active in the fields of asset management and investment consultancy, TEB Asset Management is the 5th largest asset management company in the sector. TEB Asset Management's fundamental objective is to determine the investment vehicle compositions of investment portfolios based on the risk profiles of individual and corporate clients and to manage those portfolios according to the optimum benefit.

As of December 2013, TEB Asset Management, as an asset management with a wide delivery channel abroad, commanded the following;

- A 4.88% market share and volume of TL 1.5 billion in the overall mutual fund industry,
- A 7% market share in actively managed mutual funds,
- A volume of TL 167 million in Private Asset Management,
- A volume TL 137 million in Corporate Asset Management Services,
- A 3% market share and a volume of TL 785 million in Pension Funds, and
- A volume of € 400 million in international mutual funds.

TEB Asset Management was chosen as **'Turkey's Best Asset Management Company in 2013'**, by the **World Finance** publication was invited to join and became a member of the **20-20 Investment Association**, which comprises of the world's leading financial players, managing a total of **US\$8 trillion** worth of assets.

Founded in 2000, TEB Asset Management has been providing asset management services since June 2004.

The company also began to offer 'corporate asset management services' by the end of 2005. Aiming to manage the assets of foundations, associations, corporations and legal entities, corporate asset management services are offered through TL and FX-based models under three different categories; bonds, absolute income and equities.

Having entered a mutually advantageous collaboration with its partner, BNP Paribas Asset Management – a leading name in the asset management business in the Eurozone – TEB Asset Management has tirelessly moved towards its goal of becoming a global player. Having already begun to see the benefits of this collaboration, TEB Asset Management had already succeeded in establishing strategic cooperation with a number of international corporations. In this context, road-shows conducted in Europe (such as in Italy, Germany, France and Finland) and in Eastern Asia (including Japan, Singapore and China) for international corporate investors have started to yield positive results.

TEB Asset Management took over the management of the Turkish Equity Mother Fund, which was established in Japan. The fund has grown to reach a volume of about € 310 million, succeeding in becoming the largest equity fund in Turkey to invest in Turkish equities. Moreover, TEB Asset Management took over the management of the Parvest Turkey Fund (€ 90 million), becoming Turkey's largest asset management company in this category. The company also provides consultancy services to other foreign funds (€ 97 million), which invest in Turkish equities.

Attaching utmost importance to the development of products with an innovative approach

TEB Asset Management, as part of its innovative culture, founded the BRIC Fund, the Absolute Income Targeting Fund and the Tactical Distribution Fund, assuming a place among the leading asset management companies.

TEB Asset Management, in conjunction with Cardif Pension, the company's strategic partner in pension funds, released 5 new theme funds under its management.

The primary new products which TEB Asset Management offered its investors in 2013 were the TEB Private Sector Bond-Bill Fund,

the TEB Tactical Distribution Fund and the Absolute Income Targeting Fund, as well as 4 new Capital Protected Funds with different themes.

Success for TEB Asset Management in raising its market share in the mutual fund industry in 2013

TEB Asset Management succeeded in expanding the total volume of assets under its management by 33% in 2013 by correctly anticipating the difficulties arising in the sector and capital markets, diversifying its local products with the right timing, directing investors towards the right products at the right time and entering new strategic collaborations. This growth vastly outperformed the 15% average growth recorded by the sector in the same period.

Most of the primary mutual funds managed by TEB Asset Management yielded higher returns than their benchmarks. Likewise, the funds managed by TEB Asset Management – pension funds, and equity weighted funds in particular – command the highest rankings in terms of performance.

A harder year ahead for the capital markets and TEB Asset Management

This spring's local elections, followed by the presidential election in the summer, and next year's general election will raise political uncertainty, while the FED's ongoing efforts to narrow the monetary expansion have given rise to expectations that demand for emerging market assets will decline. These two factors will negatively affect foreign investor demand in the Turkish capital markets.

Even under such challenging international conditions, TEB Asset Management will remain committed to protecting itself and its customers as well as its domestic and foreign shareholders against all possible negative risks arising in markets by carrying out the following:

- offering new products to investors within the framework of its innovative approach,

- directing investors to the right investment options with the right timing, and
- improving opportunities for cooperation that would raise market share.

TEB INVESTMENT

Established in 1996, TEB Investment's primary field of activity is to engage in capital market operations in accordance with the provisions set forth in the Capital Markets Law and respective legislation.

TEB Investment Securities Inc. offers the following services:

- mediating in the trade of capital market instruments,
- mediating in the issue of capital market instruments and their sale via public offering,
- credit purchase, short-selling, borrowing and lending of capital market instruments,
- the trade of capital market instruments with repurchase-resale guarantee, and
- mediating in the trade of derivative instruments both in Turkey and abroad and custody services.

TEB Investment's vision is shaped around the following principles: to become the best and most trustworthy brokerage house in capital market activities; to expand its client portfolio by competing at the highest tier based on customer demands and market tendencies and by employing state-of-the-art technology with an uncompromising devotion to the law and ethics; and to ensure maximum customer satisfaction.

The Company aims to offer the best services to its customers by:

- maintaining its dynamic and active personnel,
- keeping view of the technological developments,
- seeking the views of its customers, and
- allocating time to understanding their needs.

TEB Investment delivers its wide product and service portfolio to its customers both in Turkey and internationally through a range of service channels. To this end, the differentiated channels used for various investment services such as equity, forward transactions, mutual funds, bonds-bills and

repurchases, as well as those used for special solutions, such as corporate finance, research, international capital markets, investment centers and internet branch - which are offered to different customer groups - are all collected under TEB Investment.

TEB Investment sets itself apart in the sector with:

- an experienced human resources team which provide effective services to individual and corporate customers,
- a skilled research team composed of specialists in their own fields, offering high quality services, and
- local know-how in conjunction with the global partner's support and experience.

TEB Investment ranked 4th with a 4.2% market share of ISE equity trading volume at the end of 2013, accounting for a total trading volume of TL 68,643 million. As of the same date, the Company was ranked 2nd on the Turkish Derivatives Exchange in terms of trading volume, where it commanded a market share of 7.46% with a total trading volume of TL 62,023 million.

THE ECONOMY BANK N.V.

The Economy Bank N.V. (TEB NV) was founded in 1998 in the Netherlands. TEB NV's mission is to be one of the most active and service-focused players in the Turkish and European financial markets as the TEB Group's specialized service provider in the international trade & commodity finance business line.

In 2005, TEB NV became a member of the BNP Paribas Group, which is one of the biggest financial institutions in the world. Thanks to this correspondent bank network, TEB NV began to offer services in 80 countries worldwide. Benefiting from BNP Paribas' credit-risk analysis systems, the Bank continues to successfully reflect the synergy of the BNP Paribas Group to its customers' trade and commodity finance portfolios.

TEB NV has set itself apart in the sector by virtue of its

- liquid balance sheet which mostly comprises of short-term assets,
- experienced human resources,
- the importance it attaches to effectiveness and transparency,
- a strong economic structure which has emerged with risk-monitoring approaches and practices, and
- a tailored and solution-oriented business making approach

TEB NV's performance in 2013

TEB NV's balance sheet was realized at € 606.9 million at the end of 2013, while its shareholders' equity grew by € 5.0 million YoY to reach € 100.0 million. As in previous years, the Bank maintained liquidity and capital adequacy ratios above the sector averages in its operations.

TEB NV's gross operating profit was realized at € 15.8 million with net interest revenues of € 24.8 million in 2013, while its net commission and fee revenues reached € 4.6 million. The Bank's specific loan provisions remained at € 1.4 million as of the end of 2013. TEB NV recorded a net profit of € 5.0 million after tax

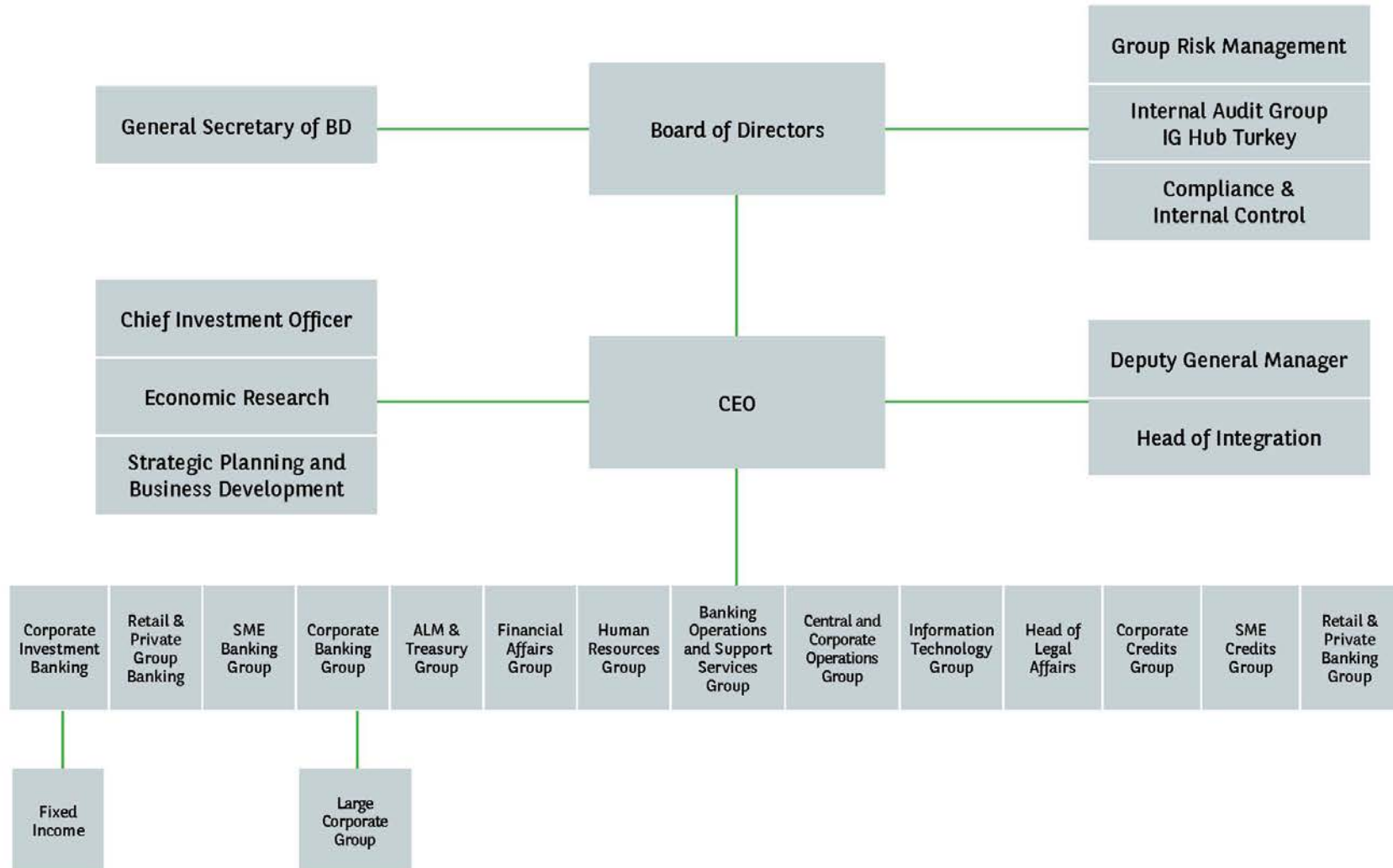
and provisions, while its shareholders' equity amounted to € 100.0 million.

In 2013, the total volume of trade transactions mediated in by TEB NV was realized at € 1.4 billion.

Having gained the admiration of its shareholders with its specialized personnel, robust financial performance and the high quality of the services it has been rendering for many years, TEB NV will continue to offer various trade and commodity finance solutions to its customers in 2014 by strictly adhering to its effective risk management policies aimed at maximizing customer satisfaction.

SECTION 2- MANAGEMENT AND CORPORATE GOVERNANCE PRACTICES

HQ Organization Chart



BOARD OF DIRECTORS

Name	Position
Yavuz Canevi	Chairman
Dr. Akın Akbaygil*	Deputy Chairman
Ümit Leblebici	Executive Member and General Manager
Jean-Paul Sabet	Deputy Chairman
Alain Georges Auguste Fonteneau	Member
Jean-Milan Charles Dominique Givadinovitch*	Member
Ayşe Aşardağ	Member
Yvan L.A.M. DeCock	Member
Sabri Davaz	Member
Beatrice Theresa Elisabeth Marie-Paule Dumurgier Cossa	Member
Musa Erden	Member
Henri Simon Andre Foch	Member
Alain Kokocinski	Independent Member
Dr.İsmail Yank	Independent Member

*In accordance with the CM Communiqué II-17.1, Audit Committee Members in banks qualify as independent board members.

Yavuz Canevi, Chairman	
1996 – present	TEB A.Ş. Chairman of the Board of Directors
2001 – 2013	TEB Holding A.Ş. Board Member
1998 – 2011	TEB N.V. Holland Chairman of the Board of Directors
1993 – 2005	Istanbul Stock Exchange, Deputy Chairman and Board Member
1989 – 2005	Euro Turk Bank, Chairman of the Executive Council
1987 – 1989	Türk Eximbank, Chairman
1986 – 1989	Undersecretary of Treasury and Foreign Trade, Prime Minister’s Office
1984 – 1986	Central Bank of Turkey, Governor
1980 – 1984	Central Bank of Turkey, Vice Governor
1979 – 1980	T. Garanti Bankası, Assistant General Manager in Charge of International Relations
1976 – 1979	Central Bank of Turkey, Director General of Foreign Exchange
1974 – 1975	Ministry of Finance, Tax Inspector Georgia State University, USA, Faculty Member; University of Southern California (USC), USA; Ankara University, Faculty of Political Science, Department of Public Finance and Economics
Additional Professional Occupations	
2001 – present	DEİK Holland Member of the Board
1996 – present	IKV Member of the Board
1993 – 2012	TSKB Member of the Board
1989 – present	FNSS Savunma Sistemleri A.Ş. Chairman of the Board
1991 - 1994	TUSİAD Member of High Advisory Council
1997 - present	TUSİAD Member of High Advisory Council
2001 – 2010	Hedef Alliance A.Ş. Member of the Board
2004 – 2010	NETAŞ Member of the Board

Dr. Akin Akbaygil, Deputy Chairman	
1988 - present	TEB A.Ş. Deputy Chairman
2011 – present	TEB N.V. Chairman
2011 – 2012	TEB Investment A.Ş. Chairman
2011 - 2011	Fortis Investment A.Ş. Board Member
2008 - present	TEB A.Ş. Audit Committee Deputy Chairman
2005 - present	TEB Factoring, Chairman; TEB Financial Investments A.Ş., Board Member
1999 - 2013	Ekonomi Bank IBU Ltd, Deputy Chairman
2005- 2010	TEB A.Ş. Leasing Chairman
2004 - 2007	TEB A.Ş. Asset Management, Chairman
2003 – present	TEB Holding A.Ş., General Manager
2003 – 2005	TEB Financial Investments A.Ş., Deputy Chairman
2001 – 2002	Banks Association of Turkey, Deputy Chairman
1998 – 2011	TEB NV, Deputy Chairman
1997 – 2005	TEB Insurance, Chairman; TEB Factoring, Board Member
1996 – 2005	TEB Leasing, Board Member
1994 – 2001	Banks Association of Turkey, Board Member
1987 – 2003	TEB A.Ş, Deputy Chairman, Executive Member and General Manager
1982 – 1987	TEB A.Ş., Executive Member
1965 – 1982	Akbank, Director of Foreign Affairs Istanbul University, Faculty of Economics, BA and PhD

Ümit Leblebici, Executive Member and General Manager	
2013- September - present	Türk Ekonomi Bankası, Executive Director and General Manager
2013 February - September	Türk Ekonomi Bankası, Deputy General Manager
2001 2013	Türk Ekonomi Bankası, Assistant General Manager, Treasury and ALM
2013 April - September	Türk Investment A.Ş., Chairman
2012 - present	- TEB Asset Management, Chairman
2011 - 2012	TEB Asset Management, Board Member
1999 - 2001	Türk Ekonomi Bankası, Director, Treasury Group
1997 - 1999	Osmanlı Bankası; Treasury Manager
1997 - 1997	Ulusal Bank; Treasury Manager
1991 - 1997	Midland Bank; Treasury Manager
1988 - 1994	İstanbul University MBA at Finance Major
1984 - 1988	İstanbul University Faculty of Business Administration

Jean-Paul Sabet, Deputy Chairman	
2010 - present	BNP Paribas Investment Holding A.Ş., Chairman BNP Paribas Fortis Investment Holding A.Ş., Board Member
2011 - present	TEB A.Ş. Deputy Chairman TEB Holding A.Ş. Board Member BNP Paribas Retail Banking Turkey BNL Banca Nazionale del Lavoro, Italy Board Member
1997- 2012	Citrus Lands of Louisiana INC, USA Board Member Citrus Lands of Louisiana, LLC, USA Board Member Citrus Lands Coal Terminal LLC, USA Board Member Citrus Lands Services LLC, USA Board Member
1988 – present	LDC Trustee Committee
2010 – 2011	Fortis Bank A.Ş. Board Member
2006 - 2009	BNL/BNP Paribas Italya, C.O.O
2004 - 2006	BNP Paribas Retail Banking Board Member - Head of BNP Paribas Finance and Strategy Department
1998 - 2003	KLEPIERRE Fransa, Board Member
1976 - 1998	BNP Paribas, Deputy Chairman
1976	H.E.C Ecole des Hautes Etudes Commerciales

Alain Georges Auguste Fonteneau, Member	
2011 March – present	TEB A.Ş Board Member
2010 – 2011	TEB Holding A.Ş., Board Member
2009 - present	Chief Financial Officer of Retail Banking- Emerging Markets
1998 – 2008	Responsible for Asset &Liability Management of BNP Paribas Group
1995 – 1999	Deputy Manager of Asset-Liability Manager of BNP Group
1988 - 1995	Manager of Balance Sheet Department & Financial Engineering’s Department at the BRED-Banque Populaires
1982 – 1988	Deputy Manager of Establishing Financial Models & Forecasts’ Department at the OFCE (French Observatory of the Overall Economic Situation), organization of Economic forecast subordinated to the Political Studies Institute in Paris
1977 - 1982	Responsible for researches at the National Centre for Scientific Research (C.N.R.S.)
1980 - 1990	Lecturer in Micro and Macro Economy at the ENA and the IEP of Paris
Additional Professional Occupations	
April 2009 - present	Member of the Supervisory Board of BMCI, Morocco
2009 - 2013	Member of the Board of Directors of SAE, BNP Paribas Egypt
October 2009 - present	Member of the Supervisory Board of UKRSIBBANK, Ukraine

Jean-Milan Charles Dominique Givadinovitch, Member	
2011 – present	TEB Investment A.Ş., Board Member
2010 - present	TEB A.Ş., Board Member and Head of Audit Committee TEB Factoring Board Member TEB Asset Management A.Ş. Board Member The Economy Bank N.V. Board Member
2011 - 2011	Fortis Investment A.Ş., Deputy Chairman
2010 – 2011	TEB Investment A.Ş., Deputy Chairman
2009-2010	TEB A.Ş., Head of Group Risk Management
2002-2008	Bancwest; General Auditor Bank of West, Director of Audit and Inspection
1998-2002	BNP Paribas; Deputy Head of Inspection
1997-1998	BNP Paribas; Head of Eastern Asia Pacific Region
1992-1997	BNP Plc, London Deputy Manager, Head of Corporate Banking
1989-1992	BNP Paribas; Big Corporates Division; Relationship Manager
1985-1989	BNP Paribas; Inspector
1983-1985	BNP Paribas; Relationship Manager for Corporate Clients
1981-1983	BNP Paribas; Corporate Finance Executive
1997-1998	Institut des Techniques de Marche
1975-1979	Institut d'etudes Politiques de Paris; Social Science Master
1975-1978	Ecole Des Hautes Etudes Commerciales Paris, Trade Diploma

Ayşe Aşardağ, Member	
2012 August – present	Ekonomi Investment Ltd, Director
2012 – present	TEB Investment, Deputy Chairman TEB Consumer Finance, Deputy Chairman
2011 – present	TEB Factoring A.Ş. Board Member TEB Asset Management A.Ş. Board Member The Economy Bank N.V. Board Member
2010 – present	TEB A.Ş. Board Member
2009 - present	TEB JSC (Kosovo); Board Member
2003 - 2013	Ekonomi Bank Offshore Ltd., Board Member
2001 - present	TEB Financial Investments, Budget and Financial Control Coordinator
2010 – 2011	Fortis Bank A.Ş. Board Member
2009- 2010	TEB Arval Araç Filo Kiralama A.Ş. Board Member
2008 - 2009	TEB ARVAL Araç Filo Kiralama A.Ş. Deputy Chairman, Etkin Temizlik Hizmetleri A.Ş. Chairman;
2008-2010	TEB Consumer Financing; Deputy Chairman
2007-2009	TEB JSC (Kosovo) Deputy Chairman
2007-2008	TEB Insurance; TEB Communication and Publishing Services; Etkin Temizlik Hizmetleri A.Ş. and Etkin Personel Taşıma Hizmetleri A.Ş., Chairman; TEB Consumer Financing, TEB ARVAL Araç Filo Kiralama A.Ş., Board Member
2007-2010	TEB UCB Real Estate Counseling, Chairman
2004-2010	Ege Turizm ve İnşaat A.Ş., Deputy Chairman
2001-2009	TEB Leasing; TEB Factoring; TEB Investment, Auditor
2001-2010	TEB Auditor
2001-2007	TEB Insurance, Board Member; TEB Asset Management, Auditor
1995-2000	TEB, Budget and Financial Control Unit
1994-1995	University of Glamorgan, Lecturer in Accounting

1987-1994	Price Waterhouse, Istanbul, London, Audit Unit
1992	Institute of Chartered Accountants in England and Wales, ACA
1987	Boğaziçi University, Faculty of Administrative Sciences, Business Administration Department, BS

Yvan L.A.M. De Cock, Member

2012 December – present	TEB A.Ş. Board Member
2011 - present	BNP Paribas Fortis, Head of Corporate and Public Banking
2011 - 2013	TEB Holding A.Ş., Board Member
2006 -2011	CEO Fortis Bank Turkey
2002 - 2006	CEO Fortis Bank UK
1999 - 2002	Global Corporate Banking at Fortis Bank
1994 - 1999	Head of Corporate Banking North Centre Area, Belgium, Générale de Banque
1988 - 1994	Head of Trade Finance Group, Générale de Banque
1984 - 1988	Export Manager, Générale de Banque
1982 - 1984	Legal Adviser, Nat. Delcrederedienst
1978 - 1982	Lawyer at Winderickx and associates

Sabri Davaz, Member

2013 –present	TEB Sh.A. Board Member
2012 March - present	TEB A.Ş. Board Member
2011 – present	TEB Holding A.Ş., Chief Advisor to the Chairman
2009 – 2011	BRSA Consultant
2004 - 2009	BRSA Vice Chairman
1998 - 2004	Undersecretariat of Treasury and BRSA Chief Sworn Bank Auditor.
1989 – 1997	Undersecretariat of Treasury, Sworn Bank Auditor
1985 - 1989	Undersecretariat of Treasury, Assistant of Sworn Bank Auditor
1998 – 2000	Boston University, Financial Economics Master
1980 - 1984	Ankara University, The Faculty of Political Science

Beatrice Theresa Elisabeth Marie-Paule Dumurgier Cossa, Member

2013 March - present	TEB A.Ş. Board Member
2012 October – present	BNP Paribas, COO, Retail Banking
2010 - 2012	BNP Paribas, Head of Buttes Chaumont Group
2007 – 2009	PNP Paribas, Secretary of Group Executive Committee
2004 - 2007	BNP Paribas Paris, Head of Strategy, Personal Finance
2000- 2004	Club de Paris and APE, Treasury Director
2000	Massachusetts Institute of Technology (MIT), Master of Science
1997	École des Ponts
1994	Ecole Polytechnique

Musa Erden, Member	
2013 March - present	TEB A.Ş. Board Member
2008 - 2012	TEB A.Ş., Board Member
2011 – present	TEB Factoring A.Ş. Vice Chairman
2010 - present	TEB Sh.A Chairman, TEB Leasing Board Member
2006 - 2008	Türk Ekonomi Bankası A.Ş., Consultant
2006 - 2008	The Ottoman Fund Ltd Board Member
2006 - 2008	Osmanlı Yapı 1 İnş. Tur. San. Tic. A.Ş. Chairman
2006 - 2008	Osmanlı Yapı 2 İnş. Tur. San. Tic. A.Ş. Chairman
2006 - 2008	Osmanlı Yapı 3 İnş. Tur. San. Tic. A.Ş. Chairman
2006 - 2008	Osmanlı Yapı 4 İnş. Tur. San. Tic. A.Ş. Chairman
2005 - 2008	TEB Financial Investments, Auditor
2005 - 2006	TEB A.Ş. Auditor
2003 - 2003	MNG Bank, Board Member
2002 - 2003	Turkish Banking Association, Arbitration Committee Member
1996 - 2001	Osmanlı Bankası A.Ş., Assistant General Manager
1993 - 1996	Osmanlı Bankası A.Ş., Vice General Manager /BD
1991 -1993	Osmanlı Bankası A.Ş., Vice General Manager /CM
1988 - 1991	Osmanlı Bankası A.Ş., Vice General Manager /CM
1986 - 1988	Osmanlı Bankası A.Ş. Coordinator
1985 - 1986	Osmanlı Bankası A.Ş. Şişli Branch Manager
1983 - 1985	Osmanlı Bankası A.Ş. Main Branch 2nd Manager
1979 - 1983	Osmanlı Bankası A.Ş. Personnel 2nd Manager
1976 - 1979	Osmanlı Bankası A.Ş. Inspector
1973 - 1976	Osmanlı Bankası A.Ş. Assistant Inspector
1972 - 1973	Yapı ve Kredi Bankası A.Ş. Officer
1966 -1970	Ankara University, Faculty of Economics and Commerce, Banking Division

Henri Simon Andre Foch, Member	
2013 March – present	TEB A.Ş., Board Member
2011 – present	BNP Paribas, Global Vice Head of Fixed Income Member of BNPP ZAO board
2008 - 2011	BNP Paribas, Head of Fixed Income, Asia Pacific and Japan
1994 -2008	BNP Paribas, Global Head of Foreign Exchange Trading
1991 – 1994	Bank of America, Head of FX Sales Prop Trading
1988 – 1991	L’Européenne de Banque, Paris, International Treasurer
1986 – 1988	Chase Manhattan Bank, Paris, FX Sales and FX Prop Trader
1983 – 1986	BNP Paribas, Retail Network Credit department
1977 – 1981	L’Institute d’études Politiques, Paris, Finance and Foreign Affairs

Alain Kokocinski, Independent Member	
2013 March – present	TEB A.Ş., Independent Board Member
2011 November – present	BNP Paribas Investment Partners, Belgium, Member of the Board
June 2011 – present	BNP Paribas Investment Partners ,Paris, Chairman of the Audit Committee
March 2011 - present	BNP Paribas Investment Partners, Paris: Member of the Board
2009 – 2010	Fortis Investment Management , Brussels, Member of the Board, Chairman of the Audit Committee Brussels
2002 -2003	CPRA ² M , Paris, Chairman of the supervisory board Paris
1999 -2004	Independent financial consultant, Advisor to the French Treasury, expert to the English Commercial Court in a foreign exchange related dispute, consultancy in strategy and management for an hedge funds company
1995-1999	BNP Paribas, Singapore, Head of Paribas Asia overlooking 12 branches and representative offices, Head of the Singapore branch, Singapore
1997-1999	BNP Paribas, Chairman and chief executive of Paribas Merchant Banking Asia.
1991-1995	BNP Paribas, London, Executive vice-president , Global head of bonds, swaps and foreign exchange London
1985-1991	BNP Paribas, Paris, Senior vice president. Head of French capital markets Global head of foreign exchange and interest rates options
1982-1985	BNP Paribas, New-York, Senior vice-president. Treasurer North America division, New York
1968-1982	BNP Paribas, Paris, Money-market trader, Foreign exchange trader (spot and forwards) Vice-president and Vice treasurer from 1978
1963 – 1968	Crédit Lyonnais, Paris, Various positions in the retail banking department and in different branches of the bank Paris
1971	Institut Technique de Banque

İsmail Yanık, Independent Member	
2013 March - present	TEB A.Ş. Independent Board Member
2011 - 2013	BANTAŞ, Vice Chairman
2008 - 2013	TEB A.Ş. Board Advisor, TEB Sh.A Vice Chairman
2008 - 2011	TEB Cetelem, Board Member
2005 - 2011	TEB NV, Audit Committee Member
2005 - 2006	TEB Yatırım, Audit Committee Member
2005 - 2008	TEB A.Ş., Board and Audit Committee Member
2002 - 2008	Risk Managers Association, Vice Chairman
2002 - 2005	TEB A.Ş., Executive Board Member
2000 - 2002	TEB Yatırım, Board Member
1999 - 2005	TEB Kıymetli Mad. A.Ş., Chairman
1998 - 2005	TEB NV, Board and Audit Committee Member, TEB Varlık Investment Co. Board Member
1997 - 2005	İstanbul Gold Exchange, Vice Chairman
1992 - 2001	TEB A.Ş., Treasury, Assistant General Manager
1984 - 1992	Citibank NA ,Treasury, Vice President
1982 - 1983	NATO United Air Force, sub-lieutenant
1980 - 1982	Pamukbank T.A.Ş., Treasury and Foreign Exchange, Expert
2004 - 2007	İstanbul University, Economics, Phd
1999	Harvard University, Advanced Management Program, AMP
1979 - 1982	Boğaziçi University , Industrial Engineering, MS
1973 - 1978	METU, Industrial Engineering, BS

EXECUTIVE MANAGEMENT

General Manager, Assistant General Managers and Their Responsibilities in the Bank

Ümit Leblebici	Executive Member and General Manager	
Philippe Bernard Dumel	Assistant General Manager	Chief Operations Officer
Gökhan Mendi	Senior Assistant General Manager	Retail and Private Banking Group
Turgut Boz	Senior Assistant General Manager and Deputy General Manager	SME Banking Group
Levent Çelebioğlu	Assistant General Manager	Corporate Banking Group
Mustafa Aşkın Dolacı	Assistant General Manager	Financial Control(Affairs) Group
Nilsen Altıntaş	Assistant General Manager	Human Resources Group
Gökhan Özdil	Assistant General Manager	Corporate Credits Group
Nuri Tuncalı	Assistant General Manager	SME Credits Group
Osman Durmuş		Retail and Micro SME Credits Group
Melis Coşan Baban	Assistant General Manager	Head of Legal Affairs
Mehmet Ali Cer	Assistant General Manager	Information Technologies
Kubilay Güler	Assistant General Manager	Banking Operations and Support Services
Saniye Telci	Assistant General Manager	Central and Banking Operations
Akil Özçay	Assistant General Manager	Fixed Income
Başar Ordukaya	Assistant General Manager	Large Corporate Customer Group
Eric Patrice Paul Josserand	Assistant General Manager	Financial Control(Affairs) Group

Managers of Internal Systems

Hakan Tıraşın	Internal Audit Group
Didier Van Hecke	Chief Risk Officer
Biröl Deper	Head of Compliance Group and Internal Control Group, Consumer Relations Coordination Officer

Ümit Leblebici, Executive Member and General Manager

2013- September - present	Türk Ekonomi Bankası, Executive Director and General Manager
2013 February - September	Türk Ekonomi Bankası, Deputy General Manager
2001 – 2013	Türk Ekonomi Bankası, Assistant General Manager, Treasury and ALM
2013 April - September	Türk Investment A.Ş., Chairman
2012 - present	TEB Asset Management, Chairman
2011 - 2012	TEB Asset Management, Board Member
1999 - 2001	Türk Ekonomi Bankası, Director, Treasury Group
1997 - 1999	Osmanlı Bankası; Treasury Manager
1997 - 1997	Ulusal Bank; Treasury Manager
1991 - 1997	Midland Bank; Treasury Manager
1988 - 1994	İstanbul University MBA at Finance Major
1984 - 1988	İstanbul University Faculty of Business Administration

Philippe Bernard Dumel, Chief Operations Officer	
2013 - Present	TEB A.Ş., Assistant General Manager, Chief Operational Officer
2010 – 2012	TEB A. Ş., Head of Integration
2007 – 2010	Cetelem, BNP Paribas, Personal Finance, Head of France
2003 – 2007	Banca UCB, BNP Paribas, Head of Italy
1998 – 2003	UCB, BNP Paribas, Chief Operational Officer
1994 – 1998	UCB, Head of Marketing Department
1991 – 1994	UCB, Marketing Department, Project Manager
1989 – 1991	UCB, Branch Manager
1987 – 1989	UCB, Service Quality, Project Manager
1985 - 1987	CEET, Engineering and Maintenance Engineer
1982 - 1995	Renault, Engineer
1980 - 1982	Ecole des Mines de Paris, PhD in Economy
1977 - 1980	Ecole des Mines de Saint-Etienne, Engineer in metallurgy

Gökhan Mendi, Senior Assistant General Manager, Retail and Private Banking	
2013 October - present	TEB A.Ş., Senior Assistant General Manager, Retail and Private Banking
2011- 2013	TEB A.Ş., Assistant General Manager, Retail and Private Banking
2011 – present	TEB Investment A.Ş., Board Member TEB Asset Management A.Ş., Board Member
2011 - 2011	TEB Consumer Financing A.Ş., Board Member
2007 – 2011	Fortis A.Ş., Retail CEO, Head of Retail Banking & Insurance Manager
2003 – 2007	Finansbank A.Ş., Assistant General Manager, Board Member of Pension&Life Company, Board Member of Portfolio Management & Invest Company
2001- 2003	Finansbank, Holland, Executive Deputy President, Consumer Banking
1991 – 2001	Citibank London, Head of Business Development
1998 - 1999	Citibank, Credit Cards Marketing Director
1996 - 1998	Citibank, Credit Cards Sales & Marketing Manager
1996 – 1996	Beiersdorf Chemical, Sales & Marketing Manager
1992 - 1996	British Petroleum, Marketing Serdeputys & Product Manager
1991 – 1992	British Petroleum, Marketing Serdeputys Manager
1990 - 1991	British Petroleum, Assistant of Engineering Manager
2000 – 2002	London Business School, Executive MBA
1987 - 1988	Istanbul University, Business Administration Master
1983 - 1987	Istanbul Technical University Civil Engineering

Turgut Boz, TEB A.Ş., Deputy General Manager and Senior Assistant General Manager , SME Banking Group	
2013 October – present	TEB A.Ş., Deputy General Manager and Senior Assistant General Manager , SME Banking Group
2003-2013	TEB A.Ş., Assistant General Manager, SME Banking Group
2004-present	TEB Factoring, Board Member
2004 -2010	TEB Leasing Board Member
2000-2003	Garanti Bankası, Commercial Marketing Unit Head
2000-2000	Osmanlı Bankası, Commercial Banking Coordinator
1995-2000	Finansbank Denizli and Ankara Branch Manager
1994-1995	Ata Invest, Denizli Branch Manager
1989-1994	Egebank, Bornova and Denizli Branch Manager
1986-1989	Pamukbank, Karabağlar Branch Manager

1981-1986	Pamukbank, Audit Department, Internal Auditor
1976-1980	Ankara University, Academy of Economic and Administrative Sciences, Banking and Insurance

Levent Çelebioğlu, Assistant General Manager, Corporate Banking Group

2008 – present	Türk Ekonomi Bankası, Assistant General Manager, Corporate Banking Group
2013 September - present	TEB Investment A.Ş., Chairman of the Board
2011 - 2011	TEB Factoring A.Ş., Board Member
2009 - 2011	The Economy Bank N.V. Board Member
2008 -2010	TEB Leasing A.Ş. Board Member
2004-2008	TEB A.Ş. Assistant General Manager, Financial Institutions Group
1999-2004	TEB A.Ş. Director; Structured Finance and Investor Relations Departments
1992-1999	TEB A.Ş. Treasury Manager
1988-1992	TEB A.Ş. Correspondent Banking Department, Assistant Manager
1987-1988	Yaşarbank Correspondent Banking Department, Assistant Manager
1979-1983	9 Eylül Faculty of Economics, Monetary Economics and Banking Division

Mustafa Aşkın Dolaştır, Assistant General Manager, Financial Control

2008-present	TEB A.Ş.; Assistant General Manager, Financial Control
2007 February - 2007 November	TEB/Arval/Factoring/Leasing; Chief Financial Officer
1998-2007	The Economy Bank N.V., Amsterdam; Deputy Managing Director
1994-1998	Finansbank (Holland) N.V.; Assistant General Manager
1992-1994	Commercial Union Hayat Sigorta A.Ş.; Assistant General Manager, Financial Control and Administration
1990-1992	Finansbank A.Ş. İstanbul; Group Head, Participations
1986-1989	Arthur Anderson & Co.; İstanbul, Lisbon, London and Cambridge Offices, Senior Auditor
1985-1986	The Central Bank of Turkey; Specialist
1984-1985	İstanbul Technical University; Operations Research Department
1983-1986	İstanbul Technical University Master Degree in Management Engineering
1979-1983	İstanbul Technical University Management Engineering

Nilsen Altıntaş, Assistant General Manager, Human Resources Group

2005-present	TEB, Assistant General Manager, Human Resources Group
2002-2005	İnovasyon Bilişim Danışmanlık ve Eğitim Hizmetleri (Innovative-HR) Founder, Management and Human Resources Consultant
2000-2002	Eczacıbaşı Holding A.Ş., Human Resources and Corporate Communications
1995-2000	Eczacıbaşı Holding A.Ş., Human Resources Director, Manager and later Coordinator
1990-1995	STFA Holding A.Ş., Organization and Human Resources Coordinator
1987-1990	STFA Holding A.Ş., Investments and Economic Analysis Manager
1979-1987	TÜBİTAK- Marmara Scientific and Technical Research Institute, Chemical Technologies Group, Research Specialist
1987	Boğaziçi University, Associate Professor
1983	İstanbul Technical University, PhD in Industrial Chemical Engineering
1979	Boğaziçi University, MS in Chemical (Process) Engineering
1977	Boğaziçi University, BS in Chemical Engineering

Gökhan Özdil, Assistant General Manager, Corporate Credits Group	
2011 – present	TEB A.Ş. Corporate Credits Group
2008- 2011	Fortis Bank A.Ş., Executive Deputy President, Merchant Banking Credits
2007 – 2008	Fortis Bank A.Ş., Executive Deputy President, Retail Banking Credits
2005 – 2007	Fortis Bank A.Ş., Executive Deputy President, Credits Group
2004- 2005	Türk Dış Ticaret Bankası A.Ş.,Executive Deputy President,Credits Group
1996 – 2004	Türk Dış Ticaret Bankası A.Ş.,Branch Manager
1992 – 1996	Türk Dış Ticaret Bankası A.Ş., Assistant Branch Manager
1989 – 1992	Türk Dış Ticaret Bankası A.Ş., Internal Audit Group, Inspector
1987 – 1989	Türk Dış Ticaret Bankası A.Ş., Assistant Branch Manager
1981 – 1986	Middle East Technical University, Economics

Nuri Tuncalı, Assistant General Manager, SME Credits Group	
2011 - present	TEB A.Ş. Assistant General Manager, SME Credits Group
2008 – 2011	TEB A.Ş. Assistant General Manager, Corporate and Commercial Credits
2001-2008	TEB A.Ş. Assistant General Manager, Credit Allocation and Financial Analysis
1999-2001	TEB, Loan Allocation Department, Director
1996-1999	TEB, Loan Allocation Department, Manager
1989-1996	TEB, Loan Control, Gayrettepe Branch, Loan Allocation, Assistant Manager
1986-1989	TEB A.Ş. Board of Inspectors, Inspector
1984-1986	Akbank, Audit Department, Auditor
1978-1982	Boğaziçi University, Faculty of Administrative Sciences, Business Administration Department

Osman Durmuş, Assistant General Manager, Retail and Micro SME Credits Group	
2008-present	TEB A.Ş., Assistant General Manager, Retail and Small Business Credit Group
1998-2008	HSBC/Demirbank A.Ş., Head of Retail and Small Business Credit and Risk Group
1997-1998	Yapı Kredi Kart Hizmetleri A.Ş., Head of Credit Cards and Risk
1994 - 1996	Yapı Kredi Bankası A.Ş., Unit Manager, Retail Banking Accounting Department
1990 - 1993	Yapı Kredi Bankası A.Ş., Specialist, , Retail Banking Accounting Department
1988 - 1990	Yapı Kredi Bankası A.Ş., Chief Assistant, Accounting Department Unit Manager
1986-1987	Yapı Kredi Bankası A.Ş., Clerk, Retail Banking Accounting Department Unit Manager
1982-1986	Marmara University, Faculty of Press and Media, Journalism and Public Relations Department

Melis Coşan Baban, Assistant General Manager, Head of Legal Affairs	
2008-present	TEB, Assistant General Manager, Legal Affairs
2005-present	TEB, Chief Legal Advisor, Board General Secretary
2000-2005	Pekin & Pekin Law Firm, Partner
1998-2000	Pekin & Pekin Law Firm, Senior Lawyer
1993-1998	Postacioglu Law Firm, Lawyer
1997	Columbia University, New York, USA, Master of Law (LL.M.)
1995	Istanbul University Law School, Law Degree
1989	Istanbul American Robert College

Mehmet Ali Cer, Assistant General Manager, Information Technologies Group	
2011- present	TEB A.Ş. Assistant General Manager, Information Technologies Group
2011 – 2011	TEB, Infrastructure Management, Group Director
2010 – 2011	Fortis, Information Technologies, Director
2000 – 2010	TEB, Infrastructure Management, Director
1997 – 2000	Demirbank, Software Development, Manager
1995 – 1997	Metters Industries, Senior Software Engineer
1993 – 1995	Southern Illinois University, Graduate Assistant
1990 - 1992	Türkiye Kalkınma Bankası, System Analyst
1993 - 1996	Southern Illinois University, Computer Engineering (Graduate Degree)
1985 - 1990	Hacettepe University, Computer Sciences & Engineering

Kubilay Güler, Assistant General Manager, Banking Operations and Support Services	
2013 - present	Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş., Board Member
2012 – present	TEB A.Ş. Assistant General Manager, Banking Operations & Support Services
2011 - 2012	Finansbank A.Ş. Assistant General Manager, Internal Control Unit
1999 - 2011	Finansbank A.Ş. Assistant General Manager, Operations & Alternative Distribution Channels
1995 - 1999	Citibank N.A. Assistant General Manager, Operations
1989 - 1995	Netbank (Marbank) Manager, Credit & Marketing Department
1985 – 1989	İmarbank, Management Trainee, Card Sales & Operations Department
1983 - 1985	Akbank, Officer, Export & Import Department
1978 - 1983	Middle East Technical University, Faculty of Economic & Administrative Science, Public Administration

Saniye Telci, Assistant General Manager, Central and Corporate Operations Group	
2012 - present	TEB A.Ş., Assistant General Manager, Central and Corporate Operations
2005 - 2012	TEB A.Ş. Assistant General Manager, Banking Operations Group
1999-2005	TEB, Operations Manager, Branch and Headquarter Operations & Treasury Operations
1997-1999	T. Garanti Bankası A.Ş., Operation Centre, Operations Manager
1994-1997	T. Garanti Bankası A.Ş., Istanbul 1st Region Operations and Kozyatağı Corporate Branch, Operations Manager; Istanbul 2nd Region Operations and Istanbul Corporate Branch, Operations Manager
1991-1994	T. Garanti Bankası A.Ş., Istanbul 3rd Region Operations, Assistant Manager
1987-1991	T. Garanti Bankası A.Ş., Foreign Transactions Department, Assistant Supervisor and Assistant Manager
1984-1987	Anadolu Bank T.A.Ş., Foreign Transactions Department, Foreign Exchange Assistant Expert
1977-1982	Istanbul University, Faculty of Economics

Akil Özçay, Assistant General Manager, Fixed Income	
2012 - 2013	TEB A.Ş., Investment, Chairman of the Board
2012 – 2013	TEB A.Ş., Asset Management, Board Member
2011 - present	TEB A.Ş., Assistant General Manager, Fixed Income
2011- 2012	TEB A.Ş. Asset Management, Chairman
2011 - 2012	TEB A.Ş. Investment, Deputy Chairman
2011- 2011	Fortis Asset Management A.Ş., Chairman
2009- 2013	TEB Sh.A., Board Member
2008 – 2011	Türk Ekonomi Bankası, Chief Advisor to CEO
2007 – 2008	CBRT Internal Audit, Chief Audit Executive
2007	Rutgers, The State University of New Jersey
2004 - 2007	CBRT New York Representative Office, Chief Representative
2001 – 2004	CBRT Markets Department, General Director
1998 – 2001	CBRT Markets Department, Assistant General Director
1998 – 2005	TEB Factoring, Board Member
1996 – 1998	CBRT Markets Department, Open Markets Operations, Manager
1995 - 1996	CBRT Banking Department, Banking Supervision, Manager
1994 - 1995	CBRT Markets Department, Foreign Exchange Transactions, Manager
1981	Ankara University, Political Science

Başar Ordukaya, Assistant General Manager, Large Corporate Clients	
2011- present	TEB A.Ş., Assistant General Manager, Large Corporate Clients
2010 – 2011	Fortis Turkey, Assistant General Manager, Corporate and Commercial Banking
2005 – 2010	Fortis Turkey, Assistant General Manager, Corporate Banking
2002- 2005	Dışbank, Assistant General Manager, Financial Institutions
1999 – 2002	Dışbank, Managing Director, Financial Institutions
1998 - 1999	Garanti Bankası, Deputy President, Financial Institutions
1997 - 1998	İktisat Bankası Moscow, Director, Corporate Banking&FI
1995 – 1997	İktisat Bankası, Area Manager, Financial Institutions
1994 - 1995	İktisat Bankası, Account Manager, Corporate Banking
1991 – 1993	State University of West Georgia, MBA
1985 - 1990	Middle East Technical University, Faculty of Economics

Eric Patrice Paul Josserand, Assistant General Manager. Corporate Investment Banking	
2013 - Present	TEB A.Ş., Assistant General Manager, Corporate Investment Banking
2012 - 2013	BNP Paribas Bahrain, Deputy Head of Fixed Income Central Eastern Europe, Middle East and Africa
2012 - 2013	BNP Paribas Bahrain, Head of Fixed Income Middle East and Africa
2012 - 2013	BNP Paribas Bahrain, Member of the Executive Board of BNP Paribas CIB Middle East and Africa
2007 - 2012	BNP Paribas Bahrain, Head of Fixed Income Middle East
2004 - 2007	BNP Paribas Bahrain, Head of Treasury and Fixed Income GCC
1998 - 2003	BNP Paribas Paris, Chief Auditor at the General Inspection
1994 - 1998	BNP Paribas Bahrain, Trader IRFX
1990 - 1994	Ecole Du Hautes Etudes Commerciales Du Nord – Master in Finance

Managers of Internal Systems

Hakan Tıraşın, Head of Internal Audit	
2006 - present	TEB A.Ş. Head of Internal Audit
2004-2005	TEB, Assistant General Manager, Organization, Banknote Markets and Support Services and Secretary General
1992-2004	TEB, Secretary General
1989-1992	TEB, Internal Auditor
1973-1989	Akbank, Branch Manager and Internal Auditor
1972-1977	Istanbul Academy of Economics and Business Administration

Didier Van Hecke, Chief Risk Officer	
2011 - Present	TEB A.Ş., Chief Risk Officer
2011 – present	TEB Sh.A, Board Member
2008 – 2011	Fortis A.Ş., Chief Risk Officer
2005 – 2008	Fortis Asia., Chief Credit Risk Officer
2003 – 2004	Fortis Bank, Head of Trading Derivatives
2000 - 2003	Fortis Bank, Trader Credit Derivatives
1999 - 2000	Fortis Bank, Assistant Head of Credit Analysis Central Credit Department
1996 - 1999	Generale Bank, Head of Credit Analysis Corporate Credits
1993 - 1996	Generale Bank, Credit Analyst Corporate Credits Brussels
1992 - 1993	Generale Bank, Management Trainee Program
1987 -1991	Katholieke University, Business Engineer

Birol Deper, Head of Compliance and Internal Control Group, Consumer Relations Coordination Officer	
2013 November - present	TEB A.Ş., Consumer Relations Coordination Officer
2012 – present	TEB A.Ş., Head of Compliance Group and Internal Control Group
2011	TEB Asset Management A.Ş., Auditor
2010 - 2012	TEB A.Ş. Compliance and Regulation Director
2009 - 2010	TEB A.Ş. Banking Regulation Director
2007 - present	TEB Cetelem A.Ş., Auditor
2006 - 2009	Banking Regulation Manager
2001 - 2007	Banking Regulation and Supervision Agency, Certified Bank Auditor
2007 - 2010	Galatasaray University Faculty of Political Sciences - MBA
1996 - 2000	Ankara University, Faculty of Political Sciences, Department of Business Administration

COMMITTEES OF TÜRK EKONOMİ BANKASI A.Ş.

CREDIT COMMITTEE

The Credit Committee is responsible to evaluate and approve loans within its authorization limits in accordance with the rules of the Banking Regulation and Supervision Agency and within the powers and limits specified by the Board of Directors.

Chairman: Dr. Akın Akbaygil
Deputy Chairman: Jean Milan Charles Dominique Givadinovitch

Members:
Jean Paul Sabet
Musa Erden
Varol Civil
Committee meets once a week

AUDIT COMMITTEE

The Board of Directors has set up the Audit Committee for the following purposes:

- To provide an independent work environment for external auditors
- To confirm Internal Control System, Inspection and Risk Management are performing in an independent and unbiased manner
- To monitor internal control regulations and internal audit policies
- To review consolidated financial reports
- To identify discrepancies between rules/regulations and their implementations

Chairman: Jean-Milan Charles Dominique Givadinovitch
Deputy Chairman: Dr. Akın Akbaygil
Members:
Yvan De Cock
Sabri Davaz
Committee meets every three months

INFORMATION ON TRANSACTIONS CONDUCTED WITH RELATED PARTIES

The Bank is involved in various transactions with the risk group to which TEB is included (related-parties) and these are carried out for commercial purposes and at market prices. Loan transactions with related-parties and their share in the Bank's total credit risk as of 31 December 2013 and 31 December 2012 were as follows:

Detailed information about the risk group to which TEB is included has been prepared in accordance with the "Communiqué on Financial Statements and Related Explanations and Footnotes Announced to the Public by Banks" and published in Section 4, Paragraph b of the "Annual Report" and was also included in the financial statements as of 31 December 2013 and Section VII, Articles 1 of the Independent Audit Report.

(%)	31.12.2013	31.12.2012
Share in total cash loans	0.05	0.12
Share in total non-cash loans	3.39	2.69
Share in total cash and non-cash loans	0.82	0.79

ACTIVITIES FOR WHICH SUPPORT SERVICES ARE RECEIVED AND SUPPLIERS

COMPANY TITLE	SCOPE OF SUPPORT SERVICES TAKEN	EXPLANATION OF THE SERVICE
ASSECO SEE TEKNOLOJİ A.S	OPERATIONAL SERVICES	IVN SYSTEM TECHNICAL MAINTENANCE AGREEMENT
ATP TİCARİ BİLGİSAYAR AĞI VE ELEKTRİK GÜÇ KAYNAKLARI ÜRT.PAZ.TİC	SOFTWARE	MAINTENANCE AND DEVELOPMENT AGREEMENT
BANTAS NAKİT VE KIYMETLİ MAL TAŞIMA GÜVENL.HİZM.AS	OPERATIONAL SERVICES	KIYMET TRANSPORT PROCESSING AND CRATING AGREEMENT
BANTAS NAKİT VE KIYMETLİ MAL TAŞIMA GÜVENL.HİZM.AS	OPERATIONAL SERVICES	ATM SERVICES AGREEMENT
BANTAŞ NAKİT VE KIYMETLİ MAL TAŞIMA GÜVENL.HİZM.AŞ	OPERATIONAL SERVICES	T.C. CENTRAL BANK CASH WITHDRAWAL AGREEMENT
BNP PARİBAS SECURITIES SERVICES	SOFTWARE (OTHER)	ABS CUSTODY SOFTWARE AGREEMENT
CALLPEX ÇAĞRI MERKEZİ VE MÜŞTERİ HİZMETLERİ A.Ş.	CALL CENTER	UPDATE ADDRESS SEARCH SERVICE
CALLPEX ÇAĞRI MERKEZİ VE MÜŞTERİ HİZMETLERİ A.Ş.	MARKETING	EXTERNAL CALL, CREDIT CARD SALES AND MARKETING
CMC İLETİSİM BİLGİSAYAR REKLAM VE DANIŞMANLIK HİZMETLERİ SAN. TİC. A.S.	CALL CENTER	EXTERNAL CALL AND TELEMARKETING SERVICE
COLLECTION PLATFORM YAZILIM VE DANIŞMANLIK A.S.	OPERATIONAL SERVICES	LEGAL PROSECUTION COLLECTION SEARCH
CORBUS KURUMSAL TELEKOM SERVİSİ HİZMETLERİ A.S.	SOFTWARE (BANKING)	MOBILE SIGNATURE AGREEMENT
EASTERN NETWORKS ÇÖZÜMLERİ TİC. A.S.	SOFTWARE (BANKING)	SWIFT ALLIANCE SYSTEM SILVER YEARLY MAINTENANCE AGREEMENT
ECZACIBASI BİLİSİM SAN.TİC.A.S	SOFTWARE (BANKING)	ELECTRONIC FORECLOSURE MANAGEMENT SYSTEM SOFTWARE LICENCE AGREEMENT
ECZACIBASI BİLİSİM SAN.TİC.A.S	SOFTWARE (BANKING)	EBIFLOW PAYMENT ORDER SYSTEM LICENCE AND SERVICE AGREEMENT
ECZACIBASI BİLİSİM SAN.TİC.A.S	SOFTWARE (BANKING)	MOBİLİNK MAINTENANCE AGREEMENT
E-KART ELEKTRONİK KART SİSTEMLERİ SAN. VE TİC. A.S.	CREDIT CARD PURCHASES	PURCHASING CREDIT CARD PLASTIC AND CHIP AGREEMENT
EKSİ BİR ARTI BİR YAZILIM DANIŞ. SAN. VE TİC. A.S.	SOFTWARE	BRANCH CASH OPTIMIZATION SOFTWARE RENTAL AGREEMENT
ERETİM BİLGİSAYAR HİZMETLERİ VA DANIŞMANLIK LTD.STİ.	SOFTWARE (BANKING)	CAMPAIGN MANAGEMENT TOOL LICENCE AND IMPLEMENTATION AGREEMENT
EST ELEKTRONİK SANAL TİCARET AS	OPERATIONAL SERVICES	VIRTUAL POS SERVICE PURCHASE AGREEMENT
ETCBASE YAZILIM VE BİLİSİM TEKNOLOJİLERİ A.Ş.	SOFTWARE (BANKING)	LEGAL PROSECUTION SYSTEM AGREEMENT
FU GAYRİMENKUL YATIRIM DANIŞMANLIK A.S.	OPERATIONAL SERVICES	SERVICE AGREEMENT REGARDING MORTGAGE PROCESSES
GENOM BİLİSİM TEKNOLOJİLERİ DANIŞMANLIK VE TİC. A.S.	SOFTWARE (OTHER)	HUMAN RESOURCES UPDATE AND TELEPHONE SUPPORT SERVICE
GENOM BİLİSİM TEKNOLOJİLERİ DANIŞMANLIK VE TİC. A.S.	SOFTWARE (OTHER)	SOFTWARE DEVELOPMENT AND SUPPORT SERVICES AGREEMENT
GENOM BİLİSİM TEKNOLOJİLERİ DANIŞMANLIK VE TİC. A.S.	SOFTWARE (OTHER)	ORG PLUS SOFTWARE AGREEMENT
GROUP 4 SECURITAS GÜVENLİK HİZMETLERİ ANONİM ŞİRKETİ	OPERATIONAL SERVICES	CASH TRANSPORT SERVICES
GÜZEL SANATLAR ÇEK BASIM LTD.STİ.	OPERATIONAL SERVICES	CHEQUE PRINTING SERVICES AGREEMENT
HOBİM BİLGİ İŞLEM HİZMETLERİ A.S	OPERATIONAL SERVICES	CREDIT CARD EXTRACT PRINTING SERVICE MY HOBBY BLACK AND HIGHLIGHTED

IBM GLOBAL SERVICES IS VE TEKN.HIZM.TIC.LTD.STI.	INFORMATION SYSTEMS	EMERGENCY SITUATION SERVICES
INFINA YAZILIM A.S.	SOFTWARE (BANKING)	FINBASE CUSTODY SYSTEM AND PROJECT AGREEMENT
INNOVA BİLİSİM ÇÖZÜMLERİ A.S.	SOFTWARE (BANKING)	ADAPTORS USED IN COLLECTION AGENCY AND MAINTENANCE AGREEMENT
İPOTEKA GAYRİMENKUL YATIRIM DANIŞMANLIK ANONİM SİRKETİ	OPERATIONAL SERVICES	SERVICE AGREEMENT REGARDING MORTGAGE PROCESSES
İNNOVA BİLİŞİM ÇÖZÜMLERİ A.Ş.	OPERATIONAL SERVICES	COMPANY OPERATION CENTER SERVICE AGREEMENT
KEY İNTERNET HİZM.BİLG.YAZ.DON.MÜH.MÜS.SAN VE TIC.LTD.STI.	SOFTWARE	EXPERT SOFTWARE AGREEMENT
KEYSOFT YAZILIM HİZMETLERİ TİC.A.Ş.	SOFTWARE	HYPERION SOFTWARE LICENCE AND MAINTENANCE AGREEMENT
KEYTORC TEKNOLOJİ HİZMETLERİ VE DANIŞMANLIK SAN.TIC.LTD.STI	OPERATIONAL SERVICES	TEST CONSULTANCY SERVICE AGREEMENT
KONUT KREDİSİ COM TR DANIŞMANLIK A.Ş.	OPERATIONAL SERVICES	MEDIATOR AGREEMENT
KURYE NET MOTORLU KURyecİLİK VE DAĞITIM HİZMETLERİ A.S.	OPERATIONAL SERVICES	CREDIT AND DEBIT CARD COURIER SERVICE PROCUREMENT AGREEMENT
MATRİKS BİLGİ DAĞITIM HİZ.A.Ş.	SOFTWARE	TEB PRIVATE BANKING IPAD APPLICATION
MATRİKS MOBİL YAZILIM ÜRÜNLERİ A.Ş.	SOFTWARE (BANKING)	MOBILE PRACTICE DEVELOPMENT AND MAINTENANCE AGREEMENT
MOR TEKNOLOJİ YAZILIM İLETİSİM BİLİSİM DANIŞMANLIK VE ENERJİ SAN.TİC.LTD.ŞTİ.	SOFTWARE (BANKING)	EFT2/EMKT INTERFACE SOFTWARE AND MAINTENANCE AGREEMENT
MOR TEKNOLOJİ YAZILIM İLETİSİM BİLİSİM DANIŞMANLIK VE ENERJİ SAN.TİC.LTD.ŞTİ.	SOFTWARE	T.C. CENTRAL BANK INTERFACE SYSTEM INTEGRATION AND MAINTENANCE SUPPORT SYSTEM
PLASTİKKART AKİLLİ KART İLETİSİM SİSTEMLERİ SAN. VE TİC. A.S.	OPERATIONAL SERVICES	CARD PERSONALIZATION AGREEMENT
PROJE ENERJİ MÜH.SİS.ÜRT.DAN.VE TİC.ŞTİ.	SOFTWARE	CASH MANAGEMENT SOFTWARE SUPPORT SERVICES
PRONET GÜVENLİK HİZMETLERİ ANONİM SİRKETİ	SECURITY	OFF SITE ATM ALARM SYSTEMS LEASING AND SERVICE AGREEMENT
PRONET GÜVENLİK HİZMETLERİ ANONİM SİRKETİ	SECURITY	ALARM MONITORING CENTRE SUBSCRIPTION AGREEMENT
PROVUS BİLİSİM HİZMETLERİ ANONİM SİRKETİ	OPERASYONEL HİZMETLER	PRINTING AND ENVELOPING AGREEMENT
PROVUS BİLİSİM HİZMETLERİ ANONİM SİRKETİ	CREDIT CARD PURCHASES	PURCHASING CREDIT CARD PLASTIC AND CHIP AGREEMENT
PTT GENEL MÜDÜRLÜĞÜ ANKARA PTT BASMÜDÜRLÜĞÜ	OPERATIONAL SERVICES	LOAN APPLICATION AND PAY BACK FROM POST OFFICES
RISK YAZILIM TEKNOLOJİLERİ DAN. EG. TIC. LTD. STI	SOFTWARE (BANKING)	RISKTURK SOFTWARE, PROCUREMENT, WARANTEE S AND MAINTENANCE AGREEMENT
RISK YAZILIM TEKNOLOJİLERİ SAN.EG.TIC.LTD.STI	SOFTWARE	MARKET RISK REPORTING MODUL AGREEMENT
RM ARSIV YÖNETİM HİZMETLERİ TIC.A.S	ARCHIVES	ARCHIVES SERVICE AGREEMENT
RM ARSIV YÖNETİM HİZMETLERİ TIC.A.S	OPERATIONAL SERVICES	SCAN DATA ENTRY OUTSOURCINGG
SECURITAS GÜVENLİK HİZMETLERİ ANONİM SİRKETİ	SECURITY	PRIVATE SAFETY AGREEMENT
SISTAS SAYISAL İLETİSİM SAN. VE TIC. A.S.	SOFTWARE	GVP MAINTENANCE AGREEMENT
SONOKLIK İLETİŞİM HİZMETLERİ VE TİCARET A.Ş.	INFORMATION	AUTOMATIC EXTERNAL CALL SERVICE

	SYSTEMS	
TEPE SAVUNMA VE GÜVENLİK SİSTEMLERİ SAN.A.S.	SECURITY	PRIVATE SAFETY AGREEMENT
UCS BİLSİM SİSTEMLERİ LTD. STİ.	SOFTWARE	INTERACTION TRACKER SOFTWARE PROCUREMENT AGREEMENT
UZ GAYRİMENKUL YATIRIM DANIŞMANLIK A.Ş.	OPERATIONAL SERVICES	SERVICE AGREEMENT REGARDING MORTGAGE PROCESSES
3-D BİLİŞİM TEKNOLOJİLERİ DANIŞMANLIK VE TEKNİK SERVİS LTD. ŞTİ.	SOFTWARE	NICE SOUND RECORDING MAINTENANCE AGREEMENT

PERFORMANCE AND SALES BONUS

Total amount of TRY 63.3 million, consisting of TRY 55.0 million performance bonus, 7.5 million sales bonus and TRY 0.8 million other bonuses is reserved to be paid in 2014.

REMARKS ON PRIVATE AUDIT AND THE PUBLIC AUDIT

Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. has been the external audit company for TEB A.Ş. and its subsidiaries for 2013. On the other hand, routine audits have been carried out by Banking Regulation and Supervision Agency (BRSA) and Turkish Republic Central Bank.

INFORMATION ABOUT THE LAWSUITS FILED AGAINST THE BANK

There were 1,309 law cases against the bank totaling amount TL 61,931,346.75 in 2013. Total 5,794 of cases sued before and during 2013 still proceeds with a total value of TL 224,816,698.93. As of 31.12.2013, TL 35,502,365 provision has been reserved.

Competition Board's administrative fine due to 12 Banks' violation of 11-55/1438-M Article 4 of the Law on Protection of Competition (Law No. 4054) on November 2, 2011, total value of TRY 8,001,544.50 was paid on August 16, 2013. A lawsuit still underway was filed for the cancellation of the administrative fee.

INFORMATION ON JURIDICAL AND ADMINISTRATIVE SANCTIONS AGAINST THE BANK and BOARD MEMBERS

Total amount of fine imposed on the bank by regulatory organizations and auditors is TRY 8,584,900 during 2013. Competition Board's administrative fine due to 12 Banks violation of 11-55/1438-M Article 4 of the Law on Protection of Competition (Law No. 4054) on November 2, 2011 with a total value of TRY 8,001,544.50 was paid on August 16, 2013.

A lawsuit still underway was filed for the cancellation of the administrative fee.

INFORMATION ON SUBSIDIARY SHARES

Within the context of merger process of Fortis Faktoring A.Ş. and TEB Faktoring A.Ş. ,which is a subsidiary of TEB A.Ş., TEB Faktoring's direct share on Fortis Faktoring A.Ş. increased to 99.9%, therefore TEB A.Ş.'s indirect share on Fortis Faktoring reached to 99.98%.

As of July 1, 2013, as a result of merger, Fortis Faktoring legal entity is terminated and by the way of acquisition whereby all the assets and liabilities of Fortis Faktoring A.Ş. was transferred to TEB Faktoring A.Ş.

INFORMATION/REMARKS REGARDING PARENT COMPANY

During 2013, there are no legal actions taken that would ultimately benefit parent company's subsidiaries. All the transactions between parent company's subsidiaries and our Bank were carried out under the principles of market practices, commercial prudence and integrity, and trustworthiness. The Bank did not experience loss, therefore compensation was not necessary.

There was no need to take precautions that would benefit our direct or indirect parent companies; therefore no action/loss occurred against our Bank.

There was no need to take precautions that would benefit parent companies subsidiaries, therefore no action/loss occurred against our Bank.

SUMMARY OF BOARD DIRECTORS' REPORT PRESENTED TO THE GENERAL ASSEMBLY

While Turkey's credit note –which was raised to investment level by Fitch and Moody's respectively- as well as macroeconomic data were indicating a positive outlook in the first half of 2013, global economy changes and domestic movements led to a very different outlook in the second half of the year.

Although there were negative developments Turkey's GDP is expected to be 3.8%. Even there was deterioration in the macroeconomic data, its effect on economy was limited.

Despite the negative developments in 2013, Turkish Banking system with its solid balance sheet structure and effective managements successfully completed 2013. Limited revenue growth in the sector was due to regulations on income sources rather than economic defects.

As one of the most prestigious players in the Turkish banking industry, TEB has maintained its progress with determination in line with its vision, mission, target and strategies and completed the year with a successful performance as indicated by the figures below:

- TL 56.2 billion of consolidated assets and
- TL 5.6 billion of consolidated shareholders' equity

While we maintained our efforts to build infrastructure in our business lines and expand our branch network throughout 2013, we have also taken steps to build a more effective and efficient organization. Our Bank has also focused on enhancing and diversifying the synergy with its strategic partner, BNP Paribas, which has continued to offer global service channels to its customers TEB has also reinforced its collaboration with its financial subsidiaries and increased its performance by capitalizing on the opportunity to offer complementary products and services to its broad and wide client base.

TEB also injected momentum into its social responsibility efforts in 2013. We have successfully undertaken efforts to promote financial literacy, which, in our opinion, is highly

important in raising the social wealth and success of the banking industry. Thus, we were able to reach a total of 105,000 people in a year through the TEB Family Academy. I would like to add that we find such projects highly useful in terms of sustainable growth and social development. TEB will continue to support these areas not only through substantial means, but also through the active participation of its qualified management teams as instructors.

Another development important to TEB was the change in the management team. Having served TEB as the CEO for a period of 10 years, Mr. Varol Civil handed over the reins to Mr. Ümit Leblebici. From now on, Mr. Civil will be sharing his broad experience and knowledge with us at a more strategic level on our Management Boards. I would like to wish the greatest success to Mr. Leblebici and Mr. Civil.

TEB has been successfully applying its strategies with the purpose of becoming a much stronger bank with its expanding and diversifying service channels. We will further cement our prestigious position in the sector by expanding our product and client portfolios. Thanks to its strong shareholding structure and resources, TEB is currently able to undertake the necessary investments for growth. Supporting this strength with flexible and swift decision making processes and the managerial competency of its professional team, TEB looks to the future with confidence.

Before presenting TEB's 2013 operational results and financial statements for your considered opinion, we take this opportunity as the TEB Board of Directors to thank you, our esteemed shareholders, for your worthy support.

The Board of Directors

TÜRK EKONOMİ BANKASI A.Ş. 2013 DISTRIBUTION OF PROFIT CHART		
(TRY)		
1.	Paid-in / Issued Capital	2,204,390,000.00
2.	Total legal reserves (According to Legal Records)	145,948,146.50
Information regarding the privilege, if any privilege with respect to distribution of profit is stated in the articles of association		
		According to Legal Records ("LR")
3.	Profit for the period	699,162,376.53
4.	Taxes to be paid (-)	(164,116,052.44)
5.	Net profit for the period (=)	535,046,324.09
6.	Losses related to the Previous Years (-)	-
7.	Primary Legal Reserve (-)	(26,752,316.20)
8.	NET DISTRIBUTABLE PROFIT FOR THE PERIOD (=)	508,294,007.89
9.	Donations made within the year (+)	
10.	Net distributable profit (donations are included) for the period according to which the first divided will be calculated	
11.	First divided for the shareholders	-
	-Cash	-
	-free of cost	-
	- Total	-
12.	Dividend distributed to the holders of the privileged share	-
13.	Dividend distributed to the Board of Directors members, employees etc.	-
14.	Dividend distributed to the holders of redeemed share certificates	0,43

15.	Second dividend for the shareholders	-
16.	Secondary Legal Reserves	0,05
17.	Statutory Reserves	-
18.	Special Reserves	-
19.	EXTRAORDINARY RESERVES	508,294,007.41
20.	Other resources planned to be distributed <ul style="list-style-type: none"> - Profit of the previous year - Extraordinary Reserves - Other distributable reserves according to the laws and articles of association 	-

INFORMATION REGARDING THE PERCENTAGE OF THE DISTRIBUTED PROFIT ⁽¹⁾				
DIVIDEND INFORMATION REGARDING EACH SHARE				
	GROUP	TOTAL DIVIDEND AMOUNT (TL)	DIVIDEND CORRESPONDS TO SHARES WITH A NOMINAL VALUE OF TL 1	
			AMOUNT (TL)	PERCENTAGE (%)
GROSS		0	0	0
NET		0	0	0
THE PROPORTION BETWEEN THE DISTRIBUTED SHARE OF PROFIT AND NET DISTRIBUTABLE PROFIT (DONATIONS ARE INCLUDED) FOR THE PERIOD				
SHARE OF PROFIT DISTRIBUTED TO THE SHAREHOLDERS (TRY)	THE PROPORTION BETWEEN THE DISTRIBUTED SHARE OF PROFIT TO THE SHAREHOLDERS AND NET DISTRIBUTABLE PROFIT (DONATIONS ARE INCLUDED) FOR THE PERIOD (%)			
0	0			

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

1. Statement of Compliance with Corporate Governance Principles

Our bank is determined to be coherent with Corporate Governance Principles (II-17.1) completely which was published in the official gazette (no: 28871) on 03.01.2014.

Almost all principles stated in the mentioned series are applied without any conflict of interest. Compliance of principles that are mandatory for banks whose shares are publicly traded is ensured while compliance with non-mandatory principles is underway/still in progress.

PART I – SHAREHOLDERS

2. Shareholder Relations Department

A Shareholder Relations Department referred to as the Shareholders Unit in the organizational chart has been established in an effort to organize general assembly in line with existing legislation, articles of association and other internal principles, to prepare and provide necessary documents for shareholders, to ensure all information about shareholders is updated and kept safely, to evaluate shareholders' requirements related to their rights and to answer written questions about related subject.

The contact details of this unit are as follows:

Jale Akman Aydoğdu
Phone: +90 216 635 34 69
Fax: +90 216 636 36 36
E –mail : jale.akman@teb.com.tr

Hülya Şentürk
Phone: +90 216 635 34 70
Fax: +90 216 636 36 36
E –mail : hulya.senturk@teb.com.tr

This unit reports to the General Secretary of the Board of Directors.

Additionally, the Bank has an "Investor Relations and Corporate Governance Department" to establish relations with domestic and foreign investors and inform them about the Bank's activities and financial results.

Çiğdem Çelikkilek and Özgün Zaimoğlu are responsible for the overall management of the department.

Their contact information is as follows:

Çiğdem Çelikkilek (Senior Manager)
Phone: +90 216 635 24 63
Fax: +90 216 636 36 36
E-mail: cigdem.celikkilek@teb.com.tr

Özgün Zaimoğlu (Assistant Manager)
Phone: +90 216 635 24 60
Fax: +90 216 636 36 36
E-mail: ozgun.zaimoglu@teb.com.tr

In addition to meetings, nearly 30 queries about TEB have been answered by telephone and e-mail in 2013. The questions were about various subjects and all requests for information by shareholders were answered as quickly as possible, provided that they are not related to trade secrets or information that is not publicly available.

3. Exercise of Shareholders' Right to Information

Except the special enquiries from the shareholders, all information that should be provided within the scope of shareholders' rights is available on Corporate Governance and Investor Relations sections on TEB's web site both in Turkish and English and the information is updated regularly.

Article 32 of the Articles of Association of TEB provides for the appointment of a special auditor, on our General Meeting on March 25, 2013 due to one of our shareholders request, selecting a special auditor was put on vote by the Chairman of the Board, however it was rejected by the General Assembly.

4. Information on General Meetings of Shareholders

The General Meeting of Shareholders convened to an Ordinary General Meeting on 25 March 2013 and attendance was 97.45%. In accordance with Turkish Commercial Code article 1527, regulations established regarding electronic Joint Stock Company General Assembly's, participation through Electronic General Assembly System (EGAS) was provided through MKK. No media members were present at this event.

Invitation letters except for shares continuously traded on stock exchange were sent by registered mail at least 3 weeks prior to the respective meeting dates to the Shareholders in the share register. The meetings were also announced in the Turkish Trade Registry Gazette and a national daily newspaper. In addition, e-mail messages were sent to the shareholders whose e-mail addresses were known. BRSA, MKK, Ministry of Science, Industry and Technology, and KAP were informed about place, date, and agenda of the general assembly meeting.

In accordance with the provisions of the 6362 Capital Markets Act article, section 30/2, and 6102 Turkish Trade Commercial article, clause 417, shareholders who are on Central Registry Agency (MKK) list attended to the general assembly meeting.

In accordance with Capital Markets article 6362, clause 13, section 4, all of our Bank's shares should be materialized until 31 December 2012, i.e. the end of seven year period that our Bank's shares began to be dematerialized. Shares that are not materialized till this date were transferred to Tanzim Merkezi, therefore shareholders did not materialize their shares till 31 December

2012 was not able to attend to General Assembly Meeting.

The shareholders who attended the Ordinary General Assembly meeting individually or via proxy did so by submitting the below listed documents up until the commencement of the general assembly,

- Identity documents and/or proxies,
- In case of legal entity shareholders; the authorization document of the person who is authorized by the legal entity shareholder.

As an obligation, it has been stated in the invitations that the proxies had to be prepared in line with the template provided in meeting announcement, be notarized or have in its enclosure a notarized copy of the signature circular.

It has also been stated that shareholders, who were intending to participate to the General Assembly meeting on electronic media in person or through their representatives, had to register to e-MKK portal, obtain electronic signature, and in case they needed it shareholders could find supportive information on EGKS through MKK portal.

The date, venue, time and agenda of the meeting, as well as sample statements for those who wish to appoint a proxy to attend the meeting on their behalf, were included in the invitation letters, the newspaper announcements and on TEB's website.

Shareholders exercised their right to ask questions at general meetings and their questions were answered informatively. Questions which could not be answered during the General Assembly were answered in written form by Investor Relations and Corporate Governance department.

To facilitate attendance at General Meetings of Shareholders, notices are sent out on time, and best communication method is chosen to reach maximum possible number of attendees, the meetings are held in central locations in Istanbul.

The minutes of the meetings are made available at KAP and on the website for shareholders information.

In addition, all shareholders were informed about total amount of donations and their beneficiaries and in accordance with Capital Market Law number 6362, article number, 19/5, maximum amount of donations allowed in 2013 is provided to the General Assembly for their approval.

5. Voting Rights and Minority Rights

There are no privileges regarding voting rights. Further there are not any cross-shareholding companies. Minority shares are not represented in management; however the views, suggestions and requests of minority shareholders are communicated to the management through the Investor Relations and Corporate Governance Department and the Shareholders Unit.

6. Dividend Policy

There are no privileges regarding dividend distribution. TEB's dividend policy, which was amended on 29 September 2006 and announced to the public, is as follows:

Dividend Policy:

"Türk Ekonomi Bankası A.Ş. will pay up to 40% of the net distributable profit to its shareholders as a cash dividend or as bonus shares within the context of its Articles of Association. The amount distributable depends on market conditions, maintenance of a comfortable capital adequacy ratio and growth plans of the bank and will be proposed by the Board of Directors to the Ordinary General Meeting of Shareholders every year."

No dividend was distributed for the profit generated in the year 2012.

7. Transfer of Shares

Article 10 of the Articles of Association stipulates that:

- Transfer of the shares and exercise of the rights pertaining to the shares will be governed by the pertinent provisions of the Turkish Commercial Code, the Banking Code, the Capital Markets Act and other applicable laws and regulations,
- Transfer of shares corresponding to the percentages specified in Banking Code and transfer of shares holding rights of usufruct shall be subject to prior permission of the Banking Regulation and Supervision Agency.

PART II - PUBLIC DISCLOSURE AND TRANSPARENCY

8. Disclosure Policy

Within the context of the Corporate Governance Principles that are binding for TEB, TEB's Disclosure Policy is announced on its website both in English and Turkish, and updated regularly.

All information that fits the above definition is publicly disclosed by the Investor Relations and Corporate Governance Department or the Official Reporting Department and is subject to the approval of the Board of Directors and the General Management. Announcements made are also reported to the Corporate Governance Committee.

9. The Website and its Contents

All the information for our investors and customers is provided under Investor Relations and Corporate Governance sections both in English and Turkish ,
http://www.teb.com.tr/eng/main/HaritaInvestor_relations_menu.aspx
http://www.teb.com.tr/eng/main/HaritaCorporate_governance_menu.aspx

Information is available under the following headings:

- TEB- BNP Paribas
- Share Price Info
- Financial Calendar
- Ratings

- Financial Highlights
- Financials
- Investor Presentation
- Dividends
- Annual Reports
- Announcements
- Press Releases
- Frequently Asked Questions
- Contact Info
- UFRS Financials
- TEB Bond Issue
- Corporate Governance Principles
- Management
- General Meetings
- Committees
- Mission, Vision and Policies

10. Annual Reports

Annual Report include Corporate Governance Compliance Report, therefore Corporate Governance Principles are practiced in the report.

PART III – STAKEHOLDERS

11. Announcements to Stakeholders

Stakeholders are provided information concerning TEB's activities through special circumstances disclosures, as published on the website and in annual reports. Views, opinions and questions submitted to TEB using the 'Contact us' section of the website are referred to the relevant departments and answered within the framework of applicable legislation.

12. Participation of Stakeholders in Management

As banking practice and legal rules impose strict restrictions on the appointment of executives, no model has been devised for stakeholders to personally take part in management. TEB believes that this applies equally to other banks in the industry. However, stakeholders can communicate their views, opinions, critiques and demands to the management through the "Investor Relations and Corporate Governance Department", the

"Shareholders Unit" and the "Customer Communications Unit".

13. Human Resources Policy

The main objective of TEB's Human Resources Group is to adopt the best HR practices in the finance industry.

Given this objective, the Bank's human resource policy assures the following:

* Ensuring dynamism and readiness for change in the organizational structure, in line with the strategic plans and goals of the TEB Group.

* Within the scope of the TEB Talent Pool, recruiting people for the TEB Group who are well educated, open to innovation and change, have entrepreneurial skills, are energetic, dynamic, who possess potential for self-development, are team players and who can adopt corporate values and commit to them.

* Utilizing human resources in the most effective and productive manner in conformity with the Bank's targets and strategies, supporting employees with development programs that are in line with both professional and personal career goals indicated in employees' career plans and creating career opportunities by ensuring employees' participation in advanced BNP Paribas training courses.

* Considering training and development as an investment in human resources and contributing to the development of employees in line with the TEB Group's targets and strategies within the framework of the "continuous learning and development" philosophy of the TEB Formation Academy,

* Training future managers amongst employees within the organization and prioritizing applicants amongst employees within TEB for future open positions,

* Improving individual and team performance continuously through quality improving

methods and systems, focusing on rewarding schemes in the Performance Assessment System that enables the recognition of superior performance and giving each employee equal opportunity within the context of their career plans,

TEB HR department contributes to the productivity and performance of Bank's employees and branches; by providing quick and effective HR support and practices.

By the end of 2013, TEB has 10,001 personnel and 544 branches. % 61.3 of the TEB employees have university degree while 5.5% holds a graduate degree and 0.1 % holds a post graduate degree. Average training time per employee increased 15% per person and was realized as 71 hours.

14. Ethical Rules and Corporate Responsibility

As also stated on our website, The Board of Directors complies with the Code of Banking Ethics dated November 1, 2001 and numbered 1012 as prepared and published by the Banks Association of Turkey to which TEB contributes to the activities thereof.

In addition, TEB Group Ethical Principles are defined and delivered to all employees. Ethical principles are classified as "Use of Company Resources", "Relations", Responsibilities Toward the Company", "General and Particular Rules" serving as a resource to adopt corporate culture and guide that all employees can consult.

Ethical Rules section is on Corporate Governance section on our web site.

Seeing corporate social responsibility as a style of conducting business, TEB acts in line with its mission to become a bank that considers its stakeholders' priorities and basic values as its corporate priorities, while at the same time protecting the heritage of the community it serves.

While investing in future generations, TEB also supports those practices that contribute to the creation of a sustainable economy, environment and community.

While keeping a close watch on those of its business processes and operations which have an effect on the community, the environment and the economy, TEB also encourages its employees to contribute on a voluntary basis, to ensure they become a part of the solution in social issues.

Contributing to the Environment

As a pioneer aware of its responsibility to contribute to a sustainable environment, TEB developed and deployed an effective and systematic management approach to minimize the environmental impacts of its activities.

ISO 9001:2008 Quality Management System, ISO 14001 Environment Management System, and ISO 10002 Customer Satisfaction Management System are implemented to have better and more efficient operational progress. All the management systems are integrated. Bureau Veritas inspects the systems every year and provides us information for our continuous development process. In addition our bank is the first savings bank that has Environmental Management System.

Our bank also does reporting within the context of/as part of CDP (Carbon Disclosure Project)

Contributing to the Community

TEB Family Academy

TEB is aware that the most important ingredient in its expanding sphere of influence is its effort to enable people in developing countries access financial services and to raise their financial awareness. It is critical to ensure the proper management of the economies of families, which are the most fundamental unit of the community and which play a key role in raising Turkey's standard of living. For this reason, TEB has adopted the mission of spreading financial literacy nationwide through its branches.

Within the framework of this platform, with its long term aim of raising social awareness of banking transactions and to instill an awareness of saving, seminars are held at TEB branches with the purpose of guiding families on budget management, and of the financial instruments they can use for their savings.

TEB Family Academy reached 20.000 people in 2012, and exceeded its target and provided financial literacy training to 105.000 people in 2013. Free trainings regarding balancing family and individual income and spending, the appropriate use of banking products and customer rights in the banking sector have attracted a great deal of attention from participants . As part of our efforts, we have reached children through in-class training and the TEB Children website (including the associated application, at www.tebcocuk.com) prepared to furnish children with an awareness of saving in a way that is enjoyable for them.

The TEB Family Academy joined forces with the Boğaziçi University and conducted the first Financial Access Index study in Turkey in 2013. At the end of the study, a score of 43 out of 100 was achieved for accessing financial services by those who work with or who are able to work with banks in Turkey. The study indicated if banking industry can reach more women, rural areas, and young people, the sector will have a big boost. . TEB aims to reach these segments and to improve their financial literacy. TEB sees this not only as a business opportunity, but also as a responsibility.

Another activity that we are engaged in is to determine Turkey's financial literacy index. As a result of our joint work with Finansal Okuryazarlık ve Erişim Derneği (Financial Literacy and Access to Financial Services Association – FODER), we determined the financial literacy index in Turkey to be 59.8.

TEB turned its branches into classrooms and branch managers into teachers, thus opening its doors to everyone to provide training on financial literacy. As a result of the strong interest that this scheme attracted, we moved

these training sessions outside branches and began to train people in universities, public institutions, private sector companies, associations and chambers. In Ankara, we opened the TEB Family Academy House with a 100-person capacity. The size of the audience we reached in 2013 illustrates how accurate our vision is and how firmly we have progressed. We are determined to diversify our efforts within the TEB Family Academy and to reach broader masses.

SME Banking, SME Academy, SME TV

TEB considers SME's as its primary stakeholders, as they are one of the building blocks of economic development. TEB SME Banking undertakes efforts to ensure that SME's can enhance themselves in non-financial areas and to help them establish a more sustainable presence in the future. All of these efforts for SME's have been undertaken through the SME Academy. The platform, which operates on the basis of the Bank's Stakeholder Participation strategy, is a core principle of TEB's corporate responsibility policy, and offers all current information that may be required by SMEs.

TEB Supplier Conference

TEB's corporate responsibility strategy is rooted in stakeholder dialogue and in fulfilling stakeholder expectations. Because suppliers play an important role in its ability to fulfill such responsibilities, TEB gives high priority to making them aware of their own corporate social responsibilities, such as for example the proper and effective use of resources. In line with this approach, TEB gave a presentation on the subject of responsible supply chain management at a special conference that it organized for its suppliers in 2013. During this presentation, companies that act as suppliers for TEB were provided with information about the bank's policies and practices pertaining to such issues.

Striving to contribute to the community where it has a presence, TEB was one of the organizers of the WTA Championships held in Turkey. One of the world's most important

tennis tournaments, the WTA Championships were held in Istanbul on October 25th-30th with the initiative of the Republic of Turkey's Ministry of Youth and Sports and the Turkish Tennis Federation and with the support of TEB. TEB provided a great contribution to Turkey's promotion with this event, which was viewed by about 800 million people around the world on TV and 70,000 people at the tennis court. As one of the organizers of this prestigious sports event which won the approval of tennis authorities and tennis fans alike, TEB was handed the Billie Jean King Award by the WTA. The tournament, which will be held again in Turkey in 2012 and 2013, aims to raise Turkish people's interest in tennis and be a significant source of motivation for professional tennis players.

Aiming to raise its employees' awareness of their social responsibility, TEB continues to increase the number of volunteering projects every year. In this context, 70 TEB employees ran in the International Eurasia Marathon, collecting donations for the Spinal Cord Paralytics Association of Turkey. Also reading books for the Technology and Education Laboratory for the Visually Disabled (GETEM), a division under the Bosphorus University, TEB Volunteers have recently collected toys for the toy libraries opened in Anatolia by the Foundation for the Support of Women's Work (FSWW).

SECTION IV – BOARD OF DIRECTORS

15. Structure and Composition of the Board of Directors

An up-to-date list of the members of the Board of Directors and their resumes are available on TEB's website.

The qualifications required for membership in the Board of Directors are specified in Article 21 of the Articles of Association and the relevant provisions of the Banking Law. The qualifications of TEB board members comply with applicable legislation and the Corporate Governance Principles.

Article 30 of TEB's Articles of Association on Prohibited Transactions states the following:

“The Chairman and members of the Board of Directors as well as the Chairman and members of the Credit and Audit Committees, the General Manager, the Deputy General Manager and the Assistant General Managers comply with the provisions of the Turkish Commercial Code, the Banking Code, the Capital Markets Act and other related laws and regulations on the acts and transactions that may not engage in.”

16. Board of Director's Main Business Objectives

The Board of Directors shall meet as often as needed in the course of business. The Chairman or Vice Chairman of the Board of Directors may, in their sole discretions and initiatives, call the Board of Directors for a meeting. Each of the Board Members may request from the Chairman in writing to call the Board of Directors for a meeting. Board meetings may be held at the Company's headquarters or in country or abroad.

The Board of Directors has taken 194 decisions in 2013. Meeting quorum is met with the presence of at least 11 (eleven) members and resolutions are passed with the affirmative vote of at least 11 (eleven) members. In the Board meetings, a Board

Member cannot vote as a representative of another Board Member, and they cannot be represented by proxy. Any and all types of Board of Directors' resolutions should be written and signed to have validity.

General Secretary is responsible to organize the Board of Directors meetings and to keep documents in order. Members of the Board of Directors submit to the General Secretary any items that they want to be included in the agenda and the final agenda is communicated to the members at least one week before the meeting.

Meetings of the Bank's Board of Directors are organized through the General Secretary of the Board of Directors. Members of the Board of Directors submit to the General Secretary any items that they want to be included in the agenda and the final agenda is communicated to the members at least one week before the meeting.

Members who do not attend a meeting based on a reasonable ground are informed of the resolutions taken in their absence at the first meeting they attend. There are meeting minutes whereby the decisions taken are noted. TEB's Articles of Association does not contain any provisions on weighted voting rights or negative veto rights.

17. Committees, Structure and Independence of Board of Director's

In accordance with corporate governance principles, the following committees were active in 2013:

Name	Position
Yavuz Canevi	Chairman
Dr. Akın Akbaygil*	Deputy Chairman
Jean-Paul Sabet	Deputy Chairman
Ümit Leblebici	Executive Member and General Manager
Alain Georges Auguste Fonteneau	Member
Jean-Milan Charles Dominique Givadinovitch*	Member
Ayşe Aşardağ	Member
Yvan L.A.M. DeCock	Member
Sabri Davaz	Member
Beatrice Theresa Elisabeth Marie-Paule Dumurgier Cossa	Member
Musa Erden	Member
Henri Simon Andre Foch	Member
Alain Kokocinski	Member
Dr. İsmail Yanık	Member

* In accordance with the CM Communiqué II-17.1, Audit Committee Members in banks qualify as independent board members.

Corporate Governance Committee

Follow - up on the Corporate Governance practices in the Bank .Meets upon invitation from the Chairman.

Chairman: Dr. Akın Akbaygil, Deputy Chairman of the Board

Deputy Chairman: Yavuz Canevi, Chairman of the Board

Members:

Jean Paul Sabet, Deputy Chairman of the Board

Jean Milan Charles Dominique Givadinovitch, Board Member

Çiğdem Çelikkbilek, Investor Relations and Corporate Governance Senior Manager

Attendees: Ayşe Aşardağ, Board Member Sabri Davaz, Board Member

Turgut Boz, Deputy General Manager

Hakan Tıraşın, Head of Internal Audit

Biröl Deper, Head of Compliance and Internal Control Group

Melis Coşan Baban, Head of Legal Affairs Group

Feryal İmşir, CMB Regulations Coordinator, Aşkın Dolaştır, Financial Affairs AGM

Committee Secretary: Çiğdem Çelikkbilek, Investor Relations and Corporate Governance Senior Manager

Audit Committee

- To provide an independent work environment for external auditors
- To confirm Internal Control System, Inspection and Risk Management are performing in an independent and unbiased way
- To monitor internal control regulations and internal audit policies
- To review consolidated financial reports
- To identify discrepancies between applications and their implementations

Meets every three months.

Chairman: Jean Milan Charles Dominique,
Board Member
Deputy Chairman : Dr. Akın Akbaygil, Deputy
Chairman
Members: Yvan De Cock, Board Member
Sabri Davaz, Board Member
and other possible attendees requested with
respect to the agenda.

Board of Directors and top management as
salaries, rights and financial benefits.

Board members may be granted loans within
the limits defined by law or may be rewarded
bonuses depending on the performance of the
Bank, the duties vested on them and the time
spent by them to fulfill these duties.

18. Risk Management and Internal Control

In accordance with the provisions of the
Banking Law No: 5411, the Bank has
established an "Audit Committee" reporting
to the Board of Directors through two non-
executive board members exclusively
appointed for this task.

The Board of Directors has set up the Audit
Committee for the following purposes

- To provide an independent work environment for external auditors
- To confirm Internal Control System, Inspection and Risk Management are performing in an independent and unbiased way
- To monitor internal control regulations and internal audit policies
- To review consolidated financial reports
- To identify discrepancies between applications and their implementations

19. Strategic Plans and Targets

At our Bank, all targets, primarily budget targets are assessed and approved by Board of Directors. Meetings with senior managers, branch managers, and other related managers are organized to evaluate Bank's achievements (in line with targets) and to discuss the initiatives for staying behind the planned target.

20. Remuneration of the Board of Directors

At the Ordinary General Meeting of Shareholders held on 25 March 2013, it was resolved that no fees be paid to the members of the Board of Directors. In 2013, TRY 25,216,529 was paid to the Members of the

SECTION III

ASSESSMENT OF FINANCIAL POSITION AND RISK MANAGEMENT

THE AUDIT COMMITTEE'S ASSESSMENT OF INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT SYSTEMS AND ACTIVITIES DURING THE REPORTING PERIOD

The organizational structure at TEB in terms of internal control, internal audit and risk management was implemented in accordance with the "Regulations on the Internal Systems of Banks".

This structure is appropriate in view of the scope and nature of TEB's activities and can effectively respond to changing conditions.

The Risk Management Division, the Compliance and Internal Control Center and Internal Audit Group, all reporting to the Board of Directors, independent from each other but working in cooperation, have performed their activities in 2013.

The Board of Directors has taken the necessary measures regarding the approval of important strategies and policies with regard to control activities and the maintenance of effective internal audit and risk management systems.

The internal audit system is organized to cover all activities and units of the Bank. As of year-end, the Group Internal Audit operates with Head of Audit, 3 deputy heads, five audit committee manager, seven supervisor inspectors, seventeen inspectors, 32 assistant inspectors, one supervisory commission manager, one Audit Support Coordination Manager.

The Board of Directors has taken all necessary measures authorizing the Group Internal Audit to conduct its audit activities without any restrictions and covering TEB's consolidated subsidiaries and their respective units. In 2013, the Group Internal Audit conducted 104 branch audits and published 2 consolidated branch reports of these audits. Additionally, 20 Head Office unit audits, 7 subsidiary

audits, 7 information technology audits were carried out (34 in total).

Under the Compliance and Internal Control Group, there are Internal Control Department, Compliance Department, Operational Risk and Information Security Department, Customer and Product Security Department and Treasury Front Office.

Internal control activities are organized as an inseparable part of daily activities and cover all areas of basic control. Following the organizational change during the year, Internal Control and Compliance functions are now structured separately. Within the scope of internal control, daily, weekly, monthly and quarterly controls of critical activities at branches and departments of the headquarters are carried out under the Branches Control Department and Headquarters Control Department.

The Regulations and Compliance function covers the departments of Regulations and Compliance, parallel to the Internal Systems Regulation of the BRSA.

Operational Risk and Work Continuity Department, Information Technology and Support Services works under the Unit of Operational Risk and Informational Security.

The risk management's goal is to define, measure, monitor risks bank has been exposed to and control them in accordance with risk policies, practices, and limits.

Bank's and subsidiaries risk management functions are congregated under Group Risk Management. The mission of the Group Risk Management function is to ensure, jointly with audit committee, that the risks undertaken by the Group comply with the TEB's policies and procedures and meet the Bank's profitability criteria and rating.

TEB Risk Management has five departments:

- Group Companies Risk Management
- GRM Credits
- Developing Rating Models

- Credit Risk Management and Market, Liquidity, Counterparty Risk
- Balance Sheet Analysis

At its meeting held on 8 November 2005, the Board of Directors convened to establish an Audit Committee responsible for all companies comprising the TEB Group, in accordance with Article 24 of Banking Law No: 5411 and further resolved that the powers of the Senior Risk Committee, which was established in accordance with Law No: 4389, be taken over by the new committee.

The Audit Committee has gathered 34 times during the course of the year 2013. It monitors all risk in a consolidated format at the group level, establishing mechanisms of control, reviewing all written procedures, ensuring coordination between the Internal Audit Group, the Risk Management Group and the Compliance and Internal Control Centre, as well as working toward the establishment of internal control systems at the Bank and at Group companies which are in essence of the same scope.

EVALUATION OF FINANCIAL STATUS, PROFITABILITY AND SOLVENCY

The results of the 2013 evaluation of TEB's financials prepared according to the BRSA regulations is as follows:

TEB's net profit increased by 8% and was realized as 535 million TRY in 2013, which is an indicator of strong performance in core banking operations and improved operational efficiency.

By December 31, 2013, TEB's total assets increased by 23% on a year to date basis and reached 53.409 billion TRY, while loans increased by 28% and reached 38,135 billion TRY, continuing to support its retail and institutional customers. Within the scope of providing services to an expanded customer base, retail loans increased by 30% and reached TL 12,162 million. As an indicator of TEB's consistent contribution to the economy, the total of SME, commercial and corporate loans reached 26,686 composing 69% of loans.

TEB granted all of its deposits to its customers in the form of loans and the loans to deposit ratio was 111.2% as of year-end 2013.

Our Bank covers a large portion of its funding need through time deposits which grew above the sector and reach 18.4%. Share ratio of deposits, of its funding need through deposits. The share ratio of deposits, which constitute our Bank's primary funding source, is 64% in the liabilities and shareholder's equity. Meanwhile, the volume of demand deposits reached TRY 5,424 billion, providing a significant reduction in our Bank's funding costs.

TEB is diversifying its funding base by international borrowings. In order to provide long term funds, the Bank continued to obtain syndication loans and similar loans from international markets. Despite the adverse developments in the global financial markets in the second half of the year, TEB was able to renew its syndication loan obtained from international markets with one year maturity, consisting of two tranches € 310 million and \$ 140 million which denotes an increase of 127%

in comparison with the previous year and signed the dual currency term loan facility agreement on 22 August 2013. The loan will cost Libor/Euribor + 0.75% per annum in total, which is the lowest rate for 2013 in Turkish banking sector and be used for financing of international trade.

During 2013, to strengthen the capital adequacy ratio, Bank issued bonds in international markets amounting to €125 million and \$65 million with 10 year maturity and 5 year early payment option in the form of subordinated loans. Within the framework of the agreements signed between our Bank and various banks and financial institutions, as of year end 2013 bank has outstanding subordinated debts of \$ 280 million and € 400 million.

To diversify its funding resources through international borrowings and offer its customers an alternative to deposit bank issued nominal value of 367.4 million TL bond with a tenor of 174 days on January 2013, nominal value of 99.7 million TL bond with a tenor of 405 days on March 2013, nominal value of 200 million TL bond with a tenor of 386 days on May 2013, nominal value of 350.0 million TL bond with a tenor of 148 days on October 2013, nominal value of 250 million TL bond with a tenor of 169 days on December 2013, amounting to a total of TL 1,264.4 million. Bonds issued in January were redeemed and by December 2013, total outstanding bonds issued amount is TL 899.7 million.

RISK MANAGEMENT POLICIES ACCORDING TO VARIOUS TYPES OF RISKS

Credit Risk

Credit risk is the risk that one party to a contract will fail to discharge an obligation and cause the other party to incur a financial loss. The TEB Group is exposed to credit risk through its lending, trade finance; treasury and leasing activities but credit risk may arise in other circumstances.

One of the most prominent characteristics at TEB that distinguishes it from the competition is its prudent lending policy and solid asset structure that go hand in hand with a stable growth strategy.

The authority to extend limits lies with the Board of Directors which has delegated part of this authority to the Credit Committee and the General Manager. In turn, the General Manager has delegated part of his authority to Credit Groups and Business Lines jointly on the basis of rules approved by the Board of Directors.

Loans are extended within the limits defined for each debtor and group of debtors individually. Every customer that performs a transaction on credit must have a loan facility allocated by the relevant authorities and customers are systematically prevented from exceeding those limits.

Credit decisions are taken after loan proposals are first approved by a credit analyst together with the credit department and the related business line. Credit limits are allocated to borrowers identified as having the ability to generate cash flow, the ability to make repayments from their business operations, reliable financial data, strong shareholder's equity and an administration and partnership structure made up of people having high morality and business experience.

Concentrations of credit risk arise when a number of customers are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet

contractual obligations to be similarly affected by changes in economic, political or other conditions. In general, the TEB Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties, continually assessing the creditworthiness of counterparties, diversifying its lending activities to avoid undue concentrations of risks with individuals or groups of customers or industries, and by obtaining collateral when appropriate. The credit limits applied are determined in accordance with counterparty's financial structure, certain qualitative criteria (as described below) and the quality of any collateral to be provided.

As a result of the prudent policy the Bank adopts, the maximum amount of loan that can be granted to a customer is kept below legal limits, thus minimizing the risk of loan concentration. Limits set by the Board of Directors are regularly monitored and reported.

After a loan facility is offered, the Credit Monitoring Department monitors the customer's repayment capability and the sufficiency and adequacy of the collateral. In this way, any problematic loan is identified at an early stage.

The Bank uses an in-house credit rating system, named TEBCORE (TEB Counterparty Risk & Rating Evaluation), which consists of several rating models for corporates and SMEs in the production, service, construction and precious metal sectors. TEB uses the same master scale used by BNP Paribas. The ratings are used for the purposes of assessing IFRS collective provisions, credit reporting, portfolio management and stress testing.

GRM reports to the Board of Directors and the Audit Committee on a regular basis presenting risk concentrations, a breakdown of the Bank's loan portfolio by ratings, specific segments of the loan portfolio, large exposures, large non-performing accounts and impairment allowances as well as default and recovery rates.

The credit risks and limits related to financial institutions are determined by the Financial

Institutions and Counterparty Risk Committee, which is a sub-committee of the Credit Committee. The limits and exposures set are monitored daily by GRM.

Where a loan is granted subject to collateral being given, the Bank's policy is to require the collateral to be perfected before funds are advanced and to avoid currency and maturity mismatches. All collateral (including real estate) should be given in a legally valid manner and should be liquid in nature. The Bank classifies as non-performing any loan which is 90 days or more overdue as to either principal or interest.

Both collective and specific provisions are made with methodologies which are compliant with both IFRS standards and BNP Paribas methodologies.

Interest Rate Risk

Interest rate risk involves possible losses a bank may incur due to fluctuations and volatility in interest rates, depending on its portfolio positions.

Protection against fluctuations in interest rates is a top priority for TEB. Interest rate risk is determined by measuring the rate of sensitivity of assets, liabilities and off-balance sheet items. TEB runs simulations of interest revenues according to estimated macroeconomic indicators. Duration, term and sensitivity analyses are conducted and these calculations are conveyed to the Assets and Liabilities Committee.

Interest rate risk is determined by measuring the rate of sensitivity of assets, liabilities and off-balance sheet items. TEB runs simulations of interest revenues according to estimated macroeconomic indicators. Duration, term and sensitivity analyses are conducted and these calculations are conveyed to the Liquidity Risk Committee and the Assets and Liabilities Committee.

Possible negative effects of interest rate fluctuations on financial position and cash flow are minimized by means of prompt

decisions. The management monitors interest rate movements on a daily basis and makes changes whenever necessary in deposit and loan rates.

When determining short, medium and long-term pricing strategies, TEB's Assets and Liabilities Committee manages maturity incongruity and adopts the principle of working with positive balance sheet margins as its pricing policy.

Market Risk

Market risk involves possible losses a bank may incur as a result of the exposure of its balance sheet and off-balance sheet accounts to interest rate risk, equity position risk or exchange rate risk resulting from fluctuations in the financial markets, in interest rates, exchange rates or stock prices.

TEB's Board of Directors ensures that the Group risk management and senior management take the necessary steps to properly measure, monitor and manage its exposure to market risk.

The Board of Directors determines market risk limits and regularly revises these limits in accordance with market conditions and the strategies of TEB. All assessments regarding market risks are evaluated by the Market Risk Committee monthly.

With regard to TEB's daily transactions, stop-loss and transaction limits, PVO1 ve VaR limits are applied. The Board of Directors assigns limits for positions in derivatives and similar contracts. Transactions are carried out within these limits and the limits are monitored and reported daily.

The market risk of the Bank is calculated using a standard method and reported to legal authorities.

The market risk can influence the Value-at-Risk (VaR) figure, which is also calculated using various financial models. VaR figure is calculated using a variance/co-variance method on the basis of a 250-business-day

data and a one-day holding period in a 99% confidence interval. Daily VaR figures are the main drivers of TEB's internal reports and efforts to monitor market risk. Back testing is periodically performed to validate the accuracy of calculations and the methods used.

The VaR figures calculated by internal models to predict losses in the event of a crisis are also verified by scenario analyses and stress tests and are then reported to senior management and the Board of Directors.

Scenario analyses and stress tests involve the re-application of past crises to existing portfolios or the observation of likely losses due to interest and foreign exchange shocks.

Liquidity Risk

Liquidity risk is defined as the risk of failing to fully meet cash obligations in due time, because the bank in question does not possess sufficient cash or is not able to generate cash when needed, which might result from mismatches between TEB's cash inflows and outflows.

Liquidity risk also includes the risk of loss that may arise when there is an inability to enter or exit the market as needed. When it is not possible for a bank to adequately close positions at favorable prices and at sufficient amounts or as rapidly as required, the lack of sufficient cash may translate into losses.

TEB's policies focus on maintaining the quality of its asset structure, so that liquid assets can meet all obligations. Striving to be one of the most liquid banks in the industry is of utmost importance to TEB. The Board of Directors regularly monitors and determines liquidity ratios and the relevant standards for maintaining high liquidity at all times.

TEB has in place an effective management reporting system for the timely reporting of the liquidity position to the Board of Directors, senior management and all related units. Cash flow analyses are carried out for different maturity structures and currency units.

Maturity mismatches are monitored and concentrations in funding sources are closely monitored. All related analysis are evaluated in detail by the Liquidity Risk Committee that meets once in a month.

As a matter of general policy, consistency in maturities and interest rates is maintained in line with Assets and Liabilities Management at all times, and balance sheet positions of TRY and returns on foreign currency mix are continuously managed in the positive.

With regard to the sources of funding and liquidity, it is observed that while the greater part of the liquidity requirement of TEB is met by deposits, bonds issue, syndicated loans and pre-financing products are also used at times to obtain funds in addition to deposits.

TEB strictly adheres to the policy of maintaining high-quality liquid assets in sufficient amounts. This assures a regular cash flows and strong liquidity position at all times and enables the Bank to be a net lender to the market.

Exchange Rate Risk

Exchange rate risk is defined as a possible loss that a bank may incur with all of its currency assets and liabilities in the event of changes in exchange rates.

In calculating capital adequacy that underlies exchange rate risk weighted assets are calculated and reported with the standard method. While doing this TEB takes into account all of its foreign-currency assets, liabilities and forward foreign-currency contracts.

Within the limits approved by the Board of Directors, the Assets and Liabilities Group, the Treasury Group and Financial Markets Group are responsible for the management of price, liquidity and fulfillment risk arising from fluctuations in local or foreign currency prices in domestic and international markets. Money market risks and risk-bearing transactions are monitored on a daily basis, reported weekly and monthly to related committees. Matters about Exchange rate risk are discussed by the

Market Risk Committee that meets once in a month.

Position limits determined by the Board of Directors are reported on a daily basis.

CREDIT RATINGS ASSIGNED BY RATING AGENCIES AND INFORMATION ON THEIR CONTENTS (*)

TEB maintained its position as one of the most highly rated banks in Turkey. As of the end of 2013, TEB's ratings were as follows:

Moody's Investor Services:

Financial Strength Rating	D+
FX Deposits Rating	Baa3/P-3
Outlook	Stable

Fitch Ratings:

Foreign Currency

Long-term	BBB
Short-term	F3
Outlook	Stable

Turkish Lira

Long-term	BBB+
Short-term	F2
Outlook	Stable
National	AAA (tur)
Outlook	Stable
Individual Rating	"bbb-"
Support Points	2

(*) These ratings are not the ratings realized in accordance with BRSA's "Regulations on Principles of Authorization and Activities of Rating Agencies".

DONATIONS

Date	Recipient	Amount
09.01.2013	Seda Yelda Taşbulak/January 2013 Scholarship	978.6
09.01.2013	Kerem Mert Dalkılıç/ January 2013 Scholarship	978.6
09.01.2013	Elif Zeynep Dalkılıç/ January 2013 Scholarship	978.6
09.01.2013	Yiğit Eren Dalkılıç/ January 2013 Scholarship	978.6
25.01.2013	İstanbul Teknik Üniversitesi/ST/MT Exam Donation	3,000.00
07.02.2013	Seda Yelda Taşbulak/February 2013 Scholarship	978.6
07.02.2013	Kerem Mert Dalkılıç/February 2013 Scholarship	978.6
07.02.2013	Elif Zeynep Dalkılıç/February 2013 Scholarship	978.6
07.02.2013	Yiğit Eren Dalkılıç/February 2013 Scholarship	978.6
01.03.2013	Seda Yelda Taşbulak/March 2013 Scholarship	978.6
01.03.2013	Kerem Mert Dalkılıç/March 2013 Scholarship	978.6
01.03.2013	Elif Zeynep Dalkılıç/March 2013 Scholarship	978.6
01.03.2013	Yiğit Eren Dalkılıç/March 2013 Scholarship	978.6
02.04.2013	Timuçin Koray Güzelderen/April 2013 Scholarship	978.6
02.04.2013	Tolunay Güzelderen/April 2013 Scholarship	978.6
02.04.2013	Kerem Mert Dalkılıç/April 2013 Scholarship	978.6
02.04.2013	Elif Zeynep Dalkılıç/April 2013 Scholarship	978.6
02.04.2013	Yiğit Eren Dalkılıç/April 2013 Scholarship	978.6
15.04.2013	Seda Yelda Taşbulak/April 2013 Scholarship	978.6
30.04.2013	Edirne Valiliği Mithatpaşa Elementary School Various Furniture	310
30.04.2013	Araklı Kaymakamlığı Bereketli Y.B.O Müd. Various Furniture	580
30.04.2013	Sincan Kaymakamlığı Korkut Ata Elementary School Various Furniture	570
03.05.2013	Timuçin Koray Güzelderen/May 2013 Scholarship	978.6
03.05.2013	Tolunay Güzelderen/May 2013 Scholarship	978.6
03.05.2013	Kerem Mert Dalkılıç/May 2013 Scholarship	978.6
03.05.2013	Elif Zeynep Dalkılıç/May 2013 Scholarship	978.6
03.05.2013	Yiğit Eren Dalkılıç/May 2013 Scholarship	978.6
03.05.2013	Seda Yelda Taşbulak/May 2013 Scholarship	978.6
23.05.2013	Taha Sabri Parlakay/May 2013 Scholarship	978.6
27.05.2013	Balıkesir Vegetable and Fruit Chamber / SMS Campaign Donation	100
04.06.2013	Taha Sabri Parlakay/June 2013 Scholarship	978.6
04.06.2013	Timuçin Koray Güzelderen/June 2013 Scholarship	978.6
04.06.2013	Tolunay Güzelderen/June 2013 Scholarship	978.6
04.06.2013	Seda Yelda Taşbulak/June 2013 Scholarship	978.6
04.06.2013	Kerem Mert Dalkılıç/June 2013 Scholarship	978.6
04.06.2013	Elif Zeynep Dalkılıç/June 2013 Scholarship	978.6
04.06.2013	Yiğit Eren Dalkılıç/June 2013 Scholarship	978.6
28.06.2013	Antalya Murtaşa District Various Furniture	520
28.06.2013	Hanife Soykan Elementary School Management Various Furniture	675
28.06.2013	Yaşardoğu Elementary School Various Furniture Donation	885
28.06.2013	Antalya Menderes Government Forest Organization Furniture Donation	1,500.00
15.07.2013	Karadeniz Ereğli Municipality Donation	2,000.00
31.07.2013	Mudanya Dörtçelik Anadolu Technical High School Furniture Donation	585
31.07.2013	S.S. Tüketim Cooperative Furniture Donation	1,335.00
31.07.2013	Özkanlar Elementary School Various Furniture Donation	750
19.08.2013	Müftü Ahmet Hulusi Efendi Mosque Construction Foundation Donation	10,000.00
16.09.2013	Elif Parlakay/September 2013 Scholarship	1,021.50
16.09.2013	Sabri Talha Parlakay/September 2013 Scholarship	1,021.50
19.09.2013	Tolunay Güzelderen/September 2013 Scholarship	1,021.50
19.09.2013	Turkish French Commerce Organization Donation	26,657.00
27.09.2013	İSTANBUL P/İstanbul Police Service Development and Support Donation	500
30.09.2013	KOÇ University Anatolia Scholarship Project	50,000.00
02.10.2013	Timuçin Koray Güzelderen/September 2013 Scholarship	1,021.50
02.10.2013	Timuçin Koray Güzelderen/October 2013 Scholarship	1,021.50
02.10.2013	Elif Parlakay/October 2013 Scholarship	1,021.50
02.10.2013	Sabri Talha Parlakay/October 2013 Scholarship	1,021.50
02.10.2013	Seda Yelda Taşbulak/September 2013 Scholarship	1,021.50
02.10.2013	Seda Yelda Taşbulak/October 2013 Scholarship	1,021.50

08.10.2013	Tolunay Güzelderen/October 2013 Scholarship	1,021.50
08.10.2013	Kerem Mert Dalkılıç/September 2013 Scholarship	1,021.50
08.10.2013	Kerem Mert Dalkılıç/October 2013 Scholarship	1,021.50
08.10.2013	Elif Zeynep Dalkılıç/September 2013 Scholarship	1,021.50
08.10.2013	Elif Zeynep Dalkılıç/October 2013 Scholarship	1,021.50
08.10.2013	Yiğit Eren Dalkılıç/September 2013 Scholarship	1,021.50
08.10.2013	Yiğit Eren Dalkılıç/October 2013 Scholarship	1,021.50
01.11.2013	Elif Parlakay/KNovember 2013 Scholarship	1,021.50
01.11.2013	Sabri Talha Parlakay/KNovember 2013 Scholarship	1,021.50
01.11.2013	Tolunay Güzelderen/KNovember 2013 Scholarship	1,021.50
01.11.2013	Timuçin Koray Güzelderen/KNovember 2013 Scholarship	1,021.50
01.11.2013	Seda Yelda Taşbulak/KNovember 2013 Scholarship	1,021.50
01.11.2013	Kerem Mert Dalkılıç/KNovember 2013 Scholarship	1,021.50
01.11.2013	Elif Zeynep Dalkılıç/KNovember 2013 Scholarship	1,021.50
01.11.2013	Yiğit Eren Dalkılıç/KNovember 2013 Scholarship	1,021.50
28.11.2013	Sefa Akın Elementary School Various Furniture Donation	420
28.11.2013	Kadıköy Dr.Nurettin Erk-Perihan Erk Vocational High School Donation	300
28.11.2013	Buca Tobacco Exporters Assosiation Donation	700
28.11.2013	Buca Halkeğitim Merkezi Various Furniture Donation	990
28.11.2013	Malatya Akçadağ Ören High School Furniture Donation	1,140.00
28.11.2013	Çorum Karşıyaka Elementary School Air Condition Donation	300
28.11.2013	Başiskele City Council Disabled Council Furniture Donation	585
28.11.2013	İstanbul Huzur Hospital and Resting Homes Foundation Donation	2,690.00
28.11.2013	İçerenköy Hasan Leyli Elementary School Various Furniture Donations	345
28.11.2013	Bodrum Sağlık Vakfı Various Furniture Donations	1,125.00
28.11.2013	Süleyman Nazif Elementary School Various Furniture Donations	1,315.00
28.11.2013	Adana Toros Foundations Various Furniture Donations	1,140.00
02.12.2013	Elif Parlakay/December 2013 Scholarship	1,021.50
02.12.2013	Sabri Talha Parlakay/December 2013 Scholarship	1,021.50
02.12.2013	Tolunay Güzelderen/December 2013 Scholarship	1,021.50
02.12.2013	Timuçin Koray Güzelderen/ADecember 2013 Scholarship	1,021.50
02.12.2013	Seda Yelda Taşbulak/December 2013 Scholarship	1,021.50
02.12.2013	Kerem Mert Dalkılıç/December 2013 Scholarship	1,021.50
02.12.2013	Elif Zeynep Dalkılıç/December 2013 Scholarship	1,021.50
02.12.2013	Yiğit Eren Dalkılıç/December 2013 Scholarship	1,021.50
09.12.2013	h:850436 Tema Foundation 5000 trees and TI 500 table donation	25,500.00
18.12.2013	H:853364 Turkish Women counsel donation	1,200.00
18.12.2013	H:853853 Boğaziçi University Foundation Donation/MPI. ticket raffle	28,644.91
31.12.2013	Vakıf Elementary School Furniture Donations	600
31.12.2013	Üçevler Şehit Faik Gökçen Elementary School Furniture Donation	600
31.12.2013	KaraHüyük Elementary School Furniture Donation	390
31.12.2013	Karma Middle School Furniture Donation	390
31.12.2013	Çorum City Gendarme Command Furniture Donation	870
31.12.2013	District of Çayırova Governorship National Education Furniture Donation	8,220.00
31.12.2013	Erzurum İMKB Middle School Furniture Donation	705
31.12.2013	District of Çayırova Governorship National Education Furniture Donation	510
31.12.2013	Ahmet Haşim Elementary School Furniture Donation	100
31.12.2013	Dereobası Elementary School Donation	780
31.12.2013	Çayırova Elementary School Furniture Donation	1,485.00
31.12.2013	Makine Kimya Endüstrisi Silah Donation	10
31.12.2013	K. Madenciler Middle School Furniture Donation	380
31.12.2013	Aydın Gazipaşa Middle School Furniture Donation	600
31.12.2013	Denizli Milli Eğitim Müdürlüğü Furniture Donation	1,125.00
31.12.2013	Form:366942 /İPD AHŞAP /Branch with TEB Logo	1,327.50
31.12.2013	855321Form/Kocasinan Municipality Donation	3,000.00

FIVE-YEAR SUMMARY OF FINANCIAL INFORMATION INCLUDING THE REPORTING PERIOD

(thousand TL)	31.12.2009	31.12.2010	2010-2009 change	31.12.2011	2011-2010 change	31.12.2012	2012-2011 change	31.12.2013	2013-2012 change
Liquid Assets	2,610,222	2,730,780	%4.62	4,869,639	%78.32	6,858,891	%40.85	7,135,898	4.04%
Securities	2,669,125	3,725,750	%39.59	5,581,519	%49.81	4,708,275	%-15.65	5,205,234	10.56%
Loans	8,990,715	11,753,255	%30.73	25,652,425	%118.26	29,685,734	%15.72	38,134,957	28.46%
Other Assets	793,498	821,320	%3.51	1,988,155	%142.07	2,279,435	%14.65	2,932,539	28.65%
Total Assets	15,063,560	19,031,105	%26.34	38,091,738	%100.16	43,532,335	%14.28	53,408,628	22.69%
Demand Deposits	2,072,396	2,436,586	%17.57	4,026,090	%65.23	4,339,298	%7.78	5,424,318	25.00%
Time Deposits	7,349,239	9,562,564	%30.12	18,860,522	%97.23	24,387,267	%29.30	28,863,656	18.36%
Funds Borrowed	3,205,060	4,151,017	%29.51	8,396,293	%102.27	6,257,178	%-25.48	9,633,738	53.96%
Other Liabilities	787,413	1,068,075	%35.64	2,595,522	%143.01	3,743,010	%44.21	4,200,478	12.22%
Equity (Exl.profit)	1,439,285	1,512,562	%5.09	4,006,636	%164.89	4,309,604	%7.56	4,751,390	10.25%
Net Income	210,167	300,301	%42.89	206,675	%-31.18	495,978	%139.98	535,048	7.88%
Total Liabilities	15,063,560	19,031,105	%26.34	38,091,738	%100.16	43,532,335	%14.28	53,408,628	22.69%
Selected Ratios (%)									
NPL	%4.64	%3.00	-%35.34	%2.78	-7.49%	2.14%	%-22.93	2.25%	4.92%
Return on Equity	%13.68	%17.35	%26.83	%6.86	-60.47%	12.41%	%138.15	11.50%	-7.36%
Return on Assets	%1.41	%1.76	%24.82	%0.72	-58.89%	1.19%	%64.44	1.10%	-7.24%
Capital Adequacy Ratio	%17.70	%14.43	-%18.47	%14.23	-1.39%	15.24%	%7.10	14.23%	-6.63%

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

**CONVENIENCE TRANSLATION
OF PUBLICLY ANNOUNCED UNCONSOLIDATED
FINANCIAL STATEMENTS AND
AUDITOR REPORT
ORIGINALLY ISSUED IN TURKISH,
SEE NOTE I. OF SECTION THREE**

TÜRK EKONOMİ BANKASI A.Ş.

**PUBLICLY ANNOUNCED UNCONSOLIDATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2013**

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

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

We have audited the accompanying unconsolidated balance sheet of Türk Ekonomi Bankası A.Ş. (“the Bank”) at 31 December 2013 and the related unconsolidated statements of income, cash flows and changes in shareholders’ equity for the period then ended and a summary of significant accounting policies and other explanatory notes to the financial statements.

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

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

Disclosure for the Responsibility of the Authorized Audit Firm:

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

Independent Auditor's Opinion:

In our opinion, the accompanying unconsolidated financial statements present fairly, in all material respects, the financial position of Türk Ekonomi Bankası A.Ş. at 31 December 2013 and the results of its operations and its cash flows for the period then ended in accordance with accounting principles and standards set out by regulations in conformity with article 37 of the Banking Act No. 5411 and other regulations, communiques, interpretations and circulars published by the BRSA on accounting and financial reporting principles.

Additional paragraph for convenience translation:

As explained in Note I. of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with Article 37 of Banking Law 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.

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

Zeynep Uras, SMMM
Partner

Istanbul, 13 February 2014

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED
FINANCIAL STATEMENTS AND AUDITED REPORT
ORIGINALLY ISSUED IN TURKISH, SEE IN NOTE I. OF SECTION THREE**

**UNCONSOLIDATED FINANCIAL REPORT OF TÜRK EKONOMİ BANKASI A.Ş.
AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2013**

Address : Saray Mahallesi Sokullu Caddesi No:7/A – 7/B
Ümraniye 34768 - İstanbul
Telephone : (0 216) 635 35 35
Fax : (0 216) 636 36 36
Website : www.teb.com.tr
E-mail : investor.relations@teb.com.tr

The unconsolidated financial report for the year-end prepared in accordance with “Communiqué on the Financial Statements and the Related Policies and Disclosures to be Publicly Announced” as regulated by the Banking Regulation and Supervision Agency, is consist of the sections listed below:

- General Information About The Bank
- Unconsolidated Financial Statements Of The Bank
- Explanations On The Accounting Policies Applied In The Related Period
- Information On Financial Structure Of The Bank
- Explanatory Disclosures And Footnotes On Unconsolidated Financial Statements
- Other Explanation
- Independent Auditor’s Report

The unconsolidated financial statements and the explanatory disclosures and footnotes, unless otherwise stated, are presented **in thousands of Turkish Lira**, in accordance with the Regulation on Accounting Applications For Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, related statements and guidances and in compliance with the financial records of the Bank, have been independently audited and presented as attached.

	Jean -Milan Charles Dominique				
Yavuz Canevi Chairman of the Board of Directors	Givadinovitch Chairman of the Audit Committee	Dr. Akın Akbaygil Vice Chairman of the Audit Committee	Ümit Leblebici General Manager	M. Aşkın Dolaştır Assistant General Manager Responsible of Financial Reporting	Gökhan Kazcılar Director Responsible of Financial Reporting

Information related to responsible personnel for the questions can be raised about financial statements:

Name-Surname/Title : Çiğdem Çelikbilek / Investor Relations Manager
Telephone Number : (0216) 635 24 63
Fax Number : (0216) 636 36 36

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**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
UNCONSOLIDATED YEAR END FINANCIAL STATEMENTS ORIGINALLY
ISSUED IN TURKISH, SEE NOTE I. OF SECTION THREE**

**TÜRK EKONOMİ BANKASI A.Ş.
UNCONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD
FROM 1 JANUARY TO 31 DECEMBER 2013**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

SECTION ONE

GENERAL INFORMATION

I. History of the Bank, Including its Incorporation Date, Initial Legal Status and Amendments to Legal Status, if any

Türk Ekonomi Bankası Anonim Şirketi (“TEB” or “Bank”), which had been a local bank incorporated in Kocaeli in 1927 under the name of Kocaeli Halk Bankası T.A.Ş., was acquired by the Çolakoğlu Group in 1982. Its title was changed as Türk Ekonomi Bankası A.Ş. and its headquarters moved to İstanbul. On 10 February 2005, BNP Paribas took over 50% of shares of TEB Holding A.Ş. Consequently, BNP Paribas became indirect shareholder of TEB with 42.125% ownership. In 2009 BNP Paribas Group successively acquired 75% of Fortis Bank Belgium and 66% of Fortis Bank Luxembourg and became the shareholder holding the majority of the shares of Fortis Bank Turkey. The indirect majority shareholders of TEB which are BNP Paribas and Çolakoğlu Group has agreed on the merger of TEB and Fortis Bank under the trademark of TEB and following the authorizations obtained from the regulatory authorities on 14 February 2011 the legal merge of two banks has been performed. The process regarding the procedure has been summarized below. As a result of the merger of TEB Holding, TEB has a majority stake of 55% and on the other hand Çolakoğlu Group and BNP Paribas has the share of %50.

II. Explanation on the Bank’s Capital Structure, Shareholders of the Bank who are in Charge of the Management and/or Auditing of the Bank Directly or Indirectly, Changes in These Matters (if any), and the Group the Bank Belongs to

After the share purchases of BNPP Yatırımlar Holding A.Ş. in 2013, their capital ration has risen from 23.3450% to 23.5141%.

After the share purchases of Fortis Yatırımlar Holding A.Ş. in 2013, their capital ration has risen from 17.0834% to 17.2524%.

As of 31 December 2013 and 31 December 2012 the shareholders’ structure and their respective ownerships are summarized as follows:

Name of shareholders	31 December 2013		31 December 2012	
	Paid in Capital	%	Paid in Capital	%
TEB Holding A.Ş.	1,212,414	55.00	1,212,414	55.00
BNPP Yatırımlar Holding A.Ş.	518,342	23.51	514,616	23.34
BNP Paribas Fortis Yatırımlar Holding A.Ş.	380,311	17.25	376,584	17.08
Publicly traded shares	92,222	4.18	99,556	4.52
Other	1,101	0.06	1,220	0.06
	2,204,390	100.00	2,204,390	100.00

As of 31 December 2013, Bank’s paid-in-capital consists of 2,204,390,000 shares of TL1.00 (full TL) nominal each.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
UNCONSOLIDATED YEAR END FINANCIAL STATEMENTS ORIGINALLY
ISSUED IN TURKISH, SEE NOTE I. OF SECTION THREE**

**TÜRK EKONOMİ BANKASI A.Ş.
UNCONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD
FROM 1 JANUARY TO 31 DECEMBER 2013**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

III. Explanations Regarding the Chairman and the Members of Board of Directors, Audit Committee, General Manager and Assistants and Shares of the Bank They Possess

<u>Name</u>	<u>Title</u>
Board of Directors;	
Yavuz Canevi	Chairman of the Board of Directors
Dr.Akın Akbaygil	Vice Chairman of the Board of Directors and Vice Chairman of the Audit Committee and Independent Member of the Board
Jean-Milan Charles Dominique Givadinovitch	Member of the Board of Directors, Chairman of the Audit Committee and Independent Member of the Board of Directors
Jean Paul Sabet	Vice Chairman of the Board of Directors
Ayşe Aşardağ	Member of the Board of Directors
Ümit Leblebici	General Manager and Member of the Board of Directors
Sabri Davaz	Member of the Board of Directors and Audit Committee
Alain Georges Auguste Fonteneau	Member of the Board of Directors
Yvan L.A.M De Cock	Member of the Board of Directors and Audit Committee
Musa Erden	Member of the Board of Directors
Béatrice Thérèse Elisabeth Marie-Paule Dumurgier Cossa	Member of the Board of Directors
Henri Simon Andre Foch	Member of the Board of Directors
Alain Kokocinski	Independent Member of the Board of Directors
İsmail Yanık	Independent Member of the Board of Directors
Assistant General Managers;	
Turgut Boz	Assistant General Manager Responsible from SME Banking, Deputy General Manager
Gökhan Mendi	Assistant General Manager Responsible from Consumer Banking and Private Banking
Dr. Nilsen Altıntaş	Assistant General Manager Responsible from Human Resources
Melis Coşan Baban	Chief Legal Counsel and Secretary of the Board of Directors
Mehmet Ali Cer	Assistant Manager Responsible from Information Technologies
Levent Çelebioğlu	Assistant General Manager Responsible from Corporate Banking
Mustafa Aşkın Dolaştır	Assistant General Manager Responsible from Financial Control
Philippe Bernard Dumel	Chief Operational Officer
Osman Durmuş	Assistant General Manager Responsible from Consumer Loans and Business Loans
Kubilay Güler	Banking Operations & Facility Services Ass. General Manager
Başar Ordukaya	Assistant General Manager Responsible from Large Corporate Customers
Akil Özçay	Assistant Manager Responsible from Financial Markets
Gökhan Özdil	Assistant General Manager Responsible from Corporate Loans
Saniye Telci	Central and Corporate Operations Assistant General Manager
Nuri Tuncalı	Assistant General Manager Responsible from SME Loans
Eric Patrice Paul Josserand	Assistant General Manager Responsible from Corporate Investment Banking
Group Heads (*);	
Didier Albert Nicole Van Hecke	Chief Risk Officer
Bırol Deper	Head of Compliance Group and Internal Control Group, Officer Responsible from Consumer Relations Coordination
Inspection Committee (*);	
Hakan Tıraşın	Chairman of the Inspection Committee

(*) Group Heads and Chairman of the Inspection Committee are in Assistant General Manager status.

Shares of the Bank owned by the above stated Chairman and Members of Board of Directors, General Manager and Assistants are negligible.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
UNCONSOLIDATED YEAR END FINANCIAL STATEMENTS ORIGINALLY
ISSUED IN TURKISH, SEE NOTE I. OF SECTION THREE**

**TÜRK EKONOMİ BANKASI A.Ş.
UNCONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD
FROM 1 JANUARY TO 31 DECEMBER 2013**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

IV. Information about the Persons and Institutions That Have Qualified Shares

Name / Commercial Name	Share Amount	Share Ratio	Paid-up Shares	Unpaid Shares
TEB Holding A.Ş.	1,212,414	55.00%	1,212,414	-
BNPP Yatırımlar Holding A.Ş.	518,342	23.51%	518,342	-
BNP Paribas Fortis Yatırımlar Holding A.Ş.	380,311	17.25%	380,311	-

TEB Holding A.Ş. is the controlling party of the Parent Bank’s capital having both direct and indirect qualified shares. TEB Holding A.Ş. is a member of both Çolakoğlu and BNP Paribas groups. 50% of the shares of TEB Holding A.Ş. are controlled by BNP Paribas, Fortis Yatırımlar Holding A.Ş., while the remaining 50% is controlled by Çolakoğlu Group. BNP Paribas Fortis Yatırımlar Holding A.Ş. is controlled by Fortis Bank SA/NV whose shareholders are BNP Paribas Fortis NV/SA. by 100% shares, respectively. 100% of the shares of BNP Yatırımlar Holding is controlled by BNP Paribas S.A. The Belgium State has 9.98% shares in BNP Paribas S.A.

V. Summary on the Bank’s Functions and Areas of Activity

The Bank’s operating areas include, corporate, retail and private banking as well as project finance, fund management and custody operations. Besides the ordinary banking operations, the Bank is handling agency functions through its branches on behalf of TEB Yatırım Menkul Değerler A.Ş., TEB Portföy Yönetimi A.Ş., Zurich Sigorta A.Ş. and Cardif Hayat Sigorta A.Ş. As of 31 December 2013, the Bank has 539 local branches and 5 foreign branches (31 December 2012: 504 local branches, 5 foreign branches).

VI. Current or Likely Actual or Legal Barriers to Immediate Transfer of Equity or Repayment of Debts Between Parent Bank and Its Subsidiaries

None.

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

- I. Balance Sheet
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- VI. Statement of Cash Flows
- VII. Profit Distribution Table

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
UNCONSOLIDATED YEAR END FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I. OF SECTION THREE**

TÜRK EKONOMİ BANKASI A.Ş.
UNCONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2013
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

I. BALANCE SHEET - ASSETS (STATEMENT OF FINANCIAL POSITION)

	Section 5 Note Ref.	Audited Current Period 31.12.2013			Audited Prior Period 31.12.2012		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(I-1)	632,297	6,179,313	6,811,610	768,858	3,680,542	4,449,400
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(I-2)	1,299,443	52,887	1,352,330	525,748	85,180	610,928
2.1 Financial assets held for trading		1,299,443	52,887	1,352,330	525,748	85,180	610,928
2.1.1 Public sector debt securities		642,579	11,051	653,630	427,426	23,235	450,661
2.1.2 Share certificates		-	-	-	-	-	-
2.1.3 Derivative financial assets held for trading		656,864	41,836	698,700	98,322	61,945	160,267
2.1.4 Other marketable securities		-	-	-	-	-	-
2.2 Financial assets classified at fair value through profit and loss		-	-	-	-	-	-
2.2.1 Public sector debt securities		-	-	-	-	-	-
2.2.2 Share certificates		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other marketable securities		-	-	-	-	-	-
III. BANKS	(I-3)	75,373	248,915	324,288	441,026	268,170	709,196
IV. MONEY MARKET PLACEMENTS		-	-	-	1,700,295	-	1,700,295
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3 Receivables from reverse repurchase agreements		-	-	-	1,700,295	-	1,700,295
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(I-4)	4,250,549	8,099	4,258,648	4,246,799	10,815	4,257,614
5.1 Share certificates		19,535	100	19,635	17,829	5,602	23,431
5.2 Public sector debt securities		4,229,794	7,999	4,237,793	4,227,798	5,213	4,233,011
5.3 Other marketable securities		1,220	-	1,220	1,172	-	1,172
VI. LOANS AND RECEIVABLES	(I-5)	31,046,587	7,088,370	38,134,957	24,201,649	5,484,085	29,685,734
6.1 Loans and receivables		30,706,542	7,088,370	37,794,912	23,944,190	5,484,085	29,428,275
6.1.1 Loans to Risk Group of the Bank		16,810	1,882	18,692	31,306	4,725	36,031
6.1.2 Public sector debt securities		-	-	-	-	-	-
6.1.3 Other		30,689,732	7,086,488	37,776,220	23,912,884	5,479,360	29,392,244
6.2 Non-performing loans		868,121	-	868,121	643,226	-	643,226
6.3 Specific provisions (-)		528,076	-	528,076	385,767	-	385,767
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. HELD TO MATURITY INVESTMENTS (Net)	(I-6)	292,956	-	292,956	-	-	-
8.1 Public sector debt securities		292,956	-	292,956	-	-	-
8.2 Other marketable securities		-	-	-	-	-	-
IX. INVESTMENTS IN ASSOCIATES (Net)	(I-7)	-	-	-	-	-	-
9.1 Accounted for under equity method		-	-	-	-	-	-
9.2 Unconsolidated associates		-	-	-	-	-	-
9.2.1 Financial investments in Associates		-	-	-	-	-	-
9.2.2 Non-financial investments in Associates		-	-	-	-	-	-
X. INVESTMENTS IN SUBSIDIARIES (Net)	(I-8)	106,607	61,254	167,861	106,607	61,254	167,861
10.1 Unconsolidated financial subsidiaries		106,607	61,254	167,861	106,607	61,254	167,861
10.2 Unconsolidated non-financial subsidiaries		-	-	-	-	-	-
XI. ENTITIES UNDER COMMON CONTROL (JOINT VENT.) (Net)	(I-9)	5	-	5	5	-	5
11.1 Consolidated under equity method		-	-	-	-	-	-
11.2 Unconsolidated		5	-	5	5	-	5
11.2.1 Financial subsidiaries		-	-	-	-	-	-
11.2.2 Non-financial subsidiaries		5	-	5	5	-	5
XII. FINANCE LEASE RECEIVABLES	(I-10)	-	-	-	-	-	-
12.1 Finance lease receivables		-	-	-	-	-	-
12.2 Operating lease receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned income (-)		-	-	-	-	-	-
XIII. DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES	(I-11)	112,182	63	112,245	16,726	157	16,883
13.1 Fair value hedge		56,899	63	56,962	4,907	157	5,064
13.2 Cash flow hedge		55,283	-	55,283	11,819	-	11,819
13.3 Hedge of net investment risks in foreign operations		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)	(I-12)	321,832	-	321,832	246,833	-	246,833
XV. INTANGIBLE ASSETS (Net)	(I-13)	473,933	-	473,933	443,401	-	443,401
15.1 Goodwill		421,124	-	421,124	421,124	-	421,124
15.2 Other		52,809	-	52,809	22,277	-	22,277
XVI. INVESTMENT PROPERTIES (Net)	(I-14)	-	-	-	-	-	-
XVII. TAX ASSET		34,516	-	34,516	126,208	-	126,208
17.1 Current tax asset		274	-	274	1,522	-	1,522
17.2 Deferred tax asset	(I-15)	34,242	-	34,242	124,686	-	124,686
XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(I-16)	83,217	-	83,217	61,590	-	61,590
18.1 Held for sale		83,217	-	83,217	61,590	-	61,590
18.2 Discontinued operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(I-17)	876,196	164,034	1,040,230	858,526	197,861	1,056,387
TOTAL ASSETS		39,605,693	13,802,935	53,408,628	33,744,271	9,788,064	43,532,335

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
UNCONSOLIDATED YEAR END FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**TÜRK EKONOMİ BANKASI A.Ş.
UNCONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2013**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

I. BALANCE SHEET - LIABILITIES AND EQUITY (STATEMENT OF FINANCIAL POSITION) (Continued)

	Section 5 Note Ref.	Audited Current Period 31.12.2013			Audited Prior Period 31.12.2012		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(II-1)	23,933,065	10,354,909	34,287,974	20,877,275	7,849,290	28,726,565
1.1 Deposits from Risk Group of the Bank		1,301,748	568,924	1,870,672	476,488	276,742	753,230
1.2 Other		22,631,317	9,785,985	32,417,302	20,400,787	7,572,548	27,973,335
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(II-2)	437,878	43,833	481,711	175,823	57,376	233,199
III. FUNDS BORROWED	(II-3)	531,586	6,261,386	6,792,972	273,608	4,905,174	5,178,782
IV. MONEY MARKET BALANCES		1,062,443	-	1,062,443	40,916	-	40,916
4.1 Interbank money market takings		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market takings		-	-	-	-	-	-
4.3 Funds provided under repurchase agreements	(II-3)	1,062,443	-	1,062,443	40,916	-	40,916
V. MARKETABLE SECURITIES ISSUED (Net)	(II-3)	710,276	-	710,276	494,237	-	494,237
5.1 Bills		507,046	-	507,046	333,689	-	333,689
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		203,230	-	203,230	160,548	-	160,548
VI. FUNDS		-	-	-	-	-	-
6.1 Borrower funds		-	-	-	-	-	-
6.2 Other	(II-4)	-	-	-	-	-	-
VII. MISCELLANEOUS PAYABLES		961,840	147,830	1,109,670	856,568	21,261	877,829
VIII. OTHER LIABILITIES	(II-4)	910,875	1,278	912,153	1,154,042	2,286	1,156,328
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. FINANCE LEASE PAYABLES	(II-5)	-	-	-	-	-	-
10.1 Finance lease payables		-	-	-	-	-	-
10.2 Operating lease payables		-	-	-	-	-	-
10.3 Other	(II-4)	-	-	-	-	-	-
10.4 Deferred finance lease expenses (-)		-	-	-	-	-	-
XI. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	(II-6)	69,255	-	69,255	168,506	1	168,507
11.1 Fair value hedge		15,433	-	15,433	47,695	1	47,696
11.2 Cash flow hedge		53,822	-	53,822	120,811	-	120,811
11.3 Hedge of net investment in foreign operations		-	-	-	-	-	-
XII. PROVISIONS	(II-7)	813,376	603	813,979	674,641	519	675,160
12.1 General loan loss provisions		537,702	-	537,702	405,305	-	405,305
12.2 Restructuring provisions		-	-	-	516	-	516
12.3 Reserve for employee benefits		175,748	-	175,748	176,425	-	176,425
12.4 Insurance technical reserves (Net)		-	-	-	-	-	-
12.5 Other provisions		99,926	603	100,529	92,395	519	92,914
XIII. TAX LIABILITY	(II-8)	103,434	-	103,434	137,750	-	137,750
13.1 Current tax liability		103,434	-	103,434	137,750	-	137,750
13.2 Deferred tax liability		-	-	-	-	-	-
XIV. PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(II-9)	-	-	-	-	-	-
14.1 Held for sale		-	-	-	-	-	-
14.2 Discontinued operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS	(II-10)	-	1,778,323	1,778,323	-	1,037,480	1,037,480
XVI. SHAREHOLDERS' EQUITY	(II-11)	5,286,423	15	5,286,438	4,801,566	4,016	4,805,582
16.1 Paid-in capital		2,204,390	-	2,204,390	2,204,390	-	2,204,390
16.2 Supplementary capital		721,973	15	721,988	772,164	4,016	776,180
16.2.1 Share premium		2,565	-	2,565	2,565	-	2,565
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Marketable securities valuation differences		(93,714)	15	(93,699)	57,529	4,016	61,545
16.2.4 Tangible assets revaluation differences		101,391	-	101,391	101,391	-	101,391
16.2.5 Intangible assets revaluation differences		-	-	-	-	-	-
16.2.6 Investment property revaluation differences		-	-	-	-	-	-
16.2.7 Bonus shares obtained from associates, subsidiaries and jointly controlled entities (Joint Vent.)		527	-	527	527	-	527
16.2.8 Hedging funds (Effective portion)		32,185	-	32,185	(49,666)	-	(49,666)
16.2.9 Accumulated valuation differences from assets held for sale and from discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves (*)		679,019	-	679,019	659,818	-	659,818
16.3 Profit reserves		1,815,515	-	1,815,515	1,319,537	-	1,319,537
16.3.1 Legal reserves		145,948	-	145,948	121,667	-	121,667
16.3.2 Status reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		1,441,602	-	1,441,602	1,133,061	-	1,133,061
16.3.4 Other profit reserves		227,965	-	227,965	64,809	-	64,809
16.4 Profit or loss		544,545	-	544,545	505,475	-	505,475
16.4.1 Prior years' income/ (loss)		9,497	-	9,497	9,497	-	9,497
16.4.2 Current year income/ (loss) (*)		535,048	-	535,048	495,978	-	495,978
16.5 Minority shares	(II-12)	-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY		34,820,451	18,588,177	53,408,628	29,654,932	13,877,403	43,532,335

(*) The classification mentioned in the 3rd part XXIV numbered note has been restructured in prior year balance sheet.

The accompanying notes are an integral part of these financial statements

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
UNCONSOLIDATED YEAR END FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**TÜRK EKONOMİ BANKASI A.Ş.
UNCONSOLIDATED OFF-BALANCE SHEET
COMMITMENT AT 31 DECEMBER 2013**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

II. STATEMENT OF OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS

	Section 5 Note Ref.	Audited Current Period 31.12.2013			Audited Prior Period 31.12.2012		
		TL	FC	TOTAL	TL	FC	TOTAL
A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)		41,527,796	41,483,062	83,010,858	28,678,608	32,845,633	61,524,241
I. GUARANTEES	(III-1)	4,752,585	6,589,434	11,342,019	4,026,181	6,277,038	10,303,219
1.1 Letters of guarantee		3,910,749	3,963,656	7,874,405	3,404,363	3,282,596	6,686,959
1.1.1 Guarantees subject to State Tender Law		124,446	47,427	171,873	126,475	45,223	171,698
1.1.2 Guarantees given for foreign trade operations		345,982	80,397	426,379	291,135	92,238	383,373
1.1.3 Other letters of guarantee		3,440,321	3,835,832	7,276,153	2,986,753	3,145,135	6,131,888
1.2 Bank loans		-	271,178	271,178	-	903,219	903,219
1.2.1 Import letter of acceptance		-	271,178	271,178	-	901,081	901,081
1.2.2 Other bank acceptances		-	-	-	-	2,138	2,138
1.3 Letters of credit		381	1,355,974	1,356,355	4,666	1,383,535	1,388,201
1.3.1 Documentary letters of credit		381	275,508	275,889	4,666	712,337	717,003
1.3.2 Other letters of credit		-	1,080,466	1,080,466	-	671,198	671,198
1.4 Refinancing given as guarantee		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2 Other endorsements		-	-	-	-	-	-
1.6 Securities issue purchase guarantees		-	-	-	-	-	-
1.7 Factoring guarantees		-	-	-	-	-	-
1.8 Other guarantees		839,960	580,709	1,420,669	615,588	416,601	1,032,189
1.9 Other collaterals		1,495	417,917	419,412	1,564	291,087	292,651
II. COMMITMENTS	(III-1)	10,147,570	1,303,708	11,451,278	8,121,959	1,721,679	9,843,638
2.1 Irrevocable commitments		10,147,570	1,303,708	11,451,278	8,121,959	1,721,679	9,843,638
2.1.1 Forward asset purchase commitments		566,850	1,175,708	1,742,558	223,497	1,085,809	1,309,306
2.1.2 Forward deposit purchase and sales commitments		-	101,194	101,194	-	614,094	614,094
2.1.3 Share capital commitment to associates and subsidiaries		-	-	-	-	-	-
2.1.4 Loan granting commitments		3,853,680	79	3,853,759	2,942,347	77	2,942,424
2.1.5 Securities underwriting commitments		-	-	-	-	-	-
2.1.6 Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7 Payment commitment for checks		2,002,630	-	2,002,630	1,879,298	-	1,879,298
2.1.8 Tax and fund liabilities from export commitments		12,503	-	12,503	11,709	-	11,709
2.1.9 Commitments for credit card expenditure limits		3,545,841	-	3,545,841	2,933,697	-	2,933,697
2.1.10 Commitments for promotions related with credit cards and banking activities		4,451	-	4,451	5,978	-	5,978
2.1.11 Receivables from short sale commitments		-	-	-	-	-	-
2.1.12 Payables for short sale commitments		-	-	-	-	-	-
2.1.13 Other irrevocable commitments		161,615	26,727	188,342	125,433	21,699	147,132
2.2 Revocable commitments		-	-	-	-	-	-
2.2.1 Revocable loan granting commitments		-	-	-	-	-	-
2.2.2 Other revocable commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(III-2)	26,627,641	33,589,920	60,217,561	16,530,468	24,846,916	41,377,384
3.1 Derivative financial instruments for hedging purposes		4,187,813	327,712	4,515,525	3,877,112	718,101	4,595,213
3.1.1 Fair value hedge		271,779	327,712	599,491	723,435	718,101	1,441,536
3.1.2 Cash flow hedge		3,916,034	-	3,916,034	3,153,677	-	3,153,677
3.1.3 Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2 Held for trading transactions		22,439,828	33,262,208	55,702,036	12,653,356	24,128,815	36,782,171
3.2.1 Forward foreign currency buy/sell transactions		3,908,750	4,941,701	8,850,451	1,957,068	4,308,912	6,265,980
3.2.1.1 Forward foreign currency transactions-buy		1,284,444	3,160,656	4,445,100	889,152	2,239,623	3,128,775
3.2.1.2 Forward foreign currency transactions-sell		2,624,306	1,781,045	4,405,351	1,067,916	2,069,289	3,137,205
3.2.2 Swap transactions related to f. c. and interest rates		9,773,165	16,573,516	26,346,681	4,336,866	9,057,194	13,394,060
3.2.2.1 Foreign currency swap-buy		3,805,355	6,303,715	10,109,070	1,828,627	3,879,851	5,708,478
3.2.2.2 Foreign currency swap-sell		3,796,230	6,202,995	9,999,225	2,208,239	3,531,841	5,740,080
3.2.2.3 Interest rate swaps-buy		1,085,790	2,033,403	3,119,193	150,000	822,751	972,751
3.2.2.4 Interest rate swaps-sell		1,085,790	2,033,403	3,119,193	150,000	822,751	972,751
3.2.3 Foreign currency, interest rate and securities options		8,757,913	11,746,991	20,504,904	6,359,422	10,762,709	17,122,131
3.2.3.1 Foreign currency options-buy		3,969,496	6,255,824	10,225,320	2,484,511	5,888,061	8,372,572
3.2.3.2 Foreign currency options-sell		4,576,617	5,426,705	10,003,322	3,674,911	4,764,000	8,438,911
3.2.3.3 Interest rate options-buy		111,800	32,231	144,031	100,000	55,324	155,324
3.2.3.4 Interest rate options-sell		100,000	32,231	132,231	100,000	55,324	155,324
3.2.3.5 Securities options-buy		-	-	-	-	-	-
3.2.3.6 Securities options-sell		-	-	-	-	-	-
3.2.4 Foreign currency futures		-	-	-	-	-	-
3.2.4.1 Foreign currency futures-buy		-	-	-	-	-	-
3.2.4.2 Foreign currency futures-sell		-	-	-	-	-	-
3.2.5 Interest rate futures		-	-	-	-	-	-
3.2.5.1 Interest rate futures-buy		-	-	-	-	-	-
3.2.5.2 Interest rate futures-sell		-	-	-	-	-	-
3.2.6 Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		117,549,955	22,075,502	139,625,457	96,666,114	20,428,677	117,094,791
IV. ITEMS HELD IN CUSTODY		24,552,795	1,608,448	26,161,243	17,371,199	1,910,257	19,281,456
4.1 Assets under management		1,726,140	-	1,726,140	2,673,619	-	2,673,619
4.2 Investment securities held in custody		14,269,099	316,944	14,586,043	6,867,762	224,537	7,092,299
4.3 Checks received for collection		8,179,150	858,542	9,037,692	7,491,624	691,837	8,183,461
4.4 Commercial notes received for collection		378,204	112,718	490,922	337,024	79,087	416,111
4.5 Other assets received for collection		103	320,244	320,347	1,071	914,796	915,867
4.6 Assets received for public offering		-	-	-	-	-	-
4.7 Other items under custody		99	-	99	99	-	99
4.8 Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		92,871,177	20,427,595	113,298,772	79,160,610	18,484,245	97,644,855
5.1 Marketable securities		583,589	19,982	603,571	1,119,384	37,339	1,156,723
5.2 Guarantee notes		47,538,076	13,536,458	61,074,534	42,307,284	11,388,609	53,695,893
5.3 Commodity		70,351	166,369	236,720	26,992	350,093	377,085
5.4 Warranty		-	-	-	-	-	-
5.5 Properties		38,660,715	4,912,365	43,573,080	30,854,746	5,629,882	36,484,628
5.6 Other pledged items		6,018,446	1,792,421	7,810,867	4,852,204	1,078,322	5,930,526
5.7 Pledged items-depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		125,983	39,459	165,442	134,305	34,175	168,480
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		159,077,751	63,558,564	222,636,315	125,344,722	53,274,310	178,619,032

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
UNCONSOLIDATED YEAR END FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**TÜRK EKONOMİ BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF INCOME FOR THE PERIOD
FROM 1 JANUARY TO 31 DECEMBER 2013**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

III. STATEMENT OF INCOME

	Section 5 Note Ref	Audited Current Period 01.01-31.12.2013	Audited Prior Period 01.01-31.12.2012
I. INTEREST INCOME	(IV-1)	4,017,519	3,938,416
1.1 Interest on loans		3,637,658	3,470,225
1.2 Interest received from reserve deposits		-	-
1.3 Interest received from banks		7,470	9,642
1.4 Interest received from money market placements		10,925	49,486
1.5 Interest received from marketable securities portfolio		360,936	401,565
1.5.1 Held-for-trading financial assets		62,448	61,231
1.5.2 Financial assets at fair value through profit and loss		-	-
1.5.3 Available-for-sale financial assets		290,595	340,334
1.5.4 Investments held-to-maturity		7,893	-
1.6 Finance lease income		-	-
1.7 Other interest income		530	7,498
II. INTEREST EXPENSE	(IV-2)	2,045,280	2,093,702
2.1 Interest on deposits		1,732,069	1,734,143
2.2 Interest on funds borrowed		200,577	264,508
2.3 Interest on money market borrowings		46,087	42,284
2.4 Interest on securities issued		32,288	37,311
2.5 Other interest expense		34,259	15,456
III. NET INTEREST INCOME/EXPENSE (I - II)		1,972,239	1,844,714
IV. NET FEES AND COMMISSIONS INCOME/EXPENSE		647,518	536,890
4.1 Fees and commissions received		952,413	864,861
4.1.1 Non-cash loans		101,264	84,161
4.1.2 Other	(IV-12)	851,149	780,700
4.2 Fees and commissions paid		304,895	327,971
4.2.1 Non-cash loans		1,383	1,227
4.2.2 Other	(IV-12)	303,512	326,744
V. DIVIDEND INCOME	(IV-3)	4,940	18,063
VI. NET TRADING INCOME	(IV-4)	71,704	(81,463)
6.1 Securities trading gains/ (losses)		41,694	30,251
6.2 Gains/ (losses) from derivative financial instruments		458,119	(479,873)
6.3 Foreign exchange gains/ (losses)		(428,109)	368,159
VII. OTHER OPERATING INCOME	(IV-V)	99,638	91,951
VIII. NET OPERATING INCOME (III+IV+V+VI+VII)		2,796,039	2,410,155
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(IV-6)	395,018	273,902
X. OTHER OPERATING EXPENSES (-) (*)	(IV-7)	1,701,857	1,482,592
XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)		699,164	653,661
XII. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-
XIII. GAIN / (LOSS) ON EQUITY METHOD		-	-
XIV. GAIN / (LOSS) ON NET MONETARY POSITION		-	-
XV. PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)	(IV-8)	699,164	653,661
XVI. TAX PROVISION FOR CONTINUED OPERATIONS	(IV-9)	164,116	157,683
16.1 Current income tax (charge)/benefit (*)		60,125	242,282
16.2 Deferred tax (charge)/benefit		103,991	(84,599)
XVII. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV+XVI)	(IV-10)	535,048	495,978
XVIII. INCOME ON DISCONTINUED OPERATIONS		-	-
18.1 Income on assets held for sale		-	-
18.2 Income on sale of associates, subsidiaries and entities under common control (Joint vent.)		-	-
18.3 Income on other discontinued operations		-	-
XIX. LOSS FROM DISCONTINUED OPERATIONS (-)		-	-
19.1 Loss from assets held for sale		-	-
19.2 Loss on sale of associates, subsidiaries and jointly controlled entities (Joint vent.)		-	-
19.3 Loss from other discontinued operations		-	-
XX. PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)	(IV-8)	-	-
XXI. TAX PROVISION FOR DISCONTINUED OPERATIONS	(IV-9)	-	-
21.1 Current income tax (charge)/benefit		-	-
21.2 Deferred tax (charge)/benefit		-	-
XXII. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX+XXI)	(IV-10)	-	-
XXIII. NET PROFIT/LOSS (XVII±XXII)	(IV-11)	535,048	495,978
23.1 Group's profit/loss		535,048	495,978
23.2 Minority shares profit / loss (-)		-	-
Earnings per share		0.2427	0.2250

(*) The classification mentioned in the 3rd part XXIV numbered note has been restructured in prior year statement of income.

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
UNCONSOLIDATED YEAR END FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**TÜRK EKONOMİ BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF PROFIT AND LOSS ITEMS ACCOUNTED
FOR UNDER EQUITY FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2013**
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

IV. STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY

	Audited Current Period 01.01-31.12.2013	Audited Prior Period 01.01-31.12.2012
I.		
Additions to marketable securities revaluation differences for available for sale financial assets	(105,299)	204,477
II.		
Tangible assets revaluation differences	-	-
III.		
Intangible assets revaluation differences	-	-
IV.		
Foreign exchange differences for foreign currency transactions	-	-
V.		
Profit/Loss from derivative financial instruments for cash flow hedge purposes (Effective portion of fair value differences)	102,314	(67,713)
VI.		
Profit/Loss from derivative financial instruments for hedge of net investment in foreign operations (Effective portion of fair value differences)	-	-
VII.		
The effect of correction of errors and changes in accounting policies	-	-
VIII.		
Other profit loss items accounted for under equity due to TAS (*)	24,001	(12,938)
IX.		
Deferred tax of valuation differences (*)	(4,204)	(24,765)
X.		
Total Net Profit/Loss accounted for under equity (I+II+...+IX)	16,812	99,061
XI.		
Profit/Loss	(71,004)	(2,768)
11.1		
Change in fair value of marketable securities (Transfer to Profit/Loss)	(71,004)	(2,768)
11.2		
Reclassification and transfer of derivatives accounted for cash flow hedge purposes to Income Statement	-	-
11.3		
Transfer of hedge of net investments in foreign operations to Income Statement	-	-
11.4		
Other	-	-
XII.		
Total Profit/Loss accounted for the period (X±XI)	(54,192)	96,293

(*) The classification mentioned in the 3rd part XXIV numbered note has been restructured in prior year balance sheet.

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
UNCONSOLIDATED YEAR END FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**TÜRK EKONOMİ BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2012**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Audited		Section 5 Note Ref	Paid-in Capital	Effect of Inflation Acc. on Capital and Other Capital Reserves	Share Premium	Share Certificate Cancellation Profits	Legal Reserves	Statutory Reserves	Extra- ordinary Reserves	Other Reserves	Current Period Net Income/ (Loss)	Prior Period Net Income/ (Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Val. Diff. from Assets Held for Sale and from Disc. Op.	Total Equity Before Minority Shares	Minority Shares	Total Equity
Prior Period – 01.01-31.12.2012																				
I.	Beginning Balance – 31.12.2011		2,204,390	200,262	2,565	-	111,333	-	937,628	534,716	-	216,172	(99,270)	100,483	527	4,505	-	4,213,311	-	4,213,311
II.	Corrections according to TAS 8																			
2.1	The effect of corrections of errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	The effects of changes in accounting policy.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	New Balance (I+II)		2,204,390	200,262	2,565	-	111,333	-	937,628	534,716	-	216,172	(99,270)	100,483	527	4,505	-	4,213,311	-	4,213,311
Changes in period																				
IV.	Increase/Decrease related to merger	(V-a)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Marketable securities valuation differences	(V-b)	-	-	-	-	-	-	-	-	-	-	160,815	-	-	-	-	160,815	-	160,815
VI.	Hedging Funds (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	(54,171)	-	(54,171)	-	(54,171)
6.1	Cash-flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	(54,171)	-	(54,171)	-	(54,171)
6.2	Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Tangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Intangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus shares obtained from associates, subsidiaries and jointly controlled entities (Joint vent.)	(V-c)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Foreign exchange differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	The disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	The reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	The effect of change in associate's equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Capital increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1	Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2	Internal sources	(V-h)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Share premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Inflation adjustment to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Other (*)		-	-	-	-	-	-	(10,351)	-	-	-	-	-	-	-	-	(10,351)	-	(10,351)
XIX.	Period net income/(loss)		-	-	-	-	-	-	-	495,978	495,978	-	-	-	-	-	-	495,978	-	495,978
XX.	Profit distribution		-	-	-	-	10,334	-	195,433	-	(206,675)	-	-	908	-	-	-	-	-	-
20.1	Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2	Transfers to reserves		-	-	-	-	10,334	-	195,433	-	(206,675)	-	-	908	-	-	-	-	-	-
20.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance 31.12.2012 (III+IV+V+VI+VII+VIII+IX+X+XI+XII+ XIII+XIV+XV+XVI+XVII+XVIII+XIX+XX)			2,204,390	200,262	2,565	-	121,667	-	1,133,061	524,365	495,978	9,497	61,545	101,391	527	(49,666)	-	4,805,582	-	4,805,582

(*) The classification mentioned in the 3rd part XXIV numbered note has been restructured in prior year statement of changes in shareholders' equity.

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
UNCONSOLIDATED YEAR END FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**TÜRK EKONOMİ BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2013**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Audited	Section 5 Note Ref	Paid-in Capital	Effect of Inflation Acc. On Capital and Other Capital		Share Premium	Share Certificate Cancellation Profits	Legal Reserves	Statutory Reserves	Extra- ordinary Reserves	Other Reserves	Current Period Net Income/ (Loss)	Prior Period Net Income/ (Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Val. Diff. from Assets Held for Sale and from Disc. Op.	Total Equity Before Minority Shares	Minority Shares	Total Equity
			Reserves	Reserves																
Current Period 01.01-31.12.2013																				
I		2,204,390	200,262	2,565	-	-	121,667	-	1,133,061	524,365	-	505,475	61,545	101,391	527	(49,666)	-	4,805,582	-	4,805,582
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	(V-a)	-	-	-	-	-	-	-	-	-	-	-	(155,244)	-	-	-	-	(155,244)	-	(155,244)
IV.	(V-b)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	81,851	-	81,851	-	81,851
4.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	81,851	-	81,851	-	81,851
4.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	(V-c)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	(V-h)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.		-	-	-	-	-	-	-	19,201	-	-	-	-	-	-	-	-	19,201	-	19,201
XVII.		-	-	-	-	-	-	-	-	535,048	-	-	-	-	-	-	-	535,048	-	535,048
XVIII.		-	-	-	-	-	24,281	-	308,541	163,156	-	(495,978)	-	-	-	-	-	-	-	-
18.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2	(V-g)	-	-	-	-	-	24,281	-	308,541	163,156	-	(495,978)	-	-	-	-	-	-	-	-
18.3		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance 31.12.2013																				
(I+II+III+IV+V+VI+VII+VIII+IX+X+XI+XII+XIII+XIV+XV+XVI+XVII+XVIII)																				
		2,204,390	200,262	2,565	-	-	145,948	-	1,441,602	706,722	535,048	9,497	(93,699)	101,391	527	32,185	-	5,286,438	-	5,286,438

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
UNCONSOLIDATED YEAR END FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**TÜRK EKONOMİ BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 1
JANUARY TO 31 DECEMBER 2013**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

VI. STATEMENT OF CASH FLOWS

	Section 5 Note Ref	Audited Current Period 01.01-31.12.2013	Audited Prior Period 01.01-31.12.2012
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		1,579,621	1,372,402
1.1.1 Interest received		3,458,200	3,982,233
1.1.2 Interest paid		(1,900,804)	(2,005,921)
1.1.3 Dividend received		3,234	18,063
1.1.4 Fees and commissions received		1,142,753	1,020,278
1.1.5 Other income		530,094	593,931
1.1.6 Collections from previously written off loans		377,028	332,418
1.1.7 Payments to personnel and service suppliers		(725,162)	(634,396)
1.1.8 Taxes paid		(109,084)	(200,244)
1.1.9 Others (**)	(VI-1)	(1,196,638)	(1,733,960)
1.2 Changes in operating assets and liabilities		(2,789,425)	(1,799,666)
1.2.1 Net (decrease) increase in financial assets held for trading		(213,875)	498,742
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss		-	-
1.2.3 Net (increase) decrease in due from banks and other financial institutions		(7,718)	2,103
1.2.4 Net increase in loans		(8,719,348)	(3,890,224)
1.2.5 Net increase in other assets	(VI-1)	(1,881,042)	(2,051,946)
1.2.6 Net increase (decrease) in bank deposits		1,682,419	(1,166,272)
1.2.7 Net increase in other deposits		4,908,369	5,928,019
1.2.8 Net increase (decrease) in funds borrowed		1,612,290	(1,349,272)
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net (increase) decrease in other liabilities	(VI-1)	(170,520)	229,184
I. Net cash provided from / (used in) banking operations		(1,209,804)	(427,264)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from/ (used in) investing activities		(672,485)	426,746
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries		-	-
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries		-	-
2.3 Fixed asset purchases		(145,227)	(73,933)
2.4 Fixed asset sales		1,742	28,289
2.5 Cash paid for purchase of financial assets available for sale		(6,732,881)	(1,858,058)
2.6 Cash obtained from sale of financial assets available for sale		6,245,467	2,347,387
2.7 Cash paid for purchase of investment securities		-	-
2.8 Cash obtained from sale of investment securities		3,078	-
2.9 Others	(VI-1)	(44,664)	(16,939)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from/ (used in) financing activities		219,844	236,642
3.1 Cash obtained from funds borrowed and securities issued		696,130	485,755
3.2 Cash used for repayment of funds borrowed and securities issued		(476,286)	(249,107)
3.3 Capital increase		-	-
3.4 Dividends paid		-	-
3.5 Payments for finance leases		-	(6)
3.6 Other		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents	(VI-1)	28,013	(16,322)
V. Net increase / (decrease) in cash and cash equivalents		(1,634,432)	219,802
VI. Cash and cash equivalents at beginning of the period	(VI-2)	3,467,204	3,247,402
VII. Cash and cash equivalents at end of the period	(VI-2)	1,832,772	3,467,204

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
UNCONSOLIDATED YEAR END FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**TÜRK EKONOMİ BANKASI A.Ş.
UNCONSOLIDATED PROFIT DISTRIBUTION TABLE FOR THE PERIOD FROM 1
JANUARY TO 31 DECEMBER 2013**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

VII. PROFIT DISTRIBUTION TABLE

	(*) Audited Current Period 31.12.2013	Audited Prior Period 31.12.2012	
I. DISTRIBUTION OF CURRENT YEAR INCOME			
1.1	CURRENT YEAR INCOME	699,164	653,661
1.2	TAXES AND DUTIES PAYABLE (-)	164,116	157,683
1.2.1	Corporate tax (Income tax)	60,125	242,282
1.2.2	Income withholding tax	-	-
1.2.3	Other taxes and duties	103,991	(84,599)
A.	NET INCOME FOR THE YEAR (1.1-1.2)	535,048	495,978
1.3	PRIOR YEARS' LOSSES (-)	-	-
1.4	FIRST LEGAL RESERVES (-)	-	24,281
1.5	OTHER STATUTORY RESERVES (-)	-	-
B.	NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5))]	535,048	471,697
1.6	FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1	To owners of ordinary shares	-	-
1.6.2	To owners of preferred shares	-	-
1.6.3	To owners of preferred shares (preemptive rights)	-	-
1.6.4	To profit sharing bonds	-	-
1.6.5	To holders of profit and loss sharing certificates	-	-
1.7	DIVIDENDS TO PERSONNEL (-)	-	-
1.8	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9	SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1	To owners of ordinary shares	-	-
1.9.2	To owners of preferred shares	-	-
1.9.3	To owners of preferred shares (preemptive rights)	-	-
1.9.4	To profit sharing bonds	-	-
1.9.5	To holders of profit and loss sharing certificates	-	-
1.10	SECOND LEGAL RESERVES (-)	-	-
1.11	STATUTORY RESERVES (-)	-	-
1.12	EXTRAORDINARY RESERVES	-	308,541
1.13	OTHER RESERVES	-	163,156
1.14	SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVE			
2.1	DISTRIBUTED RESERVES	-	-
2.2	SECOND LEGAL RESERVES (-)	-	-
2.3	DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1	To owners of ordinary shares	-	-
2.3.2	To owners of preferred shares	-	-
2.3.3	To owners of preferred shares (preemptive rights)	-	-
2.3.4	To profit sharing bonds	-	-
2.3.5	To holders of profit and loss sharing certificates	-	-
2.4	DIVIDENDS TO PERSONNEL (-)	-	-
2.5	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE			
3.1	TO OWNERS OF ORDINARY SHARES	0.2427	0.2250
3.2	TO OWNERS OF ORDINARY SHARES (%)	24.27	22.50
3.3	TO OWNERS OF PREFERRED SHARES	-	-
3.4	TO OWNERS OF PREFERRED SHARES (%)	-	-
IV. DIVIDEND PER SHARE			
4.1	TO OWNERS OF ORDINARY SHARES	-	-
4.2	TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3	TO OWNERS OF PREFERRED SHARES	-	-
4.4	TO OWNERS OF PREFERRED SHARES (%)	-	-

(*) A of 31December 2013 when the financial statement has been finalized, The general Assembly meeting did not performed.

(**) The amount shown in other tax and liabilities is tax loss/gain which will not included in profit distribution.

(***) The classification mentioned in the 3rd part XXIV numbered note has been restructured in prior year statement of income..

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
UNCONSOLIDATED YEAR END FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**TÜRK EKONOMİ BANKASI A.Ş.
UNCONSOLIDATED NOTES TO THE YEAR END FINANCIAL STATEMENTS FOR THE
PERIOD FROM 1 JANUARY TO 31 DECEMBER 2013**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

SECTION THREE

ACCOUNTING PRINCIPLES

I. Basis of Presentation

The Bank prepares financial statements and notes according to Regulation Principles and Procedures on Banks' Accounting Practice and Keeping Documents, Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRS) and annexes and comments (collectively "Turkish Accounting Standards" or "TAS") implemented by the the Public Oversight Auditing and Accounting Standards Authority (POA), other regulations, communiqués and circulars in respect of accounting and financial reporting promulgated by the Banking Regulatory and Supervision Agency (BRSA), announcements by BRSA, Turkish Commercial Code and Tax Legislation.

The prior period financial statements are presented in line with the principles of TAS Board No:1 "Fundamentals of Preparing and Presenting Financial Statements" published in the Official Gazette on 16 January 2005 with No: 25702, and in accordance with Turkish Accounting Standards and Turkish Financial Reporting Standards; and other principles, methods and explanations about accounting and financial reporting issued by the BRSA. Certain reclassifications have been made to the prior year financial statements in order to comply with the current year presentation whenever required.

Additional paragraph for convenience of 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 Usage Strategy of Financial Assets and Foreign Currency Transactions

The Bank aims to develop and promote products for the financial needs of each customer such as SMEs, multinational companies and small individual investors in line with Banking Legislation. The primary objective of the Bank is to increase profitability with optimum liquidity and minimum risk while fulfilling customer needs.

The Bank aims at creating an optimum maturity risk and working with a positive margin between cost of resource and product yield in the process of asset and liability management.

As a component of risk management strategy of the Bank, risk bearing short positions of currency, interest or price movements is performed only by the Treasury Asset-Liability Management using the limits defined by the Board of Directors. The Asset-Liability Committee manages the maturity mismatches while deciding the short, medium and long term strategies as well as adopting the principle of positive balance sheet margin as a pricing policy.

The Board of Directors allows a purchase risk in treasury operations and individual limits are defined by the Board of Directors for each product.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
UNCONSOLIDATED YEAR END FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**TÜRK EKONOMİ BANKASI A.Ş.
UNCONSOLIDATED NOTES TO THE YEAR END FINANCIAL STATEMENTS FOR THE
PERIOD FROM 1 JANUARY TO 31 DECEMBER 2013**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

ACCOUNTING PRINCIPLES (Continued)

II. Explanations on Usage Strategy of Financial Assets and Foreign Currency Transactions (Continued)

At period ends, foreign currency asset and liability balances are valued at the Bank’s period end counter currency buying rates and recognized as a “Foreign exchange gain or loss”.

The Bank’s hedging activities for the currency risk due to foreign currency available-for-sale equity instruments are described under the Currency Risk section; and the Bank’s hedging activities from interest rate risk arising from fixed interest rate deposits and floating interest rate borrowings are described in detail under Interest Rate Risk section.

The Bank’s Asset-Liability Committee approves the trading of various derivative instruments such as currency swaps, forwards and similar derivatives to hedge interest and currency exchange risks in line with the balance sheet structure.

III. Explanations on Investments in Associates, Subsidiaries and Joint Ventures

Based on the TAS 27 “Turkish Accounting Standard for Consolidated and Separate Financial Statements”, Turkish Lira denominated investments in associates and subsidiaries are accounted at cost and are reflected to the unconsolidated financial statements after deducting the provision for impairment, if any.

IV. Explanations on Forward and Option Contracts and Derivative Instruments

Fair values of foreign currency forward and swap transactions are determined by comparing the period end Bank foreign exchange rates with the contractual forward rates discounted to the balance sheet date with the prevailing current market rates. The resulting gain or loss is reflected to the income statement.

In the assessment of fair value of interest rate swap instruments, interest amounts to be paid or to be received due to/from the fixed rate on the derivative contract are discounted to the balance sheet date with the current applicable fixed rate in the market that is prevailing between the balance sheet date and the interest payment date, whereas interest amounts to be paid or to be received due to/from the floating rate on the derivative contract are recalculated with the current applicable market rates that are prevailing between the balance sheet date and the interest payment date and are discounted to the balance sheet date again with the current applicable market rates that are prevailing between the balance sheet date and the interest payment date. The differences between the fixed rate interest amounts and floating rate interest amounts to be received/paid are recorded in the profit/loss accounts in the current period.

The fair value of call and put option agreements are measured at the valuation date by using the current premium values of all option agreements, and the differences between the contractual premiums received/paid and the current premiums measured at valuation date are recognized in the statement of income.

Futures transactions are valued on a daily basis by the primary market prices and related unrealized gains or losses are reflected in the income statement.

As of 1 July 2008, the Bank has adopted fair value hedge accounting in order to avoid the effects of interest rate changes in the market by matching a portion of its swap portfolio with its loan portfolio. As of August 2011, the Bank has also adopted cash flow hedge accounting by matching a portion of its swap portfolio with its deposit basis. The Bank documents relations between hedging instrument and hedged item on transaction date, in conjunction with strategies on objectives of the Bank's risk management and hedging transactions for hedging purposed transactions. Besides, the Bank that effectively values fair value changes of hedged items that are balanced by derivative transactions for hedging purposes documented regularly. In case, hedging transactions do not to meet the hedging accounting conditions, adjustments to fair value of hedged item, which are rediscounted within days to maturity, are reflected in Income Statement.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
UNCONSOLIDATED YEAR END FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**TÜRK EKONOMİ BANKASI A.Ş.
UNCONSOLIDATED NOTES TO THE YEAR END FINANCIAL STATEMENTS FOR THE
PERIOD FROM 1 JANUARY TO 31 DECEMBER 2013**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

ACCOUNTING PRINCIPLES (Continued)

IV. Explanations on Forward and Option Contracts and Derivative Instruments (Continued)

Bank has started a fair value hedge for the value of its fixed coupon government bonds in September 2012 by using swaps as hedging instruments

While the Bank recognizes the fair value changes of the hedged items in the “other interest income” and “other interest expense” accounts, it recognizes the fair value changes of the hedging instruments related to the same period in the “gains/(losses) from derivative financial instruments” account.

Additionally, the difference between the fair value and carrying value of the hedged items as of the application date of hedge accounting is amortized based on their maturities and recognized in “other interest income” and “other interest expense” accounts.

V. Explanations on Interest Income and Expenses

Interest income and expense are recognized in the income statement for all interest bearing instruments whose cash inflows and outflows are known on an accrual basis using the effective interest method. In accordance with the related regulation, realized and unrealized interest accruals of the non-performing loans are reversed and interest income related to these loans are recorded as interest income only when collected.

VI. Explanations on Fees and Commission Income and Expenses

Fees for various banking services are recorded as income when collected and prepaid commission income on cash and non-cash loans is recorded as income by using effective interest rate in the related period.

Fees and commissions for funds borrowed paid to other financial institutions, as part of the transaction costs, are recorded as prepaid expenses by using effective interest rate and are expensed on the related periods.

The dividend income is reflected to the financial statements when the profit distribution is realized by the associates and subsidiaries.

VII. Explanations on Financial Assets

Financial instruments comprise of financial assets, financial liabilities and derivative instruments. Risks related to these activities form a significant part among total risks the Bank undertakes. Financial instruments affect liquidity, market, and credit risks on the Bank’s balance sheet in all respects. The Bank trades these instruments on behalf of its customers and on its own behalf.

Basically, financial assets create the majority of the commercial activities of the Bank. These instruments expose, affect and diminish the liquidity, credit and interest risks in the financial statements.

All regular way purchases and sales of financial assets are recognized on the settlement date i.e. the date that the asset is delivered to or by the Bank. Settlement date accounting requires (a) accounting of the asset when acquired by the institution and (b) disposing of the asset out of the balance sheet on the date settled by the institution; and accounting of gain or loss on disposal. In case of application of settlement date accounting, the institution accounts for the changes that occur in the fair value of the asset in the period between commercial transaction date and settlement date as in the assets that the institution settles.

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ACCOUNTING PRINCIPLES (Continued)

VII. Explanations on Financial Assets (Continued)

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Changes in fair value of assets to be received during the period between the trade date and the settlement date are accounted for in the same way as the acquired assets.

The methods and assumptions used in determining the reasonable estimated values of all of the financial instruments are described below.

Cash, Banks, and Other Financial Institutions

Cash and cash equivalents comprise cash on hand, demand deposits, and highly liquid short-term investments with maturity of 3 months or less following the purchase date, not bearing risk of significant value change, and that are readily convertible to a known amount of cash. The book value of these assets approximates their fair values.

Financial Assets at Fair Value through Profit and Loss

Trading securities are securities which were either acquired for generating a profit from short-term fluctuations in price or dealer’s margin, or are securities included in a portfolio with a pattern of short-term profit taking.

Trading securities are initially recognized at cost. Transaction costs of the related securities are included in the initial cost. The positive difference between the cost and fair value of such securities is accounted for as interest and income accrual, and the negative difference is accounted for as “Impairment Provision on Marketable Securities”.

Held to Maturity Investments and Financial Assets Available for Sale

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

Available for sale financial assets include all securities other than loans and receivables, securities held to maturity and securities held for trading.

Marketable securities are initially recognized at cost including the transaction costs.

After the initial recognition, available for sale securities are measured at fair value and the unrealized gain/loss originating from the difference between the amortized cost and the fair value is recorded in “Marketable Securities Valuation Differences” under the equity. Fair values of debt securities that are traded in an active market are determined based on quoted prices or current market prices. In the absence of prices formed in an active market, fair value of these securities is determined using the prices declared in the Official Gazette or other valuation methods stated in TAS.

After initial recognition, held to maturity investments are measured at amortized cost by using effective interest rate less impairment losses, if any.

The interests received from held to maturity investments are recorded as interest income.

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ACCOUNTING PRINCIPLES (Continued)

VII. Explanations on Financial Assets (Continued)

Held to Maturity Investments and Financial Assets Available for Sale (Continued)

There are no financial assets that have been previously classified as held to maturity investments but cannot be currently classified as held to maturity for two years due to “tainting” rule.

The Bank classifies its securities as referred to above at the acquisition date of related assets.

The sale and purchase transactions of the held to maturity investments are recorded on a settlement date basis.

Government debt securities with TL224,275 nominal value which had been accounted as financial assets available for sale, have been classified as held to maturity investments with their market value amounting to TL287,008 as of 25 September 2013. As of 25 September, accumulated valuation difference amounting to negative TL38,362 for reclassified available for sale securities are followed under shareholders’ equity. This accumulated valuation difference is subjected to amortization according to the days to maturity and being transferred to profit/loss accounts in the related periods. As of 31 December 2013, total accumulated valuation difference of these securities followed under shareholders’ equity is negative TL36,973. Detail information for this classification was described at 5th chapter in 6-b note.

Loans and Provisions for Impairment

Loans are financial assets those generated by lending money and exclude those that are held with the intention of trading or selling in the near future.

The Bank initially records loans and receivables at cost. In subsequent periods, in accordance with TAS, loans are measured at amortized cost using effective interest rate method.

Provision is set for the loans that may be doubtful and the amount is charged in the current period income statement. The provisioning criteria for non-performing loans are determined by the Bank’s management for compensating the probable losses of the current loan portfolio, by evaluating the quality of loan portfolio, risk factors and considering the economic conditions, other facts and related regulations.

Specific reserves are provided for Group III, IV and V loans in accordance with the regulation on “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves” published in the Official Gazette No. 26333 dated 1 November 2006 which was amended with the communiqué published in the Official Gazette No. 27119 dated 23 January 2009. These provisions are reflected in the income statement under “Provision and Impairment Expenses - Special Provision Expense”. The collections made regarding these loans are first deducted from the principal amount of the loan and the remaining collections are deducted from interest receivables.

The collections made related to loans for which provision is made in the current period are reversed from the “Provision for Loan Losses and Other Receivables” account in the income statement, and related interest income is credited to the “Interest Received from Non-performing Loans” account.

Releases of loan loss provisions are booked in “Other Operating Income” account and reversed from the “Provision and Impairment Expenses - Specific Provision Expense” account in the income statement. The related non-performing loans have been from the accounts. Sales income that has been netted off with “Provision for Loan Losses and Other Receivables” in the financials.

In addition to specific loan loss provisions, within the framework of the regulation and principles referred to above; the Bank records general loan loss provision for loans and other receivables.

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ACCOUNTING PRINCIPLES (Continued)

VII. Explanations on Financial Assets (Continued)

Loans and Provisions for Impairment (Continued)

The Bank has reflected in related period financial statements the general provision difference calculated for standard and under close monitoring loans with the mentioned ratios and provided until 31 December 2015 according to change in paragraph 7, article 1 of Communiqué on “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves” dated 21 September 2012, numbered 28418.

VIII. Explanations on Impairment of Financial Assets

At each balance sheet date, the Bank evaluates the carrying amounts of its financial asset or a group of financial assets to determine whether there is an objective indication that those assets have suffered an impairment loss or not. If any such indication exists, the Bank determines the related impairment.

A financial asset or a financial asset group incurs impairment loss only if there is an objective indicator related to the occurrence (or nonoccurrence) of one or more than one event (“loss event”) after the first journalization of that asset; and such loss event (or events) causes, an impairment as a result of the effect on the reliable estimate of the expected future cash flows of the related financial asset and asset group. Irrespective of high probability the expected losses caused by the future events are not journalized.

IX. Explanations on Offsetting of Financial Assets and Liabilities

Financial assets and liabilities are offset when the Bank has a legally enforceable right to set off, and the intention of collecting or paying the net amount of related assets and liabilities or the right to offset the assets and liabilities simultaneously.

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

The sales and purchase of government securities under repurchase agreements made with the customers are recorded in balance sheet accounts in accordance with the Uniform Chart of Accounts. Accordingly in the financial statements, the government bonds and treasury bills sold to customers under repurchase agreements are classified under securities held for trading, available for sale and held to maturity depending on the portfolio they are originally included in and are valued according to the valuation principles of the related portfolios. Funds obtained from repurchase agreements are classified as a separate sub-account under money markets borrowings account in the liabilities.

These transactions are short-term and consist of domestic public sector debt securities.

The income and expenses from these transactions are reflected to the “Interest Income on Marketable Securities” and “Interest Expense on Money Market Borrowings” accounts in the income statement.

As of 31 December 2013, the Bank does not has any reverse repo (31 December 2012: TL1,700,295).

As of 31 December 2013, the Bank does not have any marketable securities lending transaction (31 December 2012: None).

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ACCOUNTING PRINCIPLES (Continued)

XI. Explanations on Assets Held for Sale, Discontinued Operations and Liabilities Related to Those Assets

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

As of 31 December 2013, assets held for sale of the Bank are TL83,217 (31 December 2012: TL61,590). As per the appraisals performed for the real estates held for sale included “Assets Held for Sale” in the financial statements, TL4,961 (31 December 2012: TL1,291) has been reserved as provision for impairment losses.

A discontinued operation is a division of a bank that is either disposed or held for sale. Results of discontinued operations are included in the income statement separately.

XII. Explanations on Goodwill and Other Intangible Assets

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. In the merger transaction where acquirer and acquiree exchange equity instruments, it is taken into account the fair value of equity shares exchanged and the difference between such amount and fair value of the acquiree's identifiable net asset value is accounted as goodwill. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the acquirer shall report in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the acquirer shall retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. During the measurement period, the acquirer shall also recognize additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period shall not exceed one year from the acquisition date.

Goodwill arising on an acquisition of a business or a merger is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Bank's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the income statement. An impairment loss recognized for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

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ACCOUNTING PRINCIPLES (Continued)

XII. Explanations on Goodwill and Other Intangible Assets (Continued)

Under the Banking Regulation and Supervision Agency decision dated 10 February 2011 and the release of decision in Official Newspaper, all rights, receivables, assets and liabilities of Fortis Bank A.Ş. would be transferred to the Bank as stated in Istanbul Commerce Trade dated 14 February 2011.

Within the framework of TFRS 3 “Business Combination”, identifiable assets and liabilities acquired at the merger date are measured at their acquisition date fair value. The resulting difference of TL48,783 is shown in related assets and liability section, the equity impact is shown under other shareholder’s equity section. The amount of TL2,385,482, which is the difference between the fair value of identifiable net asset value of TL1,964,358 and the liability of TL421,124 is accounted as goodwill in the financial statements of the Bank.

Intangible assets are accounted for at restated cost until 31 December 2004 in accordance with inflation accounting and are amortized with straight-line method, after 31 December 2004 the acquisition cost and any other cost incurred so as to prepare the intangible asset ready for use less reserve for impairment, if any, and amortized on a straight-line method. The cost of assets subject to amortization is restated after deducting the exchange differences, capitalized financial expenses and revaluation increases, if any, from the cost of the assets.

The other intangible assets of the Group comprise mainly softwares. The useful lives of such assets acquired are determined as 3-5 years by taking into consideration the expected utilization period, technical, technological or any other impairment and maintenance expenses necessary for the economic use of such assets. Softwares used are mainly developed within the Bank by the Bank’s personnel and the related expenses are not capitalized.

There are no anticipated changes in the accounting estimates about the amortization rate and amortization method and residual values that would have a significant impact in the current and future periods.

XIII. Explanations on Tangible Fixed Assets

Properties are accounted for at their restated costs until 31 December 2004; after 31 December 2004 the acquisition cost and any other cost incurred so as to prepare the fixed asset ready for use are reflected, less reserve for impairment, if any. The straight-line method of depreciation is used for buildings and useful life is considered as 50 years.

Other tangible fixed assets are accounted for at their restated costs until 31 December 2004; afterwards the acquisition cost and any other cost incurred so as to prepare the fixed asset ready for use are reflected less reserve for impairment, if any, and depreciated on a straight-line method. Depreciation of assets held less than one year as of the balance sheet date is accounted for proportionately. No amendment has been made to the depreciation method in the current period. The annual rates used, which approximate rates based on the estimated economic useful lives of the related assets, are as follows:

	%
Buildings	2
Motor vehicles	10-20
Furniture, fixtures and office equipment and others	2-50

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ACCOUNTING PRINCIPLES (Continued)

XIII. Explanations on Tangible Fixed Assets (Continued)

Gain or loss resulting from disposals of the tangible fixed assets is reflected to the income statement as the difference between the net proceeds and net book value.

Maintenance costs of tangible fixed assets are capitalized if they extend the economic useful life of related assets. Other maintenance costs are expensed.

There are no pledges, mortgages or other restrictions on the tangible fixed assets.

There is no purchase commitments related to the tangible fixed assets.

There are no anticipated changes in the accounting estimates, which could have a significant impact in the current and future periods.

The Bank employs independent appraisers in determining the current fair values of its real estates when there is any indication of impairment in value of real estates.

XIV. Explanations on Leasing Transactions

Tangible fixed assets acquired by financial leases are accounted for in accordance with TAS No: 17. In accordance with this standard, the leasing transactions, which consist of only foreign currency liabilities, are translated to Turkish Lira with the exchange rates prevailing at the transaction dates and they are recorded as an asset or a liability. The foreign currency liabilities are translated to Turkish Lira with the Bank’s period end exchange rates. The increases/decreases resulting from the differences in the foreign exchange rates are recorded as expense/income in the relevant period. The financing cost resulting from leasing is distributed through the lease period to form a fixed interest rate.

In addition to the interest expense, depreciation expense is recorded for the depreciable leased assets in each period. The depreciation rate is determined in accordance with TAS No: 16 "Accounting Standard for Tangible Fixed Assets" by taking the useful lives into account.

Operating lease payments are recognized as expense in the income statement on a straight line basis over the lease term.

The Bank does not have any leasing transactions as “Lessor”.

XV. Explanations on Provisions and Contingent Liabilities

Provisions are recognized when there is a present obligation, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by using the Bank’s best expectation of expenses in fulfilling the obligation, and discounted to present value if material. Provisions and contingent liabilities, excluding Specific and general provisions for loans and other receivables, are recognized in accordance with the Turkish Accounting Standards (“TAS 37”) regarding “Provisions, Contingent Liabilities and Contingent Assets”

The inspection of the Competition Board that was conducted to determine whether 12 banks active in Turkey are in agreement and concerted practice in loan and credit card services sector and thus violated Article 4 of the Law on Protection of Competition, no 4054) was completed on March 8 2013. As a result of inspection, it has been agreed by a majority to impose an administrative fine of TL10,669 to the Parent Bank on the condition that the decision can be appealed against before Ankara Administrative Court. The penalty paid as TL8,002 on 22 July 2013 as three fourths of the main penalty as per Article 17 of the Misdemeanors Law, no 5326, was paid on 16th August 2013. The Parent Bank filed the annulment action over the file no.2014/7E Ankara 2nd Administrative Court against the decision about the administrative fines imposed by Competition Board at Ankara Administrative Court on 19 September 2013 and the case has been continuing.

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XVI. Explanations on Liabilities Regarding Employee Benefits

Defined Benefit Plans

In accordance with existing social legislation in Turkey, the Bank is required to make lump-sum termination indemnities over a 30 day salary to each employee who has completed over one year of service, whose employment is terminated due to retirement or for reasons other than resignation or misconduct, and due to marriage, female employees terminating their employments within a year as of the date of marriage, or male employees terminating their employments due to their military service. The Bank is also required to make a payment for the period of notice calculated over each service year of the employee whose employment is terminated for reasons other than resignation or misconduct. Total benefit is calculated in accordance with TAS No:19 “Turkish Accounting Standard on Employee Benefits”.

Such benefit plans are unfunded since there is no funding requirement in Turkey. The cost of providing benefits to the employees for the services rendered by them under the defined benefit plan is determined by independent actuaries annually using the projected unit credit method.

In calculating the related liability to be recorded in the financial statements for these defined benefit plans, the Group uses independent actuaries and also makes assumptions and estimation relating to the discount rate to be used, turnover of employees, future change in salaries/limits, etc. These estimations are audited annually. The carrying value of provision for employee termination benefits as of 31 December 2013 is TL85,297 (31 December 2012: TL89,898).

	31 December 2013	31 December 2012
Discount Rate (%)	9.92	6.91
Expected Inflation Rate (%)	6.45	4.78
Salary Increase Rate above Inflation Rate (%)	1.00	1.00

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ACCOUNTING PRINCIPLES (Continued)

XVI. Explanations on Liabilities Regarding Employee Benefits (Continued)

Communiqué on “Turkish Accounting Standard (TAS19) about Benefits for Employee (No:9)” published in Official Gazette by Public Oversight Accounting and Auditing Standards Authority (POA) on 12 March 2013 numbered 28585, was entered into force for the account periods starting after 31 December 2012 on accounting treatment of actuarial profit and loss resulting from changes in actuarial assumptions or differences between actual and actuarial assumptions. For the period of 1 January - 31 December 2013, actuarial profit after deferred tax effect amounting to TL19,201 was classified as “Other Comprehensive Income” and as of 31 December 2013 a total of TL8,850 actuarial profit was accounted under “Other Share Capital”.

Employees transferred to the Bank following the business combination defined in “General Information” of the Bank and Fortis Bank A.Ş. are the members of “Türk Dış Ticaret Bankası Mensupları Pension Fund Foundation” (the “Pension Fund”) which was established in May 1964 under the Provisional Article 20 of Social Insurance Law No: 506. Technical financial statements of the Pension Fund are reviewed by a licensed actuary in accordance with Article 38 of the Insurance Supervisory Law and the “Actuary Regulations” issued based on the same article. As of 31 December 2013, the Pension Fund has 2,401 employees and 918 pensioners (31 December 2012: 2,571 employees and 873 pensioners).

Provisional Article 23 (1) of Banking Law No: 5411 (the “Banking Law”) published in the Official Gazette repeated no: 25983 on 1 November 2005 requires the transfer of bank funds to the Social Security Institution (the “SSI”) within 3 years after the effective date of the Banking Law and the related paragraph also sets out the basis for the related transfer. However, Article 23 (1) of Banking Law No: 5411 was annulled based on the Constitutional Court’s ruling issued on 22 March 2007 and ruled for the stay of execution as of 31 March 2007. The related Court ruling and its basis were published in the Official Gazette No: 26731 on 15 December 2007.

Following the publication of the said decree of the Constitutional Court, the Turkish Grand National Assembly (the “TGNA”) initiated its studies on the development of new regulations in regards to the transfer of bank pension participations to the SSI and the related articles of the Social Security Law that are set out to determine the basis of fund transfers and new regulations became effective with its publication in the Official Gazette No: 26870 on 8 May 2008 and the completion of the transfer within 3 years starting from 1 January 2008. Upon the Council of Ministers’ resolution issued in the Official Gazette, the transfer period has been extended for 2 years as of 14 March 2011. According to amendment on the social security and general health insurance law published in the Official Gazette dated 8 March 2012 numbered 6283, mentioned 2-year transfer period has been increased to 4 years.

According to the related regulation, all other outstanding social rights and payments of participants (even though they are covered in their respective settlement deed) shall be covered by the companies employing pension fund participants following the transfer of the pension fund participants and/or those that are paid annuities and their beneficiaries to the Social Security Institution.

The technical financial statements of the Pension Fund are prepared by an independent actuary company considering related regulation and the Fund is not required to provide any provisions for any technical or actual deficit in the financial statements based on the actuarial report prepared as of 31 December 2013. Since the Bank has no legal rights to carry the economic benefits arising from repayments of Pension Funds and/or decreases in future contributions at present value; no asset has been recognized in the balance sheet.

Since the Bank management anticipates that any potential liability that may be incurred during or after the transfer within the above-mentioned limits will be likely recoverable, they believe such liabilities will not bring any additional liability to the Bank.

Defined Contribution Plans

The Bank pays contributions to Social Security Funds and to “Security Fund” whose members joined to the Bank as a consequence of merger.

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ACCOUNTING PRINCIPLES (Continued)

XVII. Explanations on Taxation

Corporate tax

According to the Article 32 of the Corporate Tax Law No. 5520, announced in the Official Gazette dated 21 June 2006, the corporate tax rate is 20%.

The tax legislation requires advance tax of 20% to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset from the final tax liability for the year. On the other hand, corporate tax and any related taxes paid to foreign tax offices for the income obtained from foreign branches are offset against the corporate tax levied in Turkey.

75% of participation shares held at least for two years and 75% of sale proceeds of real estate, to the extent that they are included in capital as required in Corporate Tax Law or they are retained in a special fund liability account for 5 years, and 75% of sale proceeds of real estate received from bank receivables are exempt from corporate taxation.

Tax returns are required to be filed between the first and twenty-fifth day of the fourth month following the balance sheet date and paid in one installment until the end of the related month.

According to the Corporate Tax Law, tax losses can be carried forward for a maximum period of five years following the year in which the losses are incurred. Tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

Deferred Tax Liability / Asset

The Bank calculates and reflects deferred tax asset or liability on timing differences which will result in taxable or deductible amounts in determining taxable profit of future periods.

As of 31 December 2013 and 31 December 2012, in accordance with TAS No: 12 “Turkish Accounting Standard on Income Taxes” and the changes in the circular of BRSA numbered BDDK.DZM.2/13/1-a-3 dated 8 December 2004, the Bank calculated deferred tax asset on all deductible temporary differences except for general loan reserves, if sufficient taxable profit in future periods to recover such amounts is probable; as well as deferred tax liability on all taxable temporary differences. Deferred tax assets and liabilities are shown in the accompanying financial statements on a net basis.

Deferred tax assets and liabilities are presented as net on assets on the balance sheet and deferred tax liability presented as net on liabilities on balance sheet. Deferred tax charge has been presented on statement of profit and loss amounting to TL103,991 (31 December 2012: TL84,599 deferred tax income). Portion of deferred tax accounted for under equity related to valuation differences has been netted and presented within relevant equity account groups on statement of profit and loss accounted under equity; TL21,059 credit (31 December 2012: TL40,896 debit) from available-for-sale financial assets, TL4,800 debit (31 December 2012: TL2,588 credit) from actuarial profit and loss, TL20,463 debit (31 December 2012: TL13,543 credit) from hedge, TL17,751 credit (31 December 2012: TL692 credit) transfer to profit and loss in period, total TL13,547 credit (31 December 2012: TL24,073 debit) amount recorded.

Furthermore, as per the above circular of BRSA, deferred tax benefit balance resulting from netting of deferred tax assets and liabilities should not be used in dividend distribution and capital increase.

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ACCOUNTING PRINCIPLES (Continued)

XVIII. Additional Explanations on Borrowings

The borrowing costs related to purchase, production, or construction of qualifying assets that require significant time to be prepared for use and sale are included in the cost of assets until the relevant assets become ready to be used or to be sold. Financial investment income obtained by temporary placement of undisbursed investment loan in financial investments is offset against borrowing costs qualified for capitalization.

All other borrowing costs are recorded to the income statement in the period they are incurred.

Debt securities issued by the Bank are accounted at amortized cost using effective interest rate method.

The Bank has not issued convertible bonds.

XIX. Explanations on Issued Share Certificates

Following announcement of the Banking Regulation and Supervision Agency approval dated 10 February 2011 at the Official Gazette dated 12 February 2011 and numbered 27844, merger of two bank by means of transfer of all rights, receivables, liabilities and obligations to the Bank by dissolution of Fortis Bank A.Ş. has been effectuated with the relevant registration dated 14 February 2011 to İstanbul Trade Registry. Due to the merger, ceiling for the registered capital of the Bank is increased from TL1,400,000 to TL2,204,390 and the issued capital of the Bank is increased by TL1,104,390 from TL1,100,000 to TL2,204,390.

XX. Explanations on Acceptances

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

XXI. Explanations on Government Incentives

There are no government incentives utilized by the Bank.

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ACCOUNTING PRINCIPLES (Continued)

XXII. Explanations on Reporting According to Segmentation

The details of the income statement and the balance sheet which the bank operates as a business lane according to organizational:

Current Period	Retail	Corporate	SME	Treasury/ Head Office	Total
Net interest income	332,308	199,948	759,062	680,921	1,972,239
Net fees and commissions income and other operating income	166,804	137,698	251,097	191,557	747,156
Trading profit / loss	(442)	(3,407)	(1,271)	76,824	71,704
Dividend income	-	-	-	4,940	4,940
Impairment provision for loans and other receivables (-)	160,378	(8,878)	112,020	131,498	395,018
Other operating expenses (-)	292,867	40,855	406,179	961,956	1,701,857
Profit before taxes	45,425	302,262	490,689	(139,212)	699,164
Tax provision (-)	-	-	-	164,116	164,116
Net profit for the period	45,425	302,262	490,689	(303,328)	535,048

Current Period	Retail	Corporate	SME	Treasury/ Head Office	Total
Segment assets	9,431,252	8,075,811	17,004,574	18,729,125	53,240,762
Investments in associates, subsidiaries and jointly controlled entities	-	-	-	167,866	167,866
Total Assets	9,431,252	8,075,811	17,004,574	18,896,991	53,408,628
Segment liabilities	19,489,191	8,767,630	5,934,189	13,931,180	48,122,190
Shareholders' equity	-	-	-	5,286,438	5,286,438
Total Liabilities	19,489,191	8,767,630	5,934,189	19,217,618	53,408,628

Prior Period	Retail	Corporate	SME	Treasury/ Head Office	Total
Net interest income	283,583	206,735	761,939	592,457	1,844,714
Net fees and commissions income and other operating income	149,223	126,609	200,208	152,801	628,841
Trading profit / loss	(2,579)	167	(714)	(78,337)	(81,463)
Dividend income	-	-	-	18,063	18,063
Impairment provision for loans and other receivables (-)	84,451	28,793	118,937	41,721	273,902
Other operating expenses (-) (*)	226,090	42,837	357,681	855,984	1,482,592
Profit before taxes	119,686	261,881	484,815	(212,721)	653,661
Tax provision (-)	-	-	-	157,683	157,683
Net profit for the period	119,686	261,881	484,815	(370,404)	495,978

Prior Period	Retail	Corporate	SME	Treasury/ Head Office	Total
Segment assets	7,118,453	6,699,774	13,364,946	16,181,296	43,364,469
Investments in associates, subsidiaries and jointly controlled entities	-	-	-	167,866	167,866
Total Assets	7,118,453	6,699,774	13,364,946	16,349,162	43,532,335
Segment liabilities	15,850,708	7,606,923	5,169,332	10,099,790	38,726,753
Shareholder's equity	-	-	-	4,805,582	4,805,582
Total Liabilities	15,850,708	7,606,923	5,169,332	14,905,372	43,532,335

(*) The classification mentioned in the 3rd part XXIV numbered note has been done in prior year financial statement.

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ACCOUNTING PRINCIPLES (Continued)

XXIII. Explanations on Other Matters

It has been resolved in the Ordinary General Assembly dated 25 March 2013 the Bank, TL485,627 that constitutes the 2012 net balance sheet profit shall be transferred to the extraordinary reserves after setting aside, in accordance with the proposal in the resolution of the Board of Directors, TL24,281 as legal reserves, TL163,156 as other capital reserves, TL0.40 (full TL) as profit distributed to the holders of the founder jouissance certificates, TL0.04 (full TL) as legal reserves.

XXIV. Classification

Communiqué on “Turkish Accounting Standard (TAS19) about Benefits for Employee (No:9)” published in Official as Gazette dated 12 March 2013 numbered 28585 by the Public Oversight Auditing and Accounting Standards Authority (POA) entered into force to be effective for the accounting periods starting after 31 December 2012 for accounting of differences in actuarial assumptions or actuarial income and loss realized due to differences between actuarial assumptions and the actual. Standard commands to start practice retroactively under “transition and enforcement date” title. Therefore, as of 31 December 2012, amount that were required to be accounted as " Other Comprehensive Income " is reflected in prior period profit/ loss account with the classification. As a result of this classification, as of 1 January 2013 prior period profit/ loss was increased by TL10,351 and “Other Capital Reserves” was decreased by the same amount. Before the arrangement , as of 31 December 2012 the Bank’s profit before taxes was amounted TL640,722, the Bank’s net profit was amounted TL485,627.

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SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE

I. Explanations Related to Capital Adequacy Standard Ratio

The method used for risk measurement in determining capital adequacy standard ratio; Capital Adequacy Standard Ratio is calculated in accordance with "Communiqué on Measurement and Assessment of Capital Adequacy of Banks ", "Communiqué on Credit Risk Mitigation Techniques", "Communiqué on Calculation of Risk Weighted Amounts for Securitizations" published on 28 June 2012 and Official Gazette numbered 28337 and "Communiqué on Equities of Banks" published on 1 November 2006 in the Official Gazette numbered 26333. The Bank's unconsolidated capital adequacy ratio is occurred 14.23% (31 December 2012: 15.24%) in accordance with the related Communiqué as of 31 December 2013.

In the computation of capital adequacy standard ratio, information prepared in accordance with statutory accounting data which is included in the calculation of credit and market risks classified as "Trading Accounts" and "Banking Accounts" according to the Regulation, is used.

Trading Accounts and the values deducted from the capital base in the shareholders' equity computation are excluded in calculation of risk-weighted assets, non-cash loans and contingent liabilities. Assets subject to depreciation and impairment among risk-weighted assets are included in the calculations over their net book values after deducting the relative depreciations and provisions.

Trading Accounts Counterparty receivables related to non-cash loans is multiplied with the loan conversion rates presented in article 5 of "Communiqué on Measurement and Assessment of Capital Adequacy of Banks" and risk mitigation is applied in accordance with "Communiqué on Credit Risk Mitigation Techniques", calculated by applying the risk weights presented in the article 6 of the Regulation and weighted as per Appendix-1 of the Regulation.

In calculation of the basis of the value at credit risk for the derivative financial instruments and the receivables from counterparties indicated on the bank accounting are multiplied by the rates presented in the Appendix-2 of the "Communiqué on Measurement and Assessment of Capital Adequacy of Banks", is subjected to risk reduction presented in "Communiqué on Credit Risk Mitigation Techniques " and then included in the relevant exposure category presented in the article 6 of the "Communiqué on Measurement and Assessment of Capital Adequacy of Banks" and weighted to risk weight classification indicated as per Appendix-1 of the Regulation.

According to the Clause 7 of the " Communiqué on Measurement and Assessment of Capital Adequacy of Banks" presented in the article 5 of the regulation, "counterparty credit risk" is calculated for repurchase transactions, marketable securities and commodity market transactions.

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INFORMATION ON FINANCIAL STRUCTURE (Continued)

I. Explanations Related to Capital Adequacy Standard Ratio (Continued)

Information related to the capital adequacy ratio:

Current Period-31 December 2013	Risk Weight									
	0%	10%	20%	50%	75%	100%	150%	200%	250%	1250%
Value at Credit Risk Exposure Categories										
Conditional and unconditional receivables from central governments or central banks	10,777,742	-	-	-	-	143,176	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	284,303	-	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	4,286	-	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	829,610	861,663	-	375,412	12,863	-	-	-
Conditional and unconditional receivables from corporate	-	-	-	-	-	20,121,169	-	-	-	-
Conditional and unconditional retail Receivables	-	-	-	-	11,830,769	-	-	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	4,762,102	-	-	-	-	-	-
Past due receivables	-	-	-	-	-	323,122	16,923	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	568,702	1,249,767	2,775,002	40,018	-
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporate	-	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-
Other receivables	680,115	-	13,553	-	-	2,584,590	-	-	-	-
Total Value at Risk	11,457,857	-	1,127,466	5,623,765	11,830,769	24,120,457	1,279,553	2,775,002	40,018	-
Total Risk Weighted Assets	-	-	225,493	2,811,883	8,873,077	24,120,457	1,919,330	5,550,004	100,045	-

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INFORMATION ON FINANCIAL STRUCTURE (Continued)

I. Explanations Related to Capital Adequacy Standard Ratio (Continued)

Information related to the capital adequacy ratio: (Continued)

	Risk Weight									
	0%	10%	20%	50%	75%	100%	150%	200%	250%	1250%
Prior Period-31 December 2012										
Value at Credit Risk Exposure Categories										
Conditional and unconditional receivables from central governments or central banks	8,035,816	-	-	-	-	5,213	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	150,383	-	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	13,291	-	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	1,370,990	861,313	-	276,328	14,268	-	-	-	-
Conditional and unconditional receivables from corporate	-	-	-	-	13,436,857	-	-	-	-	-
Conditional and unconditional retail Receivables	-	-	-	13,642,037	-	-	-	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	4,443,785	248,643	152,207	-	-	-	-	-
Past due receivables	-	-	-	-	243,189	14,270	-	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	26,379	858,747	1,252,069	-	-	-
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporate	-	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-
Other receivables	641,382	-	-	-	-	1,794,155	-	-	-	-
Total Value at Risk	8,677,198	-	1,521,373	5,305,098	13,890,680	15,947,619	887,285	1,252,069	-	-
Total Risk Weighted Assets	-	-	304,275	2,652,549	10,418,010	15,947,619	1,330,928	2,504,138	-	-

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INFORMATION ON FINANCIAL STRUCTURE (Continued)

I. Explanations Related to Capital Adequacy Standard Ratio (Continued)

Summary information related to the capital adequacy ratio:

	Current Period	Prior Period
Capital Requirement for Credit Risk (Value at Credit Risk*0.08) (CRCR)	3,488,023	2,652,601
Capital Requirement for Market Risk (CRMR)	69,240	37,474
Capital Requirement for Operational Risk (CROR) (*)	300,586	274,451
Shareholders' Equity	6,860,593	5,647,740
Shareholders' Equity / ((CRCR+CRMR+CROR)*12.5)*100	14.23	15.24

(*) Operational risk has been calculated by using the Basic Indicator Approach.

Information related to the components of shareholders' equity:

	Current Period	Prior Period
CORE CAPITAL		
Paid-in Capital	2,204,390	2,204,390
Nominal Capital	2,204,390	2,204,390
Capital Commitments (-)	-	-
Inflation Adjustments to Paid-in Capital	200,262	200,262
Share Premium	2,565	2,565
Share Cancellation Profits	-	-
Reserves (*)	2,245,489	1,730,310
Inflation Adjustments to Reserves	-	-
Profit	544,545	505,475
Current Period's Profit (*)	535,048	495,978
Prior Period's Profit	9,497	9,497
Provision for Possible Losses (up to 25% of Core Capital)	-	-
Income on Sale of Equity Shares and Real Estates	101,391	101,391
Primary Subordinated Debts	212,970	178,230
Loss (in excess of Reserves) (-)	-	-
Current Period's Losses	-	-
Prior Period's Losses	-	-
Leasehold Improvements on Operational Leases (-)	76,969	54,151
Intangible Assets (-)	473,933	443,401
Deferred Tax Asset in excess of 10% of Core Capital (-)	-	-
Limit excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-	-
Total Core Capital	4,960,710	4,425,071
SUPPLEMENTARY CAPITAL		
General Provisions	537,702	405,305
45% of Revaluation Surplus on Movables	-	-
45% of Revaluation Surplus on Immovables	-	-
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	527	527
Primary Subordinated Debts excluding the portion included in Core Capital	-	-
Secondary Subordinated Debts	1,462,838	791,715
45% of Securities Value Increase Fund	(93,699)	27,695
Inflation Adjustments to Other Capital and Profit Reserves and Prior Periods' Profit/Loss (excluding inflation adjustment of reserves)	-	-
Total Supplementary Capital	1,907,368	1,225,242
CAPITAL	6,868,078	5,650,313
DEDUCTIONS FROM CAPITAL	7,485	2,573
Unconsolidated investments in Entities (domestic/foreign) operating in Banking and Financial Sectors at 10% or more	-	-
Investments in Entities (domestic/foreign) operating in Banking and Financial Sectors at less than 10% exceeding 10% or more of the Total Core and Supplementary Capitals	-	-
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Secondary Subordinated Debts and Debt Instruments purchased from Such Parties qualified as Primary or Secondary Subordinated Debts	-	-
Loan granted to Customer against the Articles 50 and 51 of the Banking Law	6,763	1,324
Net Book Values of Immovables exceeding 50% of the Capital and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law but Retained more than Five Years	631	1,162
Securitization Positions to be Deducted from Equity	-	-
Other Deduction Items	91	87
TOTAL SHAREHOLDER'S EQUITY	6,860,593	5,647,740

(*) The classification mentioned in the 3rd part XXIV numbered note has been done in prior year financial statement.

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INFORMATION ON FINANCIAL STRUCTURE (Continued)

I. Explanations Related to Capital Adequacy Standard Ratio (Continued)

Information on applied approaches in order to evaluate internal capital adequacy within the scope of internal capital adequacy evaluation of internal capital requirement in terms of future and current activities:

According to definition and evaluation not to be exposed to risk at present or in the future , The Bank has created "Internal Capital Adequacy Evaluation Process" in order to provide development and implementation of proper risk management techniques aimed at reviewing and managing risks at issue , and providing sufficient capitalization to compensate risks at issue. Planning and performing the Evaluation Process responsibilities belongs to Group Risk Management (GRM) in accordance with article 45 of "Communiqué on Banks' Internal Control and Risk Management Systems ". GRM includes contribution of Internal Audit, Internal Control and Department of Financial Affairs to demand and process to provide optimum comprehensive approach of Evaluation process. Evaluation process that is included countable and uncountable risks is risk-oriented and prudential, and constitutes a clearly connection between risk types and required capital level. Risk types considered on Evaluation Process is defined on the Evaluation Report and Risk Management Regulation.

Process and Evaluation Report is submitted to Board of Directors after being approved by Risk Policies Committee and Audit Committee

II. Explanations Related to Credit Risk

Credit risk is the risk that the Bank is a party in a contract whereby the counterparty fails to meet its obligation and causes to incur a financial loss.

The credit allocation is performed on a debtor and a debtor group basis within the limits. In the credit allocation process, many financial and non-financial criteria are taken into account within the framework of the internal rating procedures of the Bank. These criteria include geographical and sector concentrations. The sector concentrations for loans are monitored closely. In accordance with the Bank's loan policy, the rating of the companies, credit limits and guarantees are considered together, and credit risks incurred are monitored.

The credit risks and limits related to treasury activities, the limits of the correspondent banks that are determined by their ratings and the control of the maximum acceptable risk level in relation to the equity of the Bank are monitored daily. Risk limits are determined in connection with these daily transactions, and risk concentration is monitored systematically concerning off-balance sheet operations.

As prescribed in the Communiqué on "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves", the credit worthiness of the debtors of the loans and other receivables is monitored regularly. Most of the statements of accounts for the loans are derived from audited financial statements. The unaudited documents result from the timing differences between the loan allocation and the audit dates of the financial statements of the companies and subsequently the audited financial statements are obtained from the companies. Credit limits are determined according to the audited statement of accounts, and guarantee factors are developed in accordance with the decision of the credit committee considering the characteristics of the transactions and the financial structures of the companies.

According to the "Communiqué on Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" published in the Official Gazette numbered 26333 dated 1 November 2006 which was amended with the communiqué published in the Official Gazette numbered 27119 dated 23 January 2009; Non-required delay time Loans that is not classified as Group III Loans, whose principal and interest payment collection delayed more than 30 days are considered as "Non-Performing Loan" in the Accounting Practice; group III, IV and V loans defined on the mentioned communiqué are considered as "impaired receivables" without considering refinancing or addition accrued interest and quasi-interest loading to principal.

The Bank provides specific reserves to Group III, IV and V loans in accordance with "Communiqué on Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves"

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II. Explanations Related to Credit Risk (Continued)

Total amount of exposures after offsetting transactions but before applying credit risk mitigations and the average exposure amounts that are classified in different risk groups and types for the relevant period:

Exposure classifications	Current Period Risk Amount(*)	Average Risk Amount(*,**)
Conditional and unconditional receivables from central governments or central banks	10,920,918	10,031,975
Conditional and unconditional receivables from regional or local governments	285,812	213,705
Conditional and unconditional receivables from administrative units and non-commercial enterprises	4,286	8,706
Conditional and unconditional receivables from multilateral development banks	-	-
Conditional and unconditional receivables from international organizations	-	-
Conditional and unconditional receivables from banks and brokerage houses	2,196,099	2,505,782
Conditional and unconditional corporate receivables	21,236,245	19,056,965
Conditional and unconditional retail receivables	12,056,635	12,676,912
Conditional and unconditional secured mortgage receivables	4,762,102	4,673,820
Past due receivables	340,045	316,410
Receivables defined in high risk category by BRSA	4,633,878	3,364,316
Securities collateralised by mortgages	-	-
Securitisation positions	-	-
Short-term receivables from banks, stockbrokers and corporate	-	-
Investments of natured collective investment enterprise	-	-
Other receivables	3,295,913	2,867,658

(*) Risk amounts after conversion rate to credit are given before credit risk mitigation.

(**) Average risk amount is calculated by taking the average of balances prepared to the end of the month.

For the forward transactions and other similar positions of the Bank, operational limits are set by the Board of Directors and the transactions take place within these limits.

The fulfillment of the benefits and proceeds related to forward transactions is realized at maturity. However, in order to minimize the risk, counter positions of existing risks are entered into in the market due to necessity.

Indemnified non-cash loans are subject to the same risk weight as outstanding loans matured but not yet paid.

Since the volume of the restructured loans is not material to the financial statements, no additional follow up methodology is developed, except as stated in the regulations.

Financial institutions abroad and country risks of the Bank are generally taken for the financial institutions and countries that are rated at investment level by international rating agencies and which do not have the risk of failing to meet minimum obligations. Therefore, the probable risks are not material when the financial structure of the Bank is concerned.

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INFORMATION ON FINANCIAL STRUCTURE (Continued)

II. Explanations Related to Credit Risk (Continued)

The Bank does not have a material credit risk concentration as an active participant in the international banking market when the financial operations of the other financial institutions are concerned.

As of 31 December 2013, the receivables of the Bank from its top 100 and top 200 cash loan customers amount is TL4,406,014 and TL5,866,873, and share in total cash loans are respectively 11.66% and 15.52%.

As of 31 December 2013, the receivables of the Bank from its top 100 ve top 200 non-cash loan customers amount to TL4,482,319 and TL5,535,948 with a share of 39.52% and 48.81% respectively in the total non-cash loans.

As of 31 December 2013, the share of cash and non-cash receivables of the Bank from its top 100 ve top 200 loan customers in total balance sheet and off-balance sheet assets is 5.19 % and 6.92% respectively.

As of 31 December 2013, the general loan loss provision related with the credit risk taken by the Bank is TL537,702 (31 December 2012: TL405,305).

The table below shows the maximum exposure to credit risk for the components of the financial statements:

	Current Period	Prior Period
Central Bank of Turkey	6,117,942	3,808,017
Due from banks	324,288	709,196
Other money markets	-	1,700,295
Trading financial assets	653,630	450,661
Derivative financial instruments held for trading	698,700	160,267
Derivative financial instruments for hedging purposes	112,245	16,883
Financial assets available-for-sale	4,258,648	4,257,614
Held-to-maturity investments	292,956	-
Loans	38,134,957	29,685,734
Total	50,593,366	40,788,667
Contingent liabilities	11,342,019	10,303,219
Commitments	11,451,278	9,843,638
Total	22,793,297	20,146,857
Total credit risk exposure	73,386,663	60,935,524

Credit quality per class of financial assets as of 31 December 2013 and 31 December 2012 is as follows:

Current Period	Neither past due nor impaired	Past due or individually impaired	Total
Loans and receivables			
Commercial loans	24,031,477	1,069,474	25,100,951
Consumer loans	9,738,680	632,355	10,371,035
Credit cards	2,463,627	199,344	2,662,971
Other	-	-	-
Total	36,233,784	1,901,173	38,134,957

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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

INFORMATION ON FINANCIAL STRUCTURE (Continued)

II. Explanations Related to Credit Risk (Continued)

Prior Period	Neither past due nor impaired	Past due or individually impaired	Total
Loans and receivables			
Commercial loans	18,909,988	911,967	19,821,955
Consumer loans	7,607,617	387,217	7,994,834
Credit cards	1,591,411	277,534	1,868,945
Other	-	-	-
Total	28,109,016	1,576,718	29,685,734

Carrying amount per class of financial assets whose terms have been renegotiated:

	Current Period	Prior Period
Loans and receivables		
Commercial loans	609,055	170,772
Consumer loans	440,937	315,599
Credit cards	3,642	-
Total	1,053,634	486,371

Credit Rating System

The credit risk is assessed through the internal rating system of the TEBCORE, by classifying loans from highest grade to lowest grade according to the probability of default. As of 31 December 2013, consumer loans and business loans are excluded from the internal rating system of the Bank and those loans are about 39.31% of total loan portfolio. The risks that are subject to rating models can be allocated as follows.

Category	Description of Category	Share in the Total %
1st Category	The borrower has a very strong financial structure	36.51
2nd Category	The borrower has a good financial structure	26.18
3rd Category	The borrower has an intermediate level of financial structure	31.95
4th Category	The financial structure of the borrower has to be closely monitored in the medium term	5.36
Total		100.00

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INFORMATION ON FINANCIAL STRUCTURE (Continued)

II. Explanations Related to Credit Risk (continued)

Profile of significant exposures in major regions:

	Exposure Categories														Other receivables	
	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to regional governments or local authorities	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional exposures to multilateral development banks	Conditional and unconditional exposures to international organisations	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Past due receivables	Receivables defined in high risk category by BRSA	Exposures in the form of bonds secured by mortgages	Securitization Positions	Short term exposures to banks, brokerage houses and corporates		Exposures in the form of collective investment undertakings
Current Period																
Domestic	351	56,531	-	-	-	507,777	16,392,923	7,153,335	2,317,559	348,298	8,062,169	-	-	-	-	2,224,026
European Union (EU) Countries	-	-	-	-	-	111,176	10,808	-	67	137	-	-	-	-	-	6,687
OECD Countries* Off-Shore Banking Regions	-	-	-	-	-	98,469	-	-	-	-	-	-	-	-	-	780
USD, Canada	142,825	-	-	-	-	3,928	123,107	28,479	18,812	26	-	-	-	-	-	-
Other Countries	-	-	-	-	-	10,933	89,105	6,519	759	45	-	-	-	-	-	-
Associates, Subsidiaries and Joint –Ventures Unallocated	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	167,861
Assets/Liabilities**	-	631	4,286	-	-	319,755	4,620,302	1,854,145	43,853	-	31,621	-	-	-	-	205,603
Total	143,176	57,162	4,286	-	-	1,052,038	21,236,245	9,042,478	2,381,050	348,506	8,093,790	-	-	-	-	2,604,957

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

(**) Includes assets and liability items that can not be allocated on a consistent basis.

(***) Risk amounts after conversion rate to credit are given before credit risk mitigation..

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INFORMATION ON FINANCIAL STRUCTURE (Continued)

II. Explanations Related to Credit Risk (continued)

Profile of significant exposures in major regions:

	Exposure Categories															
	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to regional governments or local authorities	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional exposures to multilateral development banks	Conditional and unconditional exposures to international organisations	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Past due receivables	Receivables defined in high risk category by BRSA	Exposures in the form of bonds secured by mortgages	Securitization Positions	Short term exposures to banks, brokerage houses and corporates	Exposures in the form of collective investment undertakings	Other receivables
Prior Period																
Domestic	339	29,902	7,775	-	-	463,652	9,215,805	8,814,282	2,491,666	262,735	3,792,259	-	-	-	-	1,475,738
European Union (EU)																
Countries	-	-	-	-	-	147,419	23,608	45	103	13	-	-	-	-	-	-
OECD Countries*	-	-	-	-	-	2,939	-	-	-	-	-	-	-	-	-	-
Off-Shore Banking																
Regions	4,874	-	-	-	-	80,748	35,581	43,104	11,873	1,541	-	-	-	-	-	-
USD, Canada	-	-	-	-	-	66,776	-	-	-	303	-	-	-	-	-	-
Other Countries	-	-	-	-	-	18,239	115,564	5,828	2,257	2	-	-	-	-	-	-
Associates, Subsidiaries and Joint – Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	167,861
Assets/Liabilities**	-	392	5,515	-	-	243,589	4,737,854	1,602,042	54,683	-	26,824	-	-	-	-	162,673
Total	5,213	30,294	13,290	-	-	1,023,362	14,128,412	10,465,301	2,560,582	264,594	3,819,083	-	-	-	-	1,806,272

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

(**) Includes assets and liability items that can not be allocated on a consistent basis.

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INFORMATION ON FINANCIAL STRUCTURE (Continued)

II. Explanations Related to Credit Risk (continued)

Risk profile by Sectors or Counterparties:

Current Period	Exposure Categories																TL (*)	FC	Total
	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to regional governments or local authorities	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional exposures to multilateral development banks	Conditional and unconditional exposures to international organisations	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Past due receivables	Receivables defined in high risk category by BRSA	Exposures in the form of bonds secured by mortgages	Securitization Positions	Short term exposures to banks, brokerage houses and corporates	Exposures in the form of collective investment undertakings	Other receivables			
Agriculture	-	-	-	-	-	-	1,563,044	175,545	166,131	21,208	354	-	-	-	-	1,761,622	164,660	1,926,282	
Farming and Husbandry	-	-	-	-	-	-	1,544,286	170,108	164,850	20,717	330	-	-	-	-	1,738,525	161,766	1,900,291	
Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fishery	-	-	-	-	-	-	18,758	5,437	1,281	491	24	-	-	-	-	23,097	2,894	25,991	
Manufacturing	-	9	-	-	-	-	11,329,370	2,780,573	370,712	109,351	12,778	-	-	-	-	9,078,303	5,524,490	14,602,793	
Mining and Quarrying	-	-	-	-	-	-	363,840	172,912	21,210	3,902	364	-	-	-	-	462,759	99,469	562,228	
Production	-	9	-	-	-	-	10,744,741	2,598,702	347,270	105,347	12,388	-	-	-	-	8,485,289	5,323,168	13,808,457	
Electricity, Gas and Water	-	-	-	-	-	-	220,789	8,959	2,232	102	26	-	-	-	-	130,255	101,853	232,108	
Construction	-	-	-	-	-	-	2,665,600	467,895	162,217	26,409	5,174	-	-	-	-	1,897,838	1,429,457	3,327,295	
Services	143,176	57,140	4,286	-	-	1,051,813	5,340,075	1,798,517	284,272	71,002	11,710	-	-	-	401,240	6,110,552	3,052,679	9,163,231	
Wholesale and Retail Trade	-	6,929	-	-	-	-	2,010,955	576,928	97,573	24,117	2,463	-	-	-	-	2,152,469	566,496	2,718,965	
Accommodation and Dining	-	-	-	-	-	-	511,091	94,670	48,033	3,330	382	-	-	-	-	412,874	244,632	657,506	
Transportation and Telecom.	-	-	-	-	-	-	1,340,343	302,695	44,660	28,895	1,000	-	-	-	5	1,136,838	580,760	1,717,598	
Financial Institutions	143,176	-	-	-	-	1,051,813	133,565	434,633	1,743	1,974	6,457	-	-	-	401,235	1,151,336	1,023,260	2,174,596	
Real Estate and Rental Services	-	2,500	-	-	-	-	837,008	242,359	61,479	7,678	718	-	-	-	-	581,813	569,929	1,151,742	
Professional Services	-	2,307	4,286	-	-	-	262,516	79,224	17,279	2,941	514	-	-	-	-	319,092	49,975	369,067	
Educational Services	-	1	-	-	-	-	37,654	14,911	2,164	205	45	-	-	-	-	52,823	2,157	54,980	
Health and Social Services	-	45,403	-	-	-	-	206,943	53,097	11,341	1,862	131	-	-	-	-	303,307	15,470	318,777	
Other	-	13	-	-	-	225	338,156	3,819,948	1,397,718	120,536	8,063,774	-	-	-	2,203,717	15,637,027	307,060	15,944,087	
Total	143,176	57,162	4,286	-	-	1,052,038	21,236,245	9,042,478	2,381,050	348,506	8,093,790	-	-	-	2,604,957	34,485,342	10,478,346	44,963,688	

(*) Foreign Currency oriented credits are shown in TL column.

(**) Risk amounts after conversion rate to credit are given before credit risk mitigation.

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INFORMATION ON FINANCIAL STRUCTURE (Continued)

II. Explanations Related to Credit Risk (continued)

Risk profile by Sectors or Counterparties:

Prior Period	Exposure Categories																FC	Total	
	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to regional governments or local authorities	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional exposures to multilateral development banks	Conditional and unconditional exposures to international organisations	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Past due receivables	Receivables defined in high risk category by BRSA	Exposures in the form of bonds secured by mortgages	Securitization Positions	Short term exposures to banks, brokerage houses and corporates	Exposures in the form of collective investment undertakings	Other receivables			TL (*)
Agriculture	-	-	-	-	-	-	519,275	744,293	74,854	9,294	277	-	-	-	-	-	1,160,889	187,104	1,347,993
Farming and Husbandry	-	-	-	-	-	-	457,228	684,877	69,355	8,681	175	-	-	-	-	-	1,056,280	164,036	1,220,316
Forestry	-	-	-	-	-	-	56,525	50,509	4,171	571	83	-	-	-	-	-	89,776	22,083	111,859
Fishery	-	-	-	-	-	-	5,522	8,907	1,328	42	19	-	-	-	-	-	14,833	985	15,818
Manufacturing	-	70	-	-	-	-	8,725,675	3,462,054	463,581	97,756	10,620	-	-	-	-	-	7,257,592	5,502,164	12,759,756
Mining and Quarrying	-	-	-	-	-	-	245,505	198,030	21,642	3,528	270	-	-	-	-	-	322,578	146,397	468,975
Production	-	70	-	-	-	-	8,361,744	3,248,781	440,358	94,086	10,327	-	-	-	-	-	6,846,076	5,309,290	12,155,366
Electricity, Gas and Water	-	-	-	-	-	-	118,426	15,243	1,581	142	23	-	-	-	-	-	88,938	46,477	135,415
Construction	-	-	-	-	-	-	1,705,687	549,278	160,740	21,714	5,206	-	-	-	-	-	1,427,381	1,015,244	2,442,625
Services	5,213	30,224	13,290	-	-	1,023,362	2,818,904	1,898,287	400,924	92,380	9,140	-	-	-	-	235,040	4,385,631	2,141,133	6,526,764
Wholesale and Retail Trade	-	1,845	-	-	-	-	1,106,652	765,471	137,460	21,296	1,901	-	-	-	-	2,769	1,648,878	388,516	2,037,394
Accommodation and Dining	-	-	-	-	-	-	305,717	143,618	58,077	3,128	284	-	-	-	-	-	329,017	181,807	510,824
Transportation and Telecom.	-	-	-	-	-	-	718,465	481,425	50,073	26,174	579	-	-	-	-	-	877,026	399,690	1,276,716
Financial Institutions	5,213	-	-	-	-	1,023,362	60,716	11,475	1,171	27,819	5,409	-	-	-	-	229,796	638,435	726,526	1,364,961
Real Estate and Rental Services	-	-	-	-	-	-	384,586	274,681	117,044	6,307	390	-	-	-	-	-	393,025	389,983	783,008
Professional Services	-	-	13,290	-	-	-	117,458	110,210	16,033	5,082	413	-	-	-	-	308	223,918	38,876	262,794
Educational Services	-	1	-	-	-	-	4,440	21,483	2,933	534	36	-	-	-	-	1,946	30,766	607	31,373
Health and Social Services	-	28,378	-	-	-	-	120,870	89,924	18,133	2,040	128	-	-	-	-	221	244,566	15,128	259,694
Other	-	-	-	-	-	-	358,871	3,811,389	1,460,483	43,450	3,793,840	-	-	-	-	1,571,232	10,767,832	271,433	11,039,265
Total	5,213	30,294	13,290	-	-	1,023,362	14,128,412	10,465,301	2,560,582	264,594	3,819,083	-	-	-	-	1,806,272	24,999,325	9,117,078	34,116,403

(*) Foreign Currency oriented credits are shown in TP column.

(**) Risk amounts after conversion rate to credit are given before credit risk mitigation.

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INFORMATION ON FINANCIAL STRUCTURE (Continued)

II. Explanations Related to Credit Risk (continued)

Analysis of maturity-bearing exposures according to remaining maturities:

Current Period Exposure classifications	Term To Maturity				
	Up to 1Month	1-3 Month	3-6 Month	6-12 Month	Over 1 year
Conditional and unconditional exposures to central governments or central banks	142,825	-	-	-	351
Conditional and unconditional exposures to regional governments or local authorities	94	571	28	3,402	52,436
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	428,163	28,513	44,220	77,025	18,034
Conditional and unconditional exposures to corporates	5,758,704	854,950	1,213,569	2,483,728	5,659,876
Conditional and unconditional retail exposures	3,390,102	242,399	371,002	614,629	3,042,517
Conditional and unconditional exposures secured by real estate property	328,219	21,986	40,659	84,166	1,861,987
Past due receivables	-	-	-	-	-
Receivables defined in high risk category by BRSA	-	291,255	246,215	383,811	7,140,888
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitization Positions	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-
Other receivables	1,083,010	137,368	102,417	-	-
Total	11,131,117	1,577,042	2,018,110	3,646,761	17,776,089

Prior Period Exposure classifications	Term To Maturity				
	Up to 1Month	1-3 Month	3-6 Month	6-12 Month	Over 1 year
Conditional and unconditional exposures to central governments or central banks	-	-	4,875	-	338
Conditional and unconditional exposures to regional governments or local authorities	161	335	303	795	28,308
Conditional and unconditional receivables from administrative units and non-commercial enterprises	7,775	-	-	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	415,909	15,913	118,320	10,684	25,426
Conditional and unconditional exposures to corporates	4,150,645	511,960	1,036,269	1,203,068	2,487,326
Conditional and unconditional retail exposures	4,105,890	303,268	392,021	650,398	3,403,757
Conditional and unconditional exposures secured by real estate property	467,421	28,686	60,514	83,749	1,865,315
Past due receivables	-	-	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	214,000	3,578,258
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitization Positions	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-
Other receivables	723,465	-	-	-	-
Total	9,871,266	860,162	1,612,302	2,162,694	11,388,728

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INFORMATION ON FINANCIAL STRUCTURE (Continued)

II. Explanations Related to Credit Risk (continued)

Information about the risk exposure categories;

As explained on the 6. Article of the "Communiqué on Measurement and Assessment of Capital Adequacy of Banks ", receivables from central governments or central banks are calculated according to the OECD's published country risks.

Receivables from unrated nonresident banks and brokerage houses may receive a risk weight lower than that applied to claims on its sovereign of incorporation. Unrated bank with a days to maturity less than 3 months subject to a floor of %20, days to maturity more than 3 months subject to a floor of %50. Receivables from corporate is subject to a floor of %100 or a higher country risk applied to sovereign of incorporation.

Credit quality step and risk weight matching table is shown below which is based on the OECD's published country risk classifications;

OECD Credit Quality Level	Receivables from Central Governments or Central Banks	Receivables from Banks and Brokerage Houses		Corporate Receivables
		DTM less than 3 months	DTM higher than 3 months	
0	0%	20%	50%	100%
1	0%	20%	50%	100%
2	20%	20%	50%	100%
3	50%	50%	50%	100%
4	100%	100%	100%	100%
5	100%	100%	100%	100%
6	100%	100%	100%	100%
7	150%	150%	150%	150%

Exposures by risk weights:

Current Period

Risk Weights	0%	10%	20%	50%	75%	100%	150%	200%	250%	1250%	Deductions from Equity
Exposures before Credit Risk Mitigation	11,457,857	-	1,135,516	5,725,797	12,056,635	25,261,006	1,280,103	2,775,002	40,018	-	558,470
Exposures after Credit Risk Mitigation	11,457,857	-	1,127,466	5,623,766	11,830,769	24,120,458	1,279,553	2,775,002	40,018	-	558,470

Prior Period

Risk Weights	0%	10%	20%	50%	75%	100%	150%	200%	250%	1250%	Deductions from Equity
Exposures before Credit Risk Mitigation	8,677,197	-	1,523,460	5,330,682	14,202,377	16,659,524	887,285	1,252,068	-	-	500,126
Exposures after Credit Risk Mitigation	8,677,197	-	1,521,372	5,305,097	13,890,680	15,947,620	887,285	1,252,069	-	-	500,126

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INFORMATION ON FINANCIAL STRUCTURE (Continued)

II. Explanations Related to Credit Risk (continued)

Informations in terms of major sectors and type of counterparties:

Current Period Major Sectors / Counterparties	Credits		Value Adjustments	Provisions
	Impaired Credits	Past Due Credits		
Agriculture	48,380	126,551	5,494	28,206
Farming and Stockbreeding	47,639	120,715	5,241	27,917
Forestry	-	4,494	195	-
Fishery	741	1,342	58	289
Manufacturing	280,572	383,807	16,662	170,819
Mining and Quarrying	17,885	28,606	1,242	13,266
Production	262,400	354,569	15,393	157,357
Electricity, Gas and Water	287	632	27	196
Construction	54,568	85,179	3,698	27,918
Services	187,888	333,335	14,472	115,355
Wholesale and Retail Trade	65,600	99,021	4,299	42,067
Accommodation and Dining	7,538	35,631	1,547	3,998
Transportation and Telecom.	75,593	96,728	4,199	47,017
Financial Institutions	614	2,339	102	477
Real Estate and Rental Services	16,052	39,239	1,704	8,270
Professional Services	16,213	38,610	1,676	10,085
Educational Services	849	3,512	152	530
Health and Social Services	5,429	18,255	793	2,911
Other	296,713	632,256	27,448	185,778
Total	868,121	1,561,128	67,774	528,076

Prior Period Major Sectors / Counterparties	Credits		Value Adjustments	Provisions
	Impaired Credits	Past Due Credits		
Agriculture	21,378	86,719	1,587	12,121
Farming and Stockbreeding	-	-	-	-
Forestry	21,146	85,378	1,562	11,937
Fishery	232	1,341	25	184
Manufacturing	236,712	356,163	6,513	143,239
Mining and Quarrying	9,800	1,710	31	9,306
Production	223,683	349,234	6,387	132,394
Electricity, Gas and Water	3,229	5,219	95	1,539
Construction	58,688	72,493	1,326	39,129
Services	146,721	294,972	5,395	83,790
Wholesale and Retail Trade	48,863	81,970	1,499	28,235
Accommodation and Dining	5,949	22,415	410	2,707
Transportation and Telecom.	57,115	67,513	1,235	32,720
Financial Institutions	1,216	21,283	389	868
Real Estate and Rental Services	12,153	27,721	507	6,040
Professional Services	-	-	-	-
Educational Services	954	4,647	85	529
Health and Social Services	20,471	69,423	1,270	12,691
Other	179,727	508,912	9,308	107,488
Total	643,226	1,319,259	24,129	385,767

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INFORMATION ON FINANCIAL STRUCTURE (Continued)

II. Explanations Related to Credit Risk (continued)

Information about Value Adjustment and Change in Provisions

	31.12.2012 Balance	Provision for Period	Provision Reversals	Write off from Asset	Other Adjustments*	31.12.2013 Balance
Specific Provisions	385,767	365,723	(109,167)	(114,247)	-	528,076
General Provisions	405,305	229,549	(97,152)	-	-	537,702

(*) Determined according to currency differences, business merger, acquisition and disposition of affiliate company

	31.12.2011 Balance	Provision for Period	Provision Reversals	Write off from Asset	Other Adjustments*	31.12.2012 Balance
Specific Provisions	517,518	263,906	(90,144)	(305,513)	-	385,767
General Provisions	264,114	214,225	(73,034)	-	-	405,305

(*) Determined according to currency differences, business merger, acquisition and disposition of affiliate company

III. Explanations Related to Market Risk

The Bank’s risk management operations, applied in accordance with Communiqué on “Measurement and Assessment of Capital Adequacy of Banks” and “Regulations about Bank’s Internal Systems” are conducted by The Board of Directors.

The Board of Directors determines the limits for the basic risk that the Bank is exposed to. Those limits are revised periodically in line with the market forces and strategies of the Bank. Additionally, the Board of Directors has ensured that the risk management division and senior management has taken necessary precautions to describe, evaluate, control and manage risks faced by the Bank.

Interest rate and exchange rate risks, arising from the volatility in the financial markets, of the financial positions taken by the Parent Bank related to balance sheet and off-balance sheet accounts are measured and while calculating the capital adequacy and the amount subject to Value at Risk (VAR), as summarized below, is taken into consideration by the standard method. Beside the standard method, VAR is calculated by using internal model as supported by scenario analysis and stress tests. VAR is calculated daily by historic simulation. These results are also reported daily to the management.

i) Information Related to Market Risk:

	Amount
(I) Capital Requirement against General Market Risk - Standard Method	18,163
(II) Capital Requirement against Specific Risks - Standard Method	884
Capital requirement against Specific Risks of Securitization Positions– Standard Method	-
(III) Capital Requirement against Currency Exchange Risk - Standard Method	5,977
(IV) Capital Requirement against Commodity Risks - Standard Method	-
(V) Capital Requirement against Exchange Risks - Standard Method	-
(VI) Capital Requirement against Market Risks of Options - Standard Method	831
(VII) Capital requirement against Counterparty Credit Risks - Standard Method	43,385
(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)	69,240
(X) Amount Subject to Market Risk (12.5 x VIII) or (12.5 x IX)	865,500

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III. Explanations Related to Market Risk (Continued)

ii) Average market risk table calculated at month ends during the period:

	Current Period			Prior Period		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	17,433	23,084	12,486	21,605	33,157	10,113
Common Stock Risk	-	-	-	3,311	3,899	-
Currency Risk	6,807	15,529	3,803	5,849	9,429	3,103
Commodity Risk	-	-	-	-	-	-
Exchange Risk	-	-	-	-	-	-
Option Risk	1,139	2,254	570	473	1,913	1
Counterparty Credit Risk	31,168	49,993	17,344	15,407	17,946	13,055
Total Value Subject to Risk (*)	706,824	906,625	479,850	585,398	832,617	329,714

(*) “Total Value Subject to Risk” is calculated as the total amount of capital requirements for the market risk multiplied by 12.5.

b) Information on Counterparty Credit Risk,

Limit requests of clients demanding derivative transaction are evaluated based on the related line of business in different credit committees. Limit amounts approved by credit committee are risk weighted limits. In calculation of risk amount traced to risk weighted limits is multiplied by ratios based on each factor’s historical movement and that change according to transaction’s nominal amount, transaction’s maturity, type, currency and purpose. Updates are generally conducted on a yearly basis except for the times of strict market fluctuations. In other words, if current tables do not cover risk calculations efficiently in case of strict market fluctuations, all tables are audited without waiting for annual period.

In table calculations, different time periods are considered while making analyses. If there is a period in data set with strictly fluctuating period, historical period after this period might be crucial. Also, in historical fluctuations, similar work meant for a data is organized separately. References provided by BNPP are also considered in the .process. Eventually, all results are discussed firstly among line of business and then in the Market Risk Committee. Final decision is made by Risk Policy Committee and one of the alternatives is chosen.

Customers demanding derivative transactions are separated into two based on the purpose of the transaction. Decision of allocating the client to a group is given with taking into consideration client’s all transactions. Related Credit Department decides on the evaluation of client either in trading derivative transaction limit or in hedging derivative transaction limit.

In principle, all individual customers are evaluated as in trading portfolio, and The Bank works with 100% cash and cash equivalent collaterals. Commercial and corporate customers are evaluated different for each firm and based on the decision given, are subject to different collateral conditions. Risks are monitored daily based on the collateral conditions set with the client, and additional collaterals are demanded when a necessity arises according to internally set principles.

For derivative transactions made with banks, ISDA, CSA and GMRA agreements are requested from counterparties In principle, derivative transactions are not made with banks that do not sign these agreements. Collateral management is made on a daily basis with banks considering agreement conditions so that counterparty risk is minimized.

All open derivative transactions are evaluated daily by using market data, and resulting evaluation amount is installed to system. As a new transaction is made, risk amount calculated with risk weights is reflected automatically to the system. In other words, counterparty risk regarding all derivative transactions is monitored on banking system. Collateral amount required for customer transactions, transaction evaluation amount and risk weighted nominal amount is monitored daily by considering collateral condition and limit monitoring principles set up by the Bank.

Simulations of transactions are conducted in order to be able to see the level of capital consumption on transaction basis. Ratings and Basel II portfolios of derivative customers and banks are reviewed and updated monthly. These are considered in the calculation of capital requirement and evaluation of collateral conditions.

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INFORMATION ON FINANCIAL STRUCTURE (Continued)

III. Explanations Related to Market Risk (continued)

Quantitative Information on Counterparty Risk:

	Purchase/Sell Accounts	Banking Accounts	Total
Agreements based on Interest Rate	14,615	7,120	21,735
Agreement based on Foreign Exchange Currency	226,098	30,762	256,860
Agreement Based on Commodity	-	-	-
Agreement Based on Shares	-	-	-
Other	-	-	-
Gross Positive Fair Values	576,797	150,438	727,235
Benefits of Netting	-	-	-
Current Net Risk Amount	-	-	-
Reserved Guarantee	-	-	-
Net Position of Derivatives	817,510	188,320	1,005,830

- c) Capital Requirement is not calculated with a measurement model permitted by Banking Regulation and Supervision Agency

IV. Explanations Related to Operational Risk

- a) Operational risk has been calculated using the Basic Indicator Approach. Market risk measurements are performed monthly.

- b) In case of application of the Standart Method,

	31.12.2010	31.12.2011	31.12.2012	Total/Positive Year	Rate (%)	Total
Gross Income	1,960,837	1,677,723	2,373,162	2,003,907	15	300,586
Amount subject to Operational Risk (Total*12,5)						3,757,326

	31.12.2009	31.12.2010	31.12.2011	Total/Positive Year	Rate (%)	Total
Gross Income	1,850,461	1,960,837	1,677,723	1,829,674	15	274,451
Amount subject to Operational Risk (Total*12,5)						3,430,638

- c) The Bank does not use the standard method
d) The Bank does not use any alternative approach in standart method

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INFORMATION ON FINANCIAL STRUCTURE (Continued)

V. Explanations Related to Currency Risk

Foreign currency risk indicates the probability of loss that banks are subject to due to the exchange rate changes in the market. While calculating the share capital requirement, all foreign currency assets, liabilities and forward transactions of the Bank are taken into consideration and value at risk is calculated by using the standard method.

The Board of Directors sets limits for the positions, which are followed up daily. Any possible value changes in the foreign currency transactions in the Bank’s positions are also monitored.

As an element of the Bank’s risk management strategies, foreign currency liabilities are hedged against exchange rate risk by derivative instruments.

The Treasury Department of the Bank is responsible for the management of Turkish Lira or foreign currency price, liquidity and affordability risks that could occur in the domestic and international markets within the limits set by the Board of Directors. The monitoring of risk and risk related transactions occurring in the money markets is performed daily and reported to the Bank’s Asset-Liability Committee on a weekly basis.

As of 31 December 2013, the Bank's balance sheet long position is TL2,269,211 (31 December 2012: TL2,179,269 long position), off-balance sheet short position is TL2,713,582 (31 December 2012: TL2,583,595 short position) and as a result net foreign currency short position is TL444,371 (31 December 2012: TL404,326 net short position)

The announced current foreign exchange buying rates of the Bank at 31 December 2013 and the previous five working days in full TL are as follows:

	24.12.2013	25.12.2013	26.12.2013	27.12.2013	30.12.2013	31.12.2013
USD	2.0744	2.076	2.1122	2.1506	2.1189	2.1297
JPY	0.0199	0.0199	0.0202	0.0205	0.0202	0.0203
EURO	2.8341	2.8416	2.891	2.9684	2.9265	2.9346

The simple arithmetic averages of the major current foreign exchange buying rates of the Bank for the thirty days before 31 December 2013 are as follows:

	Monthly Average Foreign Exchange Rate
USD	2.0621
JPY	0.0199
EURO	2.8267

Foreign currency sensitivity:

The Bank is mainly exposed to EUR and USD currency risks.

The following table details the Bank’s sensitivity to a 10% change in the TL against USD and EUR. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management’s assessment of the possible change in foreign exchange rates. A positive number indicates an increase in profit or loss and other equity in the case of short position and a decrease in the case of long position where the TL strengthens against USD and EUR.

Change in currency rate in %	Effect on profit or loss		Effect on equity (*)	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
USD 10 increase	8,212	18,719	1	401
USD 10 decrease	(8,212)	(18,719)	(1)	(401)
EURO 10 increase	(672)	19,564	-	1
EURO 10 decrease	672	(19,564)	-	(1)

(*) The effect on equity does not include the effect of changes in foreign exchange rate on the income statement.

The Bank’s sensitivity to foreign currency rates have not changed significantly during the current period. The positions taken in line with market expectations can increase the foreign currency sensitivity from period to period.

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INFORMATION ON FINANCIAL STRUCTURE (Continued)

V. Explanations Related to Currency Risk (continued)

Information on the foreign currency risk of the Bank:

Current Period	EUR	USD	OTHER	TOTAL
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	2,813,895	2,435,949	929,469	6,179,313
Banks	46,830	89,348	112,737	248,915
Financial Assets at Fair Value through Profit and Loss (*****)	7,344	13,087	310	20,741
Money Market Placements	-	-	-	-
Available-For-Sale Financial Assets	258	1,692	6,149	8,099
Loans (**)	3,700,626	5,058,819	837,261	9,596,706
Subsidiaries, Associates and Entities Under Common Control				
(Joint Vent.)	61,254	-	-	61,254
Held-To-Maturity Investments	-	-	-	-
Derivative Financial Assets for Hedging Purposes	-	63	-	63
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	154,709	9,113	212	164,034
Total Assets	6,784,916	7,608,071	1,886,138	16,279,125
Liabilities				
Bank Deposits	23,419	24,118	91,177	138,714
Foreign Currency Deposits (*)	3,343,740	5,828,125	1,044,330	10,216,195
Money Market Borrowings	-	-	-	-
Funds Provided From Other Financial Institutions	5,031,983	2,173,805	833,921	8,039,709
Marketable Securities Issued	-	-	-	-
Sundry Creditors	30,358	114,731	2,741	147,830
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities (***)	2,466	2,875	547	5,888
Total Liabilities	8,431,966	8,143,654	1,972,716	18,548,336
Net Balance Sheet Position	(1,647,050)	(535,583)	(86,578)	(2,269,211)
Net Off-Balance Sheet Position	2,203,401	390,560	119,621	2,713,582
Financial Derivative Assets (****)	6,605,365	11,528,017	606,223	18,739,605
Financial Derivative Liabilities (****)	4,401,964	11,137,457	486,602	16,026,023
Non-Cash Loans (*****)	3,069,829	3,383,713	135,892	6,589,434
Prior Period				
Total Assets	4,741,035	5,253,559	1,646,236	11,640,830
Total Liabilities	6,118,983	6,117,183	1,583,933	13,820,099
Net Balance Sheet Position	(1,377,948)	(863,624)	62,303	(2,179,269)
Net Off-Balance Sheet Position	1,573,600	1,054,825	(44,830)	2,583,595
Financial Derivative Assets (****)	4,533,886	8,860,886	863,388	14,258,160
Financial Derivative Liabilities (****)	2,960,286	7,806,061	908,218	11,674,565
Non-Cash Loans (*****)	2,986,146	3,128,011	162,881	6,277,038

(*) Precious metal accounts amounting to TL671,360 (31 December 2012: TL798,011) are included in the foreign currency deposits.

(**) Foreign currency indexed loans amounting to TL2,508,336 (31 December 2012: TL1,907,927) are included in the loan portfolio.

(***) TL39,826 (31 December 2012: TL53,288) expense accruals from derivative financial instruments are deducted from other liabilities.

(****) Forward asset and marketable securities purchase-sale commitments of TL626,064 (31 December 2012: TL654,449) are added to derivative financial assets and TL549,644 (31 December 2012: TL431,360) has been added to derivative financial liabilities.

(*****) TL32,146 (31 December 2012: TL55,161) income accruals from derivative financial instruments is deducted from Financial Assets at Fair Value through Profit and Loss.

(*****) There is no effects on the net off-balance sheet position.

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INFORMATION ON FINANCIAL STRUCTURE (Continued)

VI. Explanations Related to Interest Rate Risk

Interest rate risk shows the probability of loss related to the changes in interest rates depending on the Bank’s position, and it is managed by the Asset-Liability Committee. The interest rate sensitivity of assets, liabilities and off-balance sheet items related to this risk are measured by using the standard method and included in the market risk for capital adequacy.

The priority of the risk management department is to avoid the impact of the fluctuations in interest rates. In this context, duration, maturity and sensitivity analysis are calculated by the Risk Management Department and presented to both Liquidity Risk Committee and Asset-Liability Committee.

Simulations on interest income are performed in connection with the forecasted economic indicators used in the budget of the Bank.

The Bank management monitors the market interest rates on a daily basis and revises the interest rates of the Bank when necessary.

Since the Bank does not allow maturity mismatches or imposes limits on mismatch, no significant interest rate risk exposure is expected.

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

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing	Total
Current Period							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	-	-	6,811,610	6,811,610
Banks	93,692	4,048	2,045	-	-	224,503	324,288
Financial Assets at Fair Value Through Profit and Loss	6,222	81,065	514,508	61,016	14,872	674,647	1,352,330
Money Market Placements	-	-	-	-	-	-	-
Available-For-Sale Financial Assets	497,168	1,080,022	1,073,855	1,555,819	30,929	20,855	4,258,648
Loans(*)	11,932,821	1,922,493	6,698,651	13,067,450	4,139,381	374,161	38,134,957
Held-To-Maturity Investments	28,988	80,163	183,805	-	-	-	292,956
Other Assets	-	1,948	21,653	29,459	3,252	2,177,527	2,233,839
Total Assets	12,558,891	3,169,739	8,494,517	14,713,744	4,188,434	10,283,303	53,408,628
Liabilities							
Bank Deposits	1,330,881	28,478	8,182	-	-	116,470	1,484,011
Other Deposits	19,667,238	7,272,654	487,812	68,409	-	5,307,850	32,803,963
Money Market Borrowings	1,062,443	-	-	-	-	-	1,062,443
Sundry Creditors	-	-	-	-	-	1,109,670	1,109,670
Marketable Securities Issued	-	278,005	432,271	-	-	-	710,276
Funds Provided From Other Financial Institutions	1,447,824	2,963,171	3,878,348	164,800	117,152	-	8,571,295
Other Liabilities	17,433	17,370	40,792	42,180	3,301	7,545,894	7,666,970
Total Liabilities	23,525,819	10,559,678	4,847,405	275,389	120,453	14,079,884	53,408,628
Balance Sheet Long Position	-	-	3,647,112	14,438,355	4,067,981	-	22,153,448
Balance Sheet Short Position	(10,966,928)	(7,389,939)	-	-	-	(3,796,581)	(22,153,448)
Off-Balance Sheet Long Position	634,851	2,411,576	-	-	-	-	3,046,427
Off-Balance Sheet Short Position	-	-	(1,619,693)	(1,156,183)	(158,017)	-	(2,933,893)
Total Position	(10,332,077)	(4,978,363)	2,027,419	13,282,172	3,909,964	(3,796,581)	112,534

(*) Revolving loans amounting to 6,850,037 are included in “Up to 1 Month” while mark to market differences from hedged loans amounting to TL3,404 are included in “1-5 Years”.

The other assets line in the non-interest bearing column consists of tangible assets amounting to TL321,832, intangible assets amounting to TL473,933 subsidiaries amounting to TL167,861 and entities under common control (joint vent.) amounting to TL5, assets held for sale amounting to TL83,217 while other liabilities line includes the shareholders’ equity of TL5,286,438.

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VI. Explanations Related to Interest Rate Risk (Continued)

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

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing	Total
Prior Period							
Assets							
Cash (Cash in Vault, Foreign Currency							
Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	-	-	4,449,400	4,449,400
Banks	488,443	2,003	-	-	-	218,750	709,196
Financial Assets at Fair Value Through							
Profit and Loss	9,239	64,565	319,647	46,409	23,729	147,339	610,928
Money Market Placements	1,700,295	-	-	-	-	-	1,700,295
Available-For-Sale Financial Assets	657,247	591,949	1,692,639	1,221,580	69,596	24,603	4,257,614
Loans(*)	10,484,339	1,858,125	4,869,266	9,172,242	2,957,548	344,214	29,685,734
Held-To-Maturity							
Investments	-	-	-	-	-	-	-
Other Assets	-	-	714	10,088	1,175	2,107,191	2,119,168
Total Assets	13,339,563	2,516,642	6,882,266	10,450,319	3,052,048	7,291,497	43,532,335
Liabilities							
Bank Deposits	595,114	27,165	7,073	-	-	193,836	823,188
Other Deposits	14,498,979	7,901,617	1,292,884	64,427	8	4,145,462	27,903,377
Money Market Borrowings	40,916	-	-	-	-	-	40,916
Sundry Creditors	-	-	-	-	-	877,829	877,829
Marketable Securities Issued	287,660	-	206,577	-	-	-	494,237
Funds Provided From Other Financial							
Institutions	733,440	3,473,203	1,276,993	160,479	572,147	-	6,216,262
Other Liabilities	654	28	5,346	163,242	18,460	6,988,796	7,176,526
Total Liabilities	16,156,763	11,402,013	2,788,873	388,148	590,615	12,205,923	43,532,335
Balance Sheet Long Position	-	-	4,093,393	10,062,171	2,461,433	-	16,616,997
Balance Sheet Short Position	(2,817,200)	(8,885,371)	-	-	-	(4,914,426)	(16,616,997)
Off-Balance Sheet Long Position	974,971	1,598,199	-	-	-	-	2,573,170
Off-Balance Sheet Short Position	-	-	(150,000)	(1,448,474)	(766,726)	(221,048)	(2,586,248)
Total Position	(1,842,229)	(7,287,172)	3,943,393	8,613,697	1,694,707	(5,135,474)	(13,078)

(*) Revolving loans amounting to TL6,859,836 are included in “Up to 1 Month” while mark to market differences from hedged loans amounting to TL16,309 are included in “1-5 Years”.

The other assets line in the non-interest bearing column consists of tangible assets amounting to TL246,833 intangible assets amounting to TL443,401, subsidiaries amounting to TL167,861 and entities under common control (joint vent.) amounting to TL5, assets held for sale amounting to TL61,590 while other liabilities line includes the shareholders’ equity of TL4,805,582.

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INFORMATION ON FINANCIAL STRUCTURE (Continued)

VI. Explanations Related to Interest Rate Risk (Continued)

Average interest rates applied to monetary financial instruments:

	EURO	USD	YEN	TL
	%	%	%	%
Current Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	-
Banks	-	0.09	-	7.62
Financial Assets at Fair Value Through Profit and Loss	2.86	5.44	-	9.49
Money Market Placements	-	-	-	-
Available-For-Sale Financial Assets	4.25	5.17	-	9.52
Loans	4.18	4.30	3.46	11.77
Held-To-Maturity Investments	-	-	-	11.34
Liabilities				
Bank Deposits	1.44	1.37	-	5.60
Other Deposits	2.51	2.60	0.16	8.72
Money Market Borrowings	-	-	-	6.68
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	8.32
Funds Provided From Other Financial Institutions	1.67	2.46	2.42	8.12
Prior Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	-
Banks	-	0.30	-	5.64
Financial Assets at Fair Value Through Profit and Loss	2.29	4.21	-	5.97
Money Market Placements	-	-	-	6.33
Available-For-Sale Financial Assets	3.01	2.81	-	5.87
Loans	4.50	5.21	4.71	12.61
Held-To-Maturity Investments	-	-	-	-
Liabilities				
Bank Deposits	1.95	0.58	-	5.02
Other Deposits	2.65	2.82	0.51	8.35
Money Market Borrowings	-	-	-	5.25
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	7.02
Funds Provided From Other Financial Institutions	1.59	2.97	2.44	9.69

Interest rate risk on banking accounts:

- a) Nature of interest rate risk caused by the banking accounts, significant assumptions on the deposit movement excepting early repayment of the loans and time deposits and measurement frequency of the interest rate risk:

Interest rate risk resulting from the banking accounts whose imposed interest risk that is traced by the bank, as well as been assessing by the related committee in different angle. There is a limit to risk amount defined by the Board of Directors. According to view of market expectation of the bank in terms of currency, is taken care in order to supply balancing between assets and liabilities

Early repayment rate of loans is determined upon reviewing to feedback of previous mortgage rate movements. Repricing days of demand deposit at bank account is settled on basing of demand deposit movements in view of branches and accounts. Accepted assumptions in parallel of result are reflected to issue products in calculation of interest rate sensitivity.

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INFORMATION ON FINANCIAL STRUCTURE (Continued)

VI. Explanations Related to Interest Rate Risk (Continued)

- b) Economic value differences resulted from interest rate instabilities calculated according to “Regulation on measurement and evaluation of interest rate risk resulting from the banking accounts as per standard shock method”:

Type of Currency	Shock Applied (+/- x basis point)	Gains/ (Losses)	Gains/Equity- (Losses)/Equity
TRY	(400)	864,647	12.60%
TRY	500	(930,990)	(13.57)%
EURO	(200)	19,774	0.29%
EURO	200	(16,890)	(0.25)%
USD	(200)	65,434	0.95%
USD	200	(58,972)	(0.86)%
Total (of negative shocks)	(800)	949,855	13.84%
Total (of positive shocks)	900	(1,006,852)	(14.68)%

Equity share position risk in banking accounts

Equity securities which are not publicly traded are booked as their fair value, or otherwise booked as their cost value if calculation of fair value is not determined properly.

VII. Explanations Related to Liquidity Risk

Liquidity risk occurs when there is insufficient cash or cash inflows to meet the cash outflows completely and timely.

Liquidity risk may also occur when the market penetration is not adequate, when the open positions cannot be closed quickly at suitable prices and sufficient amounts due to barriers and break-ups at the markets.

The Bank’s policy is to establish an asset structure that can meet all kinds of liabilities by liquid sources at all times. In this context, liquidity problem has not been faced in any period. In order to maintain this, the Board of Directors of the Parent Bank continuously determines standards for the liquidity proportions, and monitors them.

According to the general policies of the Bank, the matching of the maturity and interest rate structure of assets, and liabilities is always established within the asset liability management strategies. A positive difference is tried to be established between the yields of TL and foreign currency assets and liabilities on the balance sheet and their costs. According to this strategy, the Bank manages its maturity risk within the limits determined by Bank’s Board of Directors.

When the funding and liquidity sources are considered, the Bank covers majority of its liquidity need from deposits, and in addition to this source, it makes use of pre-financing and syndication products to generate additional sources. Generally the Bank is in a lender position.

Considering specific stressors related to general market and banking, liquidity position is assessed and managed through various scenarios. The most important of these scenarios is to proceed with net liquid assets/ loans to customers ratio within the limit.

	Current Year %	Prior Year %
Average	23	23
Maximum	32	30
Minimun	18	17

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INFORMATION ON FINANCIAL STRUCTURE (Continued)

VII. Explanations Related to Liquidity Risk (Continued)

Presentation of assets and liabilities according to their remaining maturities:

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over Undistributed 5 Years	(*)	Total
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1,546,637	5,264,973	-	-	-	-	-	6,811,610
Banks	224,503	93,692	4,048	2,045	-	-	-	324,288
Financial Assets at Fair Value Through Profit and Loss	-	163,427	173,029	768,460	229,600	17,814	-	1,352,330
Money Market Placements Available-For-Sale Financial Assets	20,855	7,952	573,776	956,302	2,338,262	361,501	-	4,258,648
Loans(**)	-	11,880,801	1,422,723	6,628,416	13,570,288	4,292,684	340,045	38,134,957
Held-To-Maturity Investments	-	-	-	-	-	292,956	-	292,956
Other Assets	-	-	42,898	21,653	44,441	3,252	2,121,595	2,233,839
Total Assets	1,791,995	17,410,845	2,216,474	8,376,876	16,182,591	4,968,207	2,461,640	53,408,628
Liabilities								
Bank Deposits	116,470	1,330,881	28,478	8,182	-	-	-	1,484,011
Other Deposits	5,307,850	19,667,238	7,272,654	487,812	68,409	-	-	32,803,963
Funds Provided From Other Financial Institutions	-	1,005,753	1,396,289	4,007,767	590,809	1,570,677	-	8,571,295
Money Market Borrowings	-	1,062,443	-	-	-	-	-	1,062,443
Marketable Securities Issued	-	-	278,005	432,271	-	-	-	710,276
Sundry Creditors	-	1,109,670	-	-	-	-	-	1,109,670
Other Liabilities	-	1,010,009	135,428	337,454	80,361	3,301	6,100,417	7,666,970
Total Liabilities	5,424,320	25,185,994	9,110,854	5,273,486	739,579	1,573,978	6,100,417	53,408,628
Liquidity Gap	(3,632,325)	(7,775,149)	(6,894,380)	3,103,390	15,443,012	3,394,229	(3,638,777)	-
Prior Period								
Total Assets	1,331,882	16,103,765	1,539,519	6,807,911	11,816,660	3,572,854	2,359,744	43,532,335
Total Liabilities	4,339,298	18,018,522	10,207,256	3,692,244	845,465	948,808	5,480,742	43,532,335
Liquidity Gap	(3,007,416)	(1,914,757)	(8,667,737)	3,115,667	10,971,195	2,624,046	(3,120,998)	-

(*) The assets which are necessary to provide banking services and could not be liquidated in a short term, such as tangible assets, investments in subsidiaries and associates, office supply inventory, prepaid expenses and non-performing loans, are classified as under undistributed.

(**) Revolving loans amounting to TL6,850,037 (31 December 2012: TL6,859,836) are included in “Up to 1 Month” while mark to market differences from hedged loans amounting to TL3,404 (31 December 2012: TL16,309) are included in “1-5 Years”.

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INFORMATION ON FINANCIAL STRUCTURE (Continued)

VII. Explanations Related to Liquidity Risk (Continued)

Analysis of financial liabilities by remaining contractual maturities:

	Demand	Up to 1 Month	1-3 Month	3-12 Month	1-5 Year	5 Year and Over	Adjustments	Total
As of 31 December 2013,								
Money Market Borrowings	-	1,062,666	-	-	-	-	(223)	1,062,443
Deposit	5,307,850	19,712,320	7,359,152	496,829	73,687	-	(145,875)	32,803,963
Bank Deposit	116,470	1,331,298	28,556	8,591	-	-	(904)	1,484,011
Other Financial Instuion	-	-	-	-	-	-	-	-
Funds provided from other	-	1,016,195	1,409,771	4,115,659	906,174	1,915,467	(791,971)	8,571,295
Total	5,424,320	23,122,479	8,797,479	4,621,079	979,861	1,915,467	(938,973)	43,921,712
As of 31 December 2012,								
Money Market Borrowings	-	40,916	-	-	-	-	-	40,916
Deposit	4,145,462	14,533,694	8,000,307	1,332,916	70,060	14	(179,076)	27,903,377
Bank Deposit	193,836	595,336	27,414	7,296	-	-	(694)	823,188
Other Financial Instuion	-	-	-	-	-	-	-	-
Funds provided from other	-	69,507	737,772	3,872,717	954,822	1,210,239	(628,795)	6,216,262
Total	4,339,298	15,239,453	8,765,493	5,212,929	1,024,882	1,210,253	(808,565)	34,983,743

Analysis of contractual expiry by maturity of the Bank’s derivative financial instruments:

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
As of 31 December 2013,						
Derivative financial instruments for hedging purposes						
Fair value hedge	-	497,383	7,718	124,002	-	629,103
Cash flow hedge	16,296	3,458	131,843	102,146	630	254,373
Held for trading transactions						
Foreign exchange forward contracts-sell	1,689,767	937,028	1,407,110	371,446	-	4,405,351
Currency swaps-sell	2,968,384	3,314,337	2,727,239	1,016,684	-	10,026,644
Interest rate swaps-sell	14,002	16,075	42,538	38,654	3,100	114,369
Foreign currency futures-sell	-	-	-	-	-	-
Foreign currency options-sell	2,415,519	2,995,020	4,581,282	11,501	-	10,003,322
Total	7,103,968	7,763,301	8,897,730	1,664,433	3,730	25,433,162
As of 31 December 2012,						
Derivative financial instruments for hedging purposes						
Fair value hedge	1,804	13,835	30,126	1,486,575	-	1,532,340
Cash flow hedge	18,992	21,014	98,328	158,780	2,228	299,342
Held for trading transactions						
Foreign exchange forward contracts-sell	1,008,768	1,000,792	1,071,242	56,403	-	3,137,205
Currency swaps-sell	2,014,994	981,540	2,550,928	220,795	-	5,768,257
Interest rate swaps-sell	5,754	1,031	5,951	22,098	692	35,526
Foreign currency futures-sell	-	-	-	-	-	-
Foreign currency options-sell	2,387,868	3,064,581	2,985,520	942	-	8,438,911
Total	5,438,180	5,082,793	6,742,095	1,945,593	2,920	19,211,581

Cash disposal of derivative financial instruments is shown above table.

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INFORMATION ON FINANCIAL STRUCTURE (Continued)

VII. Explanations Related to Liquidity Risk (Continued)

Securitization positions:

The Bank does not apply securitization as of 31 December 2013 (31 December 2012: None).

Credit Risk Mitigation Techniques:

- a) Process of net-offs of balance sheet and off-balance sheet items and net-offs made through policies and bank’s net-off usage level,

Bank does not perform net-off of balance sheet and off-balance sheet items in credit risk mitigation.

- b) Applications regarding valuation and management of collaterals,

Monetary collaterals are valued at fair value as of reporting date and are included in the risk mitigation process. Mortgages’ legal validity is sustained by mortgage’s timely and fair approval. Changes considerably important in market conditions are monitored.

- c) Types of collaterals received,

In terms of credit risk mitigation bank uses cash, government and treasury bonds, fund, gold, bank guarantee, stock and derivatives as main collateral type. Mortgages on dwelling and commercial real estate reported under different risk class are other main types of collaterals.

- d) Main Guarantor and credit derivatives’ counter party and their credit valuableness,

Guarantor entity’s credit risk value is to be considered in credit risk mitigation process in cases where bank credit customers obtained guarantee from other entities.

- e) Information on Credit mitigation in market or credit risk concentration,

Bank mostly prefers cash, securities such as government and Treasury bond for collateral which have low market and credit risk mitigation risk.

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INFORMATION ON FINANCIAL STRUCTURE (Continued)

VII. Explanations Related to Liquidity Risk (Continued)

Credit Risk Mitigation Techniques (Continued):

f) Collaterals in terms of Risk Categories:

Current Period

Exposure classifications	Amount	Financial Collaterals	Other/Physical Collaterals	Guarantees and Credit Derivatives
Conditional and unconditional receivables from central governments or central banks	143,176	-	-	-
Conditional and unconditional receivables from regional or local governments	56,861	1,533	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	4,286	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	991,461	128,187	-	-
Conditional and unconditional corporate receivables	20,121,169	1,305,357	-	-
Conditional and unconditional retail receivables	8,873,076	281,814	-	-
Conditional and unconditional secured mortgage receivables	2,381,051	-	-	-
Past due receivables	348,506	-	-	-
Receivables in high risk category defined by BRSA	8,093,402	1,226	-	-
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, stockbrokers and corporate	-	-	-	-
Investments of natured collective investment enterprise	-	-	-	-
Other receivables	2,587,301	17,656	-	-
Total	43,600,289	1,735,773	-	-

Prior Period

Exposure classifications	Amount	Financial Collaterals	Other/Physical Collaterals	Guarantees and Credit Derivatives
Conditional and unconditional receivables from central governments or central banks	5,213	-	-	-
Conditional and unconditional receivables from regional or local governments	30,077	1,147	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	13,291	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	1,002,584	51,860	-	-
Conditional and unconditional corporate receivables	13,436,857	808,448	-	-
Conditional and unconditional retail receivables	10,231,528	377,771	-	-
Conditional and unconditional secured mortgage receivables	2,560,582	-	-	-
Past due receivables	264,594	-	-	-
Receivables in high risk category defined by BRSA	3,818,638	1,523	-	-
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, stockbrokers and corporate	-	-	-	-
Investments of natured collective investment enterprise	-	-	-	-
Other receivables	1,794,154	12,118	-	-
Total	33,157,518	1,252,867	-	-

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INFORMATION ON FINANCIAL STRUCTURE (Continued)

VII. Explanations Related to Liquidity Risk (Continued)

Risk management objectives and policies:

a) Strategies and practices on risk management,

The objective of the Risk Management system is to provide that the risks that are derived from the bank’s activities are defined, measured, monitored and controlled through policies, procedures and limits established.

Risk Management functions of the Bank and all of its subsidiaries have been gathered under the Risk Management Group. Group Risk Management reports to the Boards of Directors of TEB through the Audit Committee within the Bank and is responsible for fulfilling its duties of general supervision, notification and recommendation on behalf of the Boards of Directors in line with the principles laid down in this Regulation.

Risk policies and the procedures related there to contain written standards set by the Board of Directors and the “Senior Management” consisting of General Manager, Assistant General Managers and Chief Risk Officer.

Risk policies and related procedures are prepared in compliance with the Banking Law, external legislation and general banking practices and presented to the Senior Management / Board of Directors for approval.

It is the principal duty of all managers to provide compliance with risk policies containing the criteria required for each unit and to provide that TEB Group risk culture is adopted by all employees.

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INFORMATION ON FINANCIAL STRUCTURE (Continued)

VII. Explanations Related to Liquidity Risk (Continued)

Risk management objectives and policies: (Continued)

b) Structure and organization of Risk management system,

Risk Management activities consist of; risk measurement, risk monitoring, risk control and reporting. Risk Management activities are performed by Group Risk Management and its staff.

Head of Group Risk Management reports to the Board of Directors via Audit Committee.

c) Risk reporting and measurement systems’ scope and qualification,

In order to ensure that the results of risk measurement and monitoring are regularly and timely reported to the Board of Directors and to the Senior Management, realization of the following shall be monitored:

- The risks of the Bank are reported in a detailed and reliable manner to the Board of Directors, to the Audit Committee, to the Senior Management, to the auditors, to the banking authorities, to the rating organizations and finally to the public; and more generally, to keep relations with legal authorities, supervisory and rating organizations in matters related to risk management.
- The quantifiable risks are kept within prescribed limits; excesses are identified, stress tests and scenario analyses are performed to evaluate the effect of unexpected market conditions on basic activities and the results are reported to the Board of Directors or to the Senior Management timely and regularly.
- Data on positions and prices is followed up, risk balances are monitored, excesses are identified and monitored, various scenario analyses are performed, value at risk amounts are determined and reported, coordination with other activity fields and units is ensured,
- Daily reports from risk measurement models used by the Bank are generated, these reports are analyzed, it’s ensured that quantifiable risks comply with prescribed limits and the conformity with the limits is monitored,
- Limits defined for each risk on unit/organization basis are aggregated and monitored on a consolidated basis.

The Group Risk Management follows the consequences of the results of risk measurement and monitoring and submits them to the Board of Directors either directly or through the Audit Committee.

i) Credit Risk

Bank has internal rating models for corporate and SME segments. Application and behavioral score cards are used for entity and individual segments.

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INFORMATION ON FINANCIAL STRUCTURE (Continued)

VII. Explanations Related to Liquidity Risk (Continued)

Risk management objectives and policies: (Continued)

ii) Market Risk

For FX position, limits in different breakdowns are determined by Board of Directors and option operations are considered with delta conjugates.

In regular analysis, net interest income effects originating from interest rates changes are calculated for all interest rates sensitive products and the results are followed up in limits determined by Board of Directors. The shocks which are given to interest rates are changes by each currencies and in linear scenario analysis, not only linear but also sudden shocks are evaluated. These analyses may be performed for both current and targeted balance sheet figures.

According to economical value approach, changes in market interest rates may affect Bank’s assets, liabilities and off balance sheet items values. Bank’s economic value’s sensitivity to interest rate is an important issue for stockholders, management and auditors.

Economic value of a product is net present value that is calculating by discounting expected cash flow.

Economic value of the bank is the net present value of the cash flows that is subtracting expected cash flows of liabilities from net present value of assets and adding off balance sheet items expected cash flows. Economic value approach represents Bank’s value’s sensitivity to interest rate fluctuations.

Market value of equity is defined as the difference between the market value of assets and liabilities. The Board of Directors predefines a limit for market value of equity; shock method is applied to all items to be able to see equity’s influence on market value. Shocks applied may vary based on currencies.

As Economical Value approach considers effects of interest rate changes on all future cash flows, it enables to comprehensively understand effects of interest rate changes in the long run.

In addition to these analyses, Group Risk Management, based on current position, conducts stress testing to be able to predict possible losses as a consequence of exceptional fluctuations. Stress testings prepared by BNP Paribas and TEB Group Risk Management measure the sensitivity created as a result of market price changes based on scenarios. Scenario analysis both on historical and hypothetical basis are conducted

Scenario analysis is applied both to currency and interest rates to be able to understand the effects on current portfolio.

Other than scenario analysis, various stress testings are applied to current portfolio; motive behind which is to see the effects of prior events on current position.

Nominal amount limits defined for bond portfolio, VaR (value at risk) limit for trading portfolio, and PV01 limits set for tracking interest rate risk are calculated daily, tracked and reported to the management.

Both interest rate and liquidity GAP calculations are made for each item of the balance sheet. For both calculations, as product based cash flows are formed, repricing, maturity and product based acceptances are also considered.

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INFORMATION ON FINANCIAL STRUCTURE (Continued)

VII. Explanations Related to Liquidity Risk (Continued)

Risk management objectives and policies: (Continued)

ii) Market Risk (Continued)

Monthly reports are prepared for Market and Liquidity Risk Committees. Reports include end of the day positions, monthly/annual cumulative profit/loss balances and some positions taken in that month.

All limit and risk positions are represented to Audit Committee and to The Board of Directors.

d) Procedures on risk management and risk mitigation policies with regular control of their effectiveness.

The Bank maintains legal validation of collaterals used for credit risk mitigation and complies with operational standards which are required for capital adequacy regulation. Market values of collaterals are regularly updated. All physical collaterals are insured. Collateral deficiency in amount or quality is determined by monitoring system and actions are taken by related groups.

VIII. Explanations Related to Presentation of Financial Assets and Liabilities at Fair Value

	Book Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Financial Assets	43,010,849	36,352,839	43,276,801	36,533,012
Money Market Placements	-	1,700,295	-	1,700,295
Banks	324,288	709,196	324,288	709,196
Available-For-Sale Financial Assets	4,258,648	4,257,614	4,258,648	4,257,614
Held-To-Maturity Investments	292,956	-	288,676	-
Loans	38,134,957	29,685,734	38,405,189	29,865,907
Financial Liabilities	45,741,658	36,355,809	45,723,147	36,362,714
Bank Deposit	1,484,011	823,188	1,484,456	823,069
Other Deposit	32,803,963	27,903,377	32,804,974	27,909,252
Funds Borrowed From Other Financial Institutions (*)	9,633,738	6,257,178	9,633,738	6,257,178
Marketable Securities Issued	710,276	494,237	690,309	495,386
Sundry Creditors	1,109,670	877,829	1,109,670	877,829

(*) Funds provided under repo transactions and interbank money market takings are included in funds borrowed from other financial institutions

The table above shows the book value and the fair value of the financial assets and liabilities which are not disclosed at their fair value in the financial statements of the Bank.

Current period investment securities are comprised of interest-bearing assets held-to-maturity and interest-bearing assets available-for-sale. The fair value of the held to maturity assets is determined by market prices or quoted market prices of other marketable securities which are subject to redemption with same characteristics in terms of interest, maturity and other similar conditions when market prices cannot be determined.

The book value of demand deposits, money market placements with floating interest rate and overnight deposits represents their fair values due to their short-term nature. The estimated fair value of deposits and funds provided from other financial institutions with fixed interest rate is calculated by determining their cash flows discounted by the current interest rates used for other liabilities with similar characteristics and maturity structure. The fair value of loans is calculated by determining the cash flows discounted by the current interest rates used for receivables with similar characteristics and maturity structure. The book value of the sundry creditors reflects their fair values since they are short-term

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INFORMATION ON FINANCIAL STRUCTURE (Continued)

VIII. Explanations Related to Presentation of Financial Assets and Liabilities at Fair Value

The fair values of financial assets and financial liabilities are determined as follows:

- Tier 1: The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;
- Tier 2: The fair value of other financial assets and financial liabilities are determined in accordance with inputs other than quoted prices included within Tier 1, that are observable either directly or indirectly in the market.
- Tier 3: The fair value of the financial assets and financial liabilities where there is no observable market data.

The following table shows an analysis of financial instruments recorded at fair value, between those whose fair value is recorded on quoted market prices, those involving valuation techniques where all model inputs are observable in the market and, those where the valuation techniques involves the use of non-observable inputs.

31 December 2013	Tier 1	Tier 2	Tier 3	Total
Financial Assets				
Financial assets at fair value through profit and loss	653,630	698,700	-	1,352,330
<i>Public sector debt securities</i>	653,630	-	-	653,630
<i>Derivative financial assets held for trading</i>	-	698,700	-	698,700
Derivative financial assets for hedging purposes	-	112,245	-	112,245
Available-for-sale financial assets	4,231,387	16,852	-	4,248,239
<i>Public sector debt securities</i>	4,230,167	7,626	-	4,237,793
<i>Other available-for-sale financial assets(*)</i>	1,220	9,226	-	10,446
Financial Liabilities				
Derivative financial liabilities held for trading	-	481,711	-	481,711
Derivative financial liabilities for hedging purposes	-	69,255	-	69,255
31 December 2012	Tier 1	Tier 2	Tier 3	Total
Financial Assets				
Financial assets at fair value through profit and loss	450,661	160,267	-	610,928
<i>Public sector debt securities</i>	450,661	-	-	450,661
<i>Derivative financial assets held for trading</i>	-	160,267	-	160,267
Derivative financial assets for hedging purposes	-	16,883	-	16,883
Available-for-sale financial assets	4,234,831	14,099	-	4,248,930
<i>Public sector debt securities</i>	4,228,137	4,874	-	4,233,011
<i>Other available-for-sale financial assets(*)</i>	6,694	9,225	-	15,919
Financial Liabilities				
Derivative financial liabilities held for trading	-	233,199	-	233,199
Derivative financial liabilities for hedging purposes	-	168,507	-	168,507

(*) TL10,409 (31 December 2012: TL8,684) at cost not included.

There is no transition between Tier 1 and Tier 2 in the current year.

IX. Explanations Related to Transactions Carried out on Behalf of Other Parties and Fiduciary Assets

The Bank performs buying transactions on behalf of customers, and gives custody, administration and advisory services.

The Bank does not deal with fiduciary transactions

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SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and Disclosures Related to the Assets

1. a) Information on Cash and Balances with the Central Bank of Turkey:

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	307,322	366,380	321,742	269,293
Balances with the Central Bank of Turkey	324,975	5,792,967	447,116	3,360,901
Other	-	19,966	-	50,348
Total	632,297	6,179,313	768,858	3,680,542

b) Information related to the account of the Central Bank of Turkey:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposit	324,975	-	447,116	-
Unrestricted time deposit	-	527,994	-	30
Restricted time deposit	-	5,264,973	-	3,360,871
Total	324,975	5,792,967	447,116	3,360,901

TL527,994 (31 December 2012: TL30) foreign currency unrestricted deposit, TL5,264,973 (31 December 2012: TL3,360,871) foreign currency restricted deposit and TL324,975 (31 December 2012: TL447,116) TL unrestricted deposit balance comprises of reserve deposits. As of 31 December 2013, the Turkish Lira required reserve ratios are determined to be within the range of 5% and 11.50% depending on the maturity structure of deposits denominated in Turkish Lira (31 December 2012: 5%-11% for all Turkish Lira liabilities), and the required reserve ratios for foreign currency deposits and other liabilities within the range of 6% and 13% (31 December 2012: 6%-11% for all foreign currency liabilities).

2. Information on financial assets at fair value through profit and loss (net):

a.1) Information on financial assets at fair value through profit and loss given as collateral or blocked: None (31 December 2012: None).

a.2) Financial assets at fair value through profit and loss subject to repurchase agreements:

	Current Period		Prior Period	
	TL	FC	TL	FC
Government bonds	-	-	-	-
Treasury bills	-	-	-	-
Other public sector debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	-	-	-	-

Net book value of unrestricted financial assets at fair value through profit and loss is TL653,630 (31 December 2012: TL450,661)

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I. Explanations and Disclosures Related to the Assets (Continued)

2. Information on financial assets at fair value through profit and loss (net): (Continued)

a.3) Positive differences related to derivative financial assets held-for-trading:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	166,898	11,137	19,485	14,216
Swap Transactions	254,056	16,242	55,499	30,456
Futures Transactions	-	-	-	-
Options	235,910	14,457	23,338	17,273
Other	-	-	-	-
Total	656,864	41,836	98,322	61,945

3. a) Information on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	8,171	59,683	410,269	44,650
Foreign	67,202	189,232	30,757	223,520
Branches and head office abroad	-	-	-	-
Total	75,373	248,915	441,026	268,170

b) Information on foreign banks

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	93,398	147,580	-	-
USA and Canada	22,706	25,594	-	-
OECD Countries(*)	3,452	1,711	-	-
Off-Shore Banking Regions	135,235	78,579	-	-
Other	1,643	813	-	-
Total	256,434	254,277	-	-

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

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

a.1) Information on financial assets available-for-sale given as collateral or blocked:

	Current Period		Prior Period	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bond, Treasury bill and similar investment securities	738,279	-	307,756	-
Other	-	-	-	-
Total	738,279	-	307,756	-

a.2) Financial assets available-for-sale subject to repurchase agreements:

	Current Period		Prior Period	
	TL	FC	TL	FC
Government bonds	1,097,509	-	42,596	-
Treasury bills	-	-	-	-
Other public sector debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	1,097,509	-	42,596	-

Net book value of unrestricted financial assets available-for-sale is TL2,422,860 (31 December 2012: TL3,907,262).

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I. Explanations and Disclosures Related to the Assets (Continued)

4. Information on financial assets available-for-sale: (Continued)

b) Information on financial assets available for sale portfolio:

	Current Period	Prior Period
Debt securities	4,237,793	4,233,011
Quoted on a stock exchange	4,237,793	4,233,011
Not quoted	-	-
Share certificates	20,855	24,603
Quoted on a stock exchange(*)	1,220	6,694
Not quoted	19,635	17,909
Impairment provision (-)	-	-
Total	4,258,648	4,257,614

(*) Mutual funds participation certificate amount is TL1,220 (31 December 2012: TL1,172).

All unquoted available for sale equities are recorded at fair value except for the Bank’s investment of TL10,409 which is recorded at cost since its fair value cannot be reliably estimated (31 December 2012: TL8,684).

5. Information on loans:

a) Information on all types of loans and advances given to shareholders and employees of the Bank:

	Current Period		Prior Period	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct loans granted to shareholders	7,130	10	697	4
Corporate shareholders	6,540	-	245	-
Real person shareholders	590	10	452	4
Indirect loans granted to shareholders	-	-	-	-
Loans granted to employees	57,035	-	50,797	-
Total	64,165	10	51,494	4

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

	Standard Loans and Other Receivables			Loans and Other Receivables Under Close Monitoring (*)		
	Loans and Other Receivables (Total)	Loans and other receivables with revised contract terms		Loans and Other Receivables (Total)	Loans and other receivables with revised contract terms	
	Cash Loans	Restructured or Rescheduled	Other	Restructured or Rescheduled	Other	
Non-specialized loans	36,233,784	783,456	-	1,561,128	270,178	-
Working capital loans	-	-	-	-	-	-
Export loans	4,768,563	74,768	-	23,032	10,414	-
Import loans	-	-	-	-	-	-
Loans given to financial sector	683,713	-	-	27	-	-
Consumer loans(**)	9,738,680	406,669	-	556,612	34,268	-
Credit cards	2,463,627	-	-	158,436	3,642	-
Other	18,579,201	302,019	-	823,021	221,854	-
Specialized loans	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-
Total	36,233,784	783,456	-	1,561,128	270,178	-

(*) The total principal amount of the loans under close monitoring in accordance with the requirements of the regulation on “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves” amended on 6 February 2008.

(**) TL3,404 income accrual resulting from the fair value difference of the hedged item loans is included in the loan balance.

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**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
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I. Explanations and Disclosures Related to the Assets (Continued)

5. Information on loans: (Continued)

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

	Performing Loans and Other Receivables (*)	Loans and Other Receivables under Follow-up (*)
Number of extensions		
1 or 2 times	775,690	263,801
3,4 or 5 times	4,904	5,677
Over 5 times	2,862	700
Total	783,456	270,178

Extension Periods	Performing Loans and Other Receivables (*)	Loans and Other Receivables under Follow-up(*)
0-6 months	148,172	136,886
6-12 months	92,338	15,231
1-2 years	213,591	48,492
2-5 years	297,635	66,739
5 years and over	31,720	2,830
Total	783,456	270,178

(*) Amounts indicated in tables above was calculated based on criteria stated in "Specific and general allowances for loan and other receivables classified in accordance with the Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables" published on the Official Gazette no. 27947 dated 28 May 2011 5th paragraph of the provisional Article 4a.

- c) Loans and other receivables according to their maturity structure:

Cash Loans	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Short-term loans and other receivables	18,226,757	132,576	667,256	90,519
Non-specialized loans	18,226,757	132,576	667,256	90,519
Specialized loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and long-term loans and other receivables	18,007,027	650,880	893,872	179,659
Non-specialized loans	18,007,027	650,880	893,872	179,659
Non-specialized loans	-	-	-	-
Other Receivables	-	-	-	-
Total	36,233,784	783,456	1,561,128	270,178

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I. Explanations and Disclosures Related to the Assets (Continued)

5. Information on loans: (Continued)

d) Information on consumer loans, individual credit cards, personnel loans and credit cards given to personnel:

	Short Term	Medium and Long Term	Total
Consumer Loans-TL	167,555	9,638,379	9,805,934
Housing Loans	5,329	5,470,144	5,475,473
Vehicle Loans	8,957	719,568	728,525
General Purpose Loans	153,269	3,448,296	3,601,565
Other	-	371	371
Consumer Loans –Indexed to FC	-	71,657	71,657
Housing Loans	-	68,259	68,259
Vehicle Loans	-	-	-
General Purpose Loans	-	3,398	3,398
Other	-	-	-
Consumer Loans-FC (**)	365	33,732	34,097
Housing Loans	-	9,498	9,498
Vehicle Loans	-	17,079	17,079
General Purpose Loans	365	7,155	7,520
Other	-	-	-
Individual Credit Cards-TL	1,836,313	-	1,836,313
With Installments	916,313	-	916,313
Without Installments	920,000	-	920,000
Individual Credit Cards-FC	7,187	-	7,187
With Installments	790	-	790
Without Installments	6,397	-	6,397
Personnel Loans-TL	4,001	26,015	30,016
Housing Loans	-	103	103
Vehicle Loans	-	-	-
General Purpose Loans	4,001	25,912	29,913
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	23,250	-	23,250
With Installments	11,392	-	11,392
Without Installments	11,858	-	11,858
Personnel Credit Cards-FC	187	-	187
With Installments	-	-	-
Without Installments	187	-	187
Overdraft Accounts-TL(Real Persons) (*)	353,325	-	353,325
Overdraft Accounts-FC(Real Persons)	263	-	263
Total	2,392,446	9,769,783	12,162,229

(*) Overdraft Accounts include personnel loans amounting to TL3,582.

(**) Loans granted via branches abroad.

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I. Explanations and Disclosures Related to the Assets (Continued)

5. Information on loans: (Continued)

e) Information on commercial loans with installments and corporate credit cards:

	Short Term	Medium and Long Term	Total
Commercial loans with installment facility-TL	1,688,602	3,493,955	5,182,557
Business Loans	56,475	140,533	197,008
Vehicle Loans	281,920	524,338	806,258
General Purpose Loans	1,350,207	2,829,084	4,179,291
Other	-	-	-
Commercial loans with installment facility - Indexed to FC	207,038	386,202	593,240
Business Loans	4,691	28,218	32,909
Vehicle Loans	37,195	119,541	156,736
General Purpose Loans	165,152	238,443	403,595
Other	-	-	-
Commercial loans with installment facility –FC	5,999	-	5,999
Business Loans	-	-	-
Vehicle Loans	1,017	-	1,017
General Purpose Loans	4,982	-	4,982
Other	-	-	-
Corporate Credit Cards-TL	752,768	-	752,768
With Installments	360,108	-	360,108
Without Installments	392,660	-	392,660
Corporate Credit Cards-FC	2,358	-	2,358
With Installments	-	-	-
Without Installments	2,358	-	2,358
Overdraft Accounts-TL(Legal Entities)	711,668	-	711,668
Overdraft Accounts-FC(Legal Entities)	142	-	142
Total	3,368,575	3,880,157	7,248,732

f) Allocation of loans by customers

	Current Period	Prior Period
Public sector	477,256	189,294
Private sector	37,317,656	29,238,981
Total	37,794,912	29,428,275

g) Domestic and foreign loans

	Current Period	Prior Period
Domestic loans	37,451,346	29,137,301
Foreign loans	343,566	290,974
Total	37,794,912	29,428,275

h) Loans granted to subsidiaries and associates:

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

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I. Explanations and Disclosures Related to the Assets (Continued)

5. Information on loans: (Continued)

i) Specific provisions provided against loans:

	Current Period	Prior Period
Loans and receivables with limited collectability	23,408	15,599
Loans and receivables with doubtful collectability	88,774	49,918
Uncollectible loans and receivables	415,894	320,250
Total	528,076	385,767

j) Information on non-performing loans: (Net):

j.1) Information on loans and other receivables included in non-performing loans which are restructured or rescheduled:

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
Current Period (Gross amount before specific provisions)			
Non-performing loans and receivables which are restructured	-	-	-
Non-performing loans and receivables which are rescheduled	12,775	7,985	4,612
Prior period (Gross amount before specific provisions)			
Non-performing loans and receivables which are restructured	-	-	-
Non-performing loans and receivables which are rescheduled	8,647	3,811	5,307

j.2) The movement of non-performing loans:

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
Prior period end balance	95,428	125,325	422,473
Additions (+)	688,509	15,016	16,760
Transfers from other categories of non-performing loans (+)	-	519,317	333,043
Transfers to other categories of non-performing loans (-)	519,317	333,043	-
Collections (-)	125,001	103,336	148,691
Write-offs (-) (*)	226	976	117,160
Corporate and commercial loans	161	769	66,664
Retail loans	35	119	25,508
Credit cards	30	88	24,988
Other	-	-	-
Current period end balance	139,393	222,303	506,425
Specific provision (-)	23,408	88,774	415,894
Net Balances on Balance Sheet	115,985	133,529	90,531

(*) Amounting to TL117,132 past due receivable portfolio for which TL114,247 provision had been allocated, is sold to LBT Varlık Yönetimi A.Ş. for TL9,310, and after all the sales procedures were completed at 28 June 2013 with the completion of the necessary procedures, and the related non-performing loans have been written off from the accounts.

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**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

I. Explanations and Disclosures Related to the Assets (Continued)

5. Information on loans: (Continued)

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

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
31 December 2013			
Period End Balance	1,854	5,514	13,698
Specific Provision (-)	299	1,503	10,884
Net Balance	1,555	4,011	2,814
31 December 2012			
Prior Period End Balance	1,438	1,379	16,581
Specific Provision (-)	145	372	10,136
Net Balance	1,293	1,007	6,445

The foreign currency loans in the table above are stated in TL in the financial statements of the bank.

j.4) Information regarding gross and net amounts of non-performing loans with respect to user groups:

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	139,393	222,303	506,425
Specific Provision (-)	23,408	88,774	415,894
Loans to Real Persons and Legal Entities (Net)	115,985	133,529	90,531
Banks (Gross)	-	-	-
Specific Provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	95,428	125,325	422,473
Specific Provision (-)	15,599	49,918	320,250
Loans to Real Persons and Legal Entities (Net)	79,829	75,407	102,223
Banks (Gross)	-	-	-
Specific Provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

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(Continued)**

I. Explanations and Disclosures Related to the Assets (Continued)

5. Information on loans: (Continued)

k) Main principles of liquidating non-performing loans and receivables:

According to the “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves” published on Official Gazette No. 26333 dated 1 November 2006; loans and other receivables for which the collection is believed to be impossible are classified as nonperforming loans by complying with the requirements of the Tax Procedural Law in accordance with the decision of the upper management of the Bank.

l) Explanations on write-off policy:

Unrecoverable non-performing loans can be written off with the decision of the Board of Directors.

m) Other explanations and disclosures:

Current Period	Commercial	Consumer	Credit Cards	Total
Neither past due nor impaired	24,031,477	9,738,680	2,463,627	36,233,784
Past due not impaired	846,080	556,612	158,436	1,561,128
Individually impaired	549,387	175,386	143,348	868,121
Total	25,426,944	10,470,678	2,765,411	38,663,033
Specific Provision	325,993	99,643	102,440	528,076
Total	325,993	99,643	102,440	528,076
Net credit balance on balance sheet	25,100,951	10,371,035	2,662,971	38,134,957
Prior Period	Commercial	Consumer	Credit Cards	Total
Neither past due nor impaired	18,909,988	7,607,617	1,591,411	28,109,016
Past due not impaired	736,878	335,010	247,371	1,319,259
Individually impaired	430,500	110,837	101,889	643,226
Total	20,077,366	8,053,464	1,940,671	30,071,501
Specific Provision	255,411	58,630	71,726	385,767
Total	255,411	58,630	71,726	385,767
Net credit balance on balance sheet	19,821,955	7,994,834	1,868,945	29,685,734

Based on classification, movement of allowance for loan losses and other receivables is presented as follows;

	Commercial	Consumer	Credit Cards	Total
1 January 2013	255,411	58,630	71,726	385,767
Change for the period	215,774	74,637	75,312	365,723
Recoveries	(67,901)	(20,379)	(20,887)	(109,167)
Amounts written-off (*)	(77,291)	(13,245)	(23,711)	(114,247)
31 December 2013 Balance	325,993	99,643	102,440	528,076
	Commercial	Consumer	Credit Cards	Total
1 January 2012	272,744	86,849	157,925	517,518
Change for the period	177,873	37,953	48,080	263,906
Recoveries	(56,730)	(16,067)	(17,347)	(90,144)
Amounts written-off (**)	(138,476)	(50,105)	(116,932)	(305,513)
31 December 2012 Balance	255,411	58,630	71,726	385,767

(*) Amounting to TL117,132 past due receivable portfolio for which TL114,247 provision had been allocated, is sold to LBT Varlık Yönetimi A.Ş. for TL9,310, and after all the sales procedures were completed at 28 June 2013 with the completion of the necessary procedures, and the related non-performing loans have been written off from the accounts.

(**) TL124,050 of the non-performing loans portfolio of the Bank with TL124,050 provision has been sold to LBT Varlık Yönetim A.Ş. for TL16,878 which has been collected as of 11 April 2012 with the completion of the necessary procedures, and the related non-performing loans have been written off from the records.

TL188,710 of the non-performing loans portfolio of the Bank with TL181,463 provision has been sold to LBT Varlık Yönetim A.Ş. for TL22,222 which has been collected as of 30 November 2012 with the completion of the necessary procedures, and the related non-performing loans have been written off from the records

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(Continued)**

I. Explanations and Disclosures Related to the Assets (Continued)

5. Information on loans: (Continued)

m) Other explanations and disclosures: (continued)

The fair value of collaterals, capped with the respective outstanding loan balance, that the Bank holds relating to loans individually determined to be impaired at 31 December 2013 is TL226,038 (31 December 2012: TL210,582).

The fair value of collaterals, capped with the respective outstanding loan balance relating to loans individually determined to be impaired:

	Current Period	Prior Period
Mortgage	176,808	172,046
Vehicle	43,046	31,756
Cash	211	151
Other	5,973	6,629
Total	226,038	210,582

As of 31 December 2013 and 31 December 2012, detail of commodities and properties held for sale related to loan receivables of the Bank is as follows:

31 December 2013	Commercial	Consumer	Total
Residential, commercial or industrial property	75,541	7,516	83,057
Other	160	-	160
Total	75,701	7,516	83,217

31 December 2012	Commercial	Consumer	Total
Residential, commercial or industrial property	52,628	8,587	61,215
Other	375	-	375
Total	53,003	8,587	61,590

Aging analysis of past due but not impaired loans per classes of financial statements is as follows:

31 December 2013	Less than 30 Days	31-60 Days	61-90 Days	Total
Loans and Receivables				
Commercial Loans	553,650	166,470	125,960	846,080
Consumer Loans	285,354	209,690	61,568	556,612
Credit Cards	158,357	2	77	158,436
Total	997,361	376,162	187,605	1,561,128

31 December 2012	Less than 30 Days	31-60 Days	61-90 Days	Total
Loans and Receivables				
Commercial Loans	422,562	181,511	132,805	736,878
Consumer Loans	72,792	180,147	82,071	335,010
Credit Cards	244,220	32	3,119	247,371
Total	739,574	361,690	217,995	1,319,259

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(Continued)**

I. Explanations and Disclosures Related to the Assets (Continued)

5. Information on loans: (Continued)

m) Other explanations and disclosures: (continued)

Of the total aggregate amount of gross past due but not yet impaired loans and advances to customers, the fair value of collaterals, capped with the respective outstanding total loan balance of the customer, that the Bank held as at 31 December 2013 is TL1,047,494 (31 December 2012: TL836,217).

The fair value of collaterals, capped with the respective outstanding loan balance relating to those that are past due but not impaired:

	Current Period	Prior Period
Mortgage	773,548	605,820
Vehicle	179,319	126,438
Cash	11,439	12,371
Other	83,188	91,588
Total	1,047,494	836,217

6. Information on held-to-maturity investments:

a.1) Held-to-maturity investments subject to repurchase agreements:

	Current Period		Prior Period	
	TL	FC	TL	FC
Government bonds	-	-	-	-
Treasury bills	-	-	-	-
Other public sector debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	-	-	-	-

a.2) Information on held-to-maturity investments given as collateral or blocked:

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	-	-	-	-
Bond, Treasury bill and similar securities	197,274	-	-	-
Other	-	-	-	-
Total	197,274	-	-	-

Unrestricted financial assets held-to maturity amounting to TL95,682 (31 December 2012: None).

a.3) Information on held to maturity debt securities:

	Current Period	Prior Period
Government bonds	292,956	-
Treasury bills	-	-
Other public sector debt securities	-	-
Total	292,956	-

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I. Explanations and Disclosures Related to the Assets (Continued)

6. Information on held-to-maturity investments: (Continued)

a.4) Information on held to maturity investments:

	Current Period	Prior Period
Debt securities	292,956	-
Quoted on a stock exchange	292,956	-
Unquoted	-	-
Impairment provision(-)	-	-
Total	292,956	-

b) Movement of investments held-to-maturity:

	Current Period	Prior Period
Beginning balance	-	-
Foreign currency differences on monetary assets	-	-
Purchases during the year(*)	292,956	-
Disposals through sales and redemptions	-	-
Impairment provision (-)	-	-
Closing Balance	292,956	-

(*) Government debt securities with TL224,275 nominal value which had been accounted as financial assets available for sale, have been classified as held to maturity investments with their market value amounting to TL287,008 as of 25 September 2013. As of 25 September, accumulated valuation difference amounting to negative TL38,362 for reclassified available for sale securities are followed under shareholders' equity. This accumulated valuation difference is subjected to amortization according to the days to maturity and being transferred to profit/loss accounts in the related periods. As of 31 December 2013, total accumulated valuation difference of these securities followed under shareholders' equity is negative TL36,973.

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I. Explanations and Disclosures Related to the Assets: (Continued)

7. Information on associates (Net):

- a.1) Information on unconsolidated associates according to Communiqué on Preparing Banks’ Consolidated Financial Statements and related Turkish Accounting Standard: None (31 December 2012: None).
- a.2) Information on the unconsolidated associates: None (31 December 2012: None).
- a.3) Explanations of consolidated associates: None (31 December 2012: None).
- a.4) Information on sector information on consolidated associates: None (31 December 2012: None).
- a.5) Consolidated associates which are quoted on the stock exchange: None (31 December 2012: None).

8. Information on subsidiaries (Net):

- a) Information on shareholders’ equity of significant subsidiaries:

	TEB Economy Bank N.V.	TEB Faktoring A.Ş.	TEB Yatırım Menkul Değerler A.Ş.	TEB Portföy Yönetimi A.Ş.
Paid-in capital	88,038	19,000	28,794	6,860
Legal reserves	-	10,798	10,697	5,411
Extraordinary reserves	-	23,491	-	-
Other reserves	2,012	(146)	28,115	(60)
Profit/loss	205,169	7,995	17,638	5,547
Prior periods profit/loss	192,640	(6,264)	8,540	1,729
Current period net profit/loss	12,529	14,259	9,098	3,818
Leasehold Improvements on Operational				
Leases (-)	29	186	97	-
Intangible Assets (-)	1,332	868	316	375
Total Core Capital	293,858	60,084	84,831	17,383
Supplementary Capital	(2,141)	-	-	(104)
Capital	291,717	60,084	84,831	17,279
Net Usable Equity	291,717	60,084	84,831	17,279

There is no assessment of subsidiaries’ internal capital adequacy.

Paid-in capital amount is capital amount registered on Turkish Trade Registration as TRY Currency defined on the main agreement.

Legal reserves is the reserves which is allocated from annual profit, published in Official Gazette on 14 February 2011 numbered 6102, defined in the first paragraph and second paragraph’s 3rd item of the Article 519 and Article 520 in Turkish Commercial Code no:6762 in accordance with Establishment Laws.

Extraordinary reserves is the reserves that was allocated from after tax profit in compliance with the decisions made on the Annual General Assembly

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(Continued)**

I. Explanations and Disclosures Related to the Assets (Continued)

8. Information on subsidiaries (Net): (Continued)

- b) If there is any unconsolidated subsidiary, total equity amount that is lack of objection to the reasonable justifications of non-consolidate and minimum capital requirements: None. (31 December 2012: None)
- c) Information on the unconsolidated subsidiaries: None (31 December 2012: None).
- d) Information on consolidated subsidiaries:
- d.1) Information on the consolidated subsidiaries:

Description	Address (City/ Country)	Bank’s share percentage- If different voting share percentage (%)	Other shareholders’ share percentage (%)
The Economy Bank N.V. (*)	The Netherlands	100.00	-
TEB Faktoring A.Ş. (**)	İstanbul/Turkey	100.00	-
TEB Yatırım Menkul Değerler A.Ş.	İstanbul/Turkey	96.62	3.38
TEB Portföy Yönetimi A.Ş.	İstanbul/Turkey	25.60	29.14

Information on the consolidated subsidiaries with the order as presented in the table above:

Total Assets	Shareholders’ Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit / Loss	Prior Period Profit / Loss (***)	Fair Value
1,781,006	293,078	10,941	62,762	3,065	12,529	(11,558)	-
1,140,467	61,138	1,366	82,126	-	14,259	15,925	-
116,411	85,244	1,137	11,326	-	9,098	6,366	-
20,150	17,654	572	1,071	174	3,818	3,406	-

(*) As of 31 December 2013, the figures are the converted amount from the financial statements using end-of-period exchange rate for balance sheet and six months average rate for the income statement. The Economy Bank NV consolidates two partners, Stichting Effecten Dienstverlening and Kronenburg Vastgoed B.V.

(**) The merger process of Fortis Faktoring A.Ş. and TEB Faktoring A.Ş., which is 100% owned the Bank, had been commenced and the Sale and Purchase Agreement signed on 31 January 2013 for the purpose of the completion of the share transfer prior to the merger. Pursuant to the Sale and Purchase Agreement, following the receipt of necessary legal approvals the share transfer completed and the Bank has become an indirect shareholder of 100% shares in Fortis Faktoring A.Ş. on 22 March 2013. Approval from Banking Regulation and Supervision Agency regarding merger of Fortis Faktoring with TEB Faktoring by way of acquisition, whereby all the assets and liabilities of Fortis Faktoring shall be transferred to TEB Faktoring as a whole, has been obtained on 20 June 2013. Merger of TEB Faktoring and Fortis Faktoring has been completed upon registration of the said merger to the Istanbul Trade Registry on 1 July 2013.

(***) These figures are shown per BRSA financial statements as of 31 December 2012.

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(Continued)**

I. Explanations and Disclosures Related to the Assets (Continued)

8. Information on subsidiaries (Net): (Continued)

d.2) Information on consolidated subsidiaries:

	Current Period	Prior Period
Balance at the beginning of the period	167,861	167,861
Movements during the period	-	-
Purchases	-	-
Bonus shares obtained	-	-
Share in current year income	-	-
Sales	-	-
Revaluation increase	-	-
Provision for impairment	-	-
Balance at the end of the period	167,861	167,861
Capital commitments	-	-
Share percentage at the end of the period (%)	-	-

d.3) Sectoral information on the consolidated subsidiaries and the related carrying amounts:

		Current Period	Prior Period
Banks	/ The Economy Bank N.V.	61,254	61,254
Factoring Companies	/ TEB Faktoring A.Ş.	34,037	34,037
Other Financial Subsidiaries	/ TEB Yatırım Men.Değ. A.Ş.	70,512	70,512
	TEB Portföy Yönetimi A.Ş.	2,058	2,058
Total		167,861	167,861

d.4) Consolidated subsidiaries quoted on the stock exchange: None (31 December 2012: None).

9. Explanations on entities under common control (joint ventures):

a) Information on entities under common control (joint ventures):

Entities under common control (joint ventures)	Share of the Parent Bank (%)	Share of the Group (%)	Current Asset	Non- current asset	Long-term receivable	Profit	Loss
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş.	0.1	33.3	12,442	9,803	342	49,810	(46,792)

b) Accounting method of the reasonable justification of unconsolidated in Joint Ventures that booked on the unconsolidated parent bank’s financial statements

The Bank owns 0.1% but the Group owns 33.3% share of Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş, it is presented as joint venture in financial statements however, it is carried by cost value since necessary requirements for consolidation is not met.

10. Information on finance lease receivables (Net): None (31 December 2012: None).

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I. Explanations and Disclosures Related to the Assets (Continued)

11. Information on derivative financial assets for hedging purposes:

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair value hedge	56,899	63	4,907	157
Cash flow hedge	55,283	-	11,819	-
Hedge of net investment in foreign operations	-	-	-	-
Total	112,182	63	16,726	157

12. Information on tangible assets :

	31 December 2012	Additions	Disposals	Other	31 December 2013
Cost:					
Land and buildings	107,408	-	-	-	107,408
Leased tangible assets	53,910	20	(12,211)	-	41,719
Other	718,101	145,207	(50,817)	-	812,491
Total Cost	879,419	145,227	(63,028)	-	961,618
	31 December 2012	Period Charge	Disposals	Other	31 December 2013
Accumulated Depreciation:					
Land and buildings	32,112	2,952	-	-	35,064
Leased tangible assets	53,775	113	(12,211)	-	41,677
Other	546,699	66,185	(49,839)	-	563,045
Total Accumulated Depreciation	632,586	69,250	(62,050)	-	639,786
Net Book Value	246,833				321,832

- a) The impairment provision set or cancelled in the current period according to the asset groups not individually significant but materially affecting the overall financial statements, and the reason and conditions for this: None.
- b) Pledges, mortgages and other restrictions on the tangible fixed assets, expenses arising from the construction for tangible fixed assets, commitments given for the purchases of tangible fixed assets: None.

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**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
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I. Explanations and Disclosures Related to the Assets (Continued)

13. Information on intangible assets:

	31 December 2012	Additions	Disposals	Other	31 December 2013
Cost:					
Other intangible assets	119,595	44,664	-	-	164,259
Total Cost	119,595	44,664	-	-	164,259
		Period			
	31 December 2012	Charge	Disposals	Other	31 December 2013
Accumulated Depreciation:					
Other intangible assets	97,318	14,132	-	-	111,450
Total Accumulated Depreciation	97,318	14,132	-	-	111,450
Net Book Value	22,277				52,809

- Disclosures for book value, description and remaining useful life for a specific intangible fixed asset that is material to the financial statements: None.
- Disclosure for intangible fixed assets acquired through government grants and accounted for at fair value at initial recognition: None.
- The method of subsequent measurement for intangible fixed assets that are acquired through government incentives and recorded at fair value at the initial recognition : None.
- The book value of intangible fixed assets that are pledged or restricted for use: None.
- Amount of purchase commitments for intangible fixed assets: None
- Information on revalued intangible assets according to their types: None.
- Amount of total research and development expenses recorded in income statement within the period if any: None.
- Positive or negative consolidation goodwill on entity basis: Not applicable for the unconsolidated financial statements
- Information on Goodwill:

Following announcement of the BRSA approval dated 10 February 2011 at the Official Gazette dated 12 February 2011 and numbered 27844, merger of two banks by means of transfer of all rights, receivables, liabilities and obligations to the Bank by dissolution of Fortis Bank A.Ş. has been effectuated with the relevant registration dated 14 February 2011 to İstanbul Trade Registry. Registered shares to be issued were distributed to the shareholders of Fortis Bank A.Ş., which was dissolved due to the merger, in exchange of their current shares. Fortis Bank A.Ş. shareholders received 1.0518 registered Türk Ekonomi Bankası A.Ş. shares for each Fortis Bank A.Ş. share having a nominal value of TL1. The related transaction has been accounted for in accordance with the requirements of TFRS 3 “Business Combination”, since the merging banks were not under common control of the same parties before and after the merger. In this merger transaction, Fortis Bank A.Ş. was determined as the acquiree, and with the merger, the fair value of the equity shares exchanged as of 14 February 2011 was considered as the fair value of consideration transferred, and the difference between this value and the fair value of identifiable net asset value of Fortis Bank A.Ş. is accounted as goodwill.

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**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
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I. Explanations and Disclosures Related to the Assets (Continued)

13. Information on intangible assets (Continued):

j) Beginning and ending balance of the goodwill and movements on goodwill in the current period:

	Current Period	Prior Period
Beginning Balance	421,124	421,124
Foreign Exchange differences	-	-
Additions	-	-
Ending balance	421,124	421,124

14. Information on investment properties: None (31 December 2012: None).

15 Explanations on deferred tax assets (Continued):

a) As of 31 December 2013, deferred tax asset computed on the temporary differences and reflected to the balance sheet is TL34,242 (31 December 2012: TL124,686). There are no tax exemptions or deductions over which deferred tax asset is computed.

b) Temporary differences over which deferred tax asset is not computed and recorded in the balance sheet in prior periods: None.

c) Allowance for deferred tax and deferred tax assets from reversal of allowance: None.

d) Movement of deferred tax:

	Current Period	Prior Period
At January 1,	124,686	66,748
Deferred tax / benefit (charge)	(103,991)	84,599
Deferred tax accounted for under equity	13,547	(26,661)
Other	-	-
Deferred Tax Asset	34,242	124,686

16. Information on assets held for sale and discontinued operations:

	Current Period	Prior Period
Beginning of Period Cost	64,091	69,037
Beginning of Period Accumulated Depreciation (-)	2,501	1,988
Net Book Value	61,590	67,049
Opening Balance	61,590	67,049
Acquired	67,064	34,686
Disposed(-), net	37,801	36,611
Impairment (-)	5,463	1,858
Depreciation Value (-)	2,173	1,676
Period End Cost	86,505	64,091
Period End Accumulated Depreciation (-)	3,288	2,501
Closing Net Book Value	83,217	61,59

17. Information on other assets:

Other Assets item of the balance sheet amounting to TL1,040,230 (31 December 2012: TL1,056,387) does not exceed 10% of the total amount of balance sheet except for off-balance sheet commitments.

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SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

II. Explanations and Disclosures Related to the Liabilities

1. a) Information on maturity structure of deposits:

a.1) Current period:

	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Month- 1 Year	1 Year and Over	Accumulated Deposits	Total
Saving deposits	868,553	-	3,681,611	6,883,524	766,696	46,239	37,610	-	12,284,233
Foreign currency deposits	1,794,303	-	2,133,375	4,916,572	368,080	115,708	216,797	-	9,544,835
Residents in Turkey	1,682,479	-	2,059,914	4,664,038	350,608	74,017	211,300	-	9,042,356
Residents abroad	111,824	-	73,461	252,534	17,472	41,691	5,497	-	502,479
Public sector deposits	220,770	-	5,665	23,918	348,071	-	-	-	598,424
Commercial deposits	1,975,878	-	1,454,858	3,416,921	459,263	46,560	11,879	-	7,365,359
Other institutions deposits	39,641	-	35,709	1,282,074	965,682	352	16,294	-	2,339,752
Precious metals deposits	408,705	-	114,088	127,414	6,669	14,484	-	-	671,360
Interbank deposits	116,470	-	1,297,495	59,754	-	8,182	2,110	-	1,484,011
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	34	-	220,047	2,024	-	8,182	2,110	-	232,397
Foreign Banks	47,286	-	1,077,448	57,730	-	-	-	-	1,182,464
Special finance houses	69,150	-	-	-	-	-	-	-	69,150
Other	-	-	-	-	-	-	-	-	-
Total	5,424,320	-	8,722,801	16,710,177	2,914,461	231,525	284,690	-	34,287,974

a.2) Prior period:

	Demand	7 Days Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Month- 1 Year	1 Year and Over	Accumulated Deposits	Total
Saving deposits	561,663	-	2,520,561	5,484,070	2,065,011	210,296	29,899	-	10,871,500
Foreign currency deposits	1,470,476	-	712,933	4,343,852	210,964	107,084	101,887	-	6,947,196
Residents in Turkey	1,379,111	-	712,933	4,005,023	194,861	56,510	101,511	-	6,449,949
Residents abroad	91,365	-	-	338,829	16,103	50,574	376	-	497,247
Public sector deposits	204,251	-	12,498	231,118	1,983	1,465	-	-	451,315
Commercial deposits	1,451,498	-	1,175,750	3,310,122	1,009,102	115,071	5,084	-	7,066,627
Other institutions deposits	30,226	-	32,306	871,266	805,831	29,076	23	-	1,768,728
Precious metals deposits	427,348	-	19,982	286,271	30,751	33,659	-	-	798,011
Interbank deposits	193,836	-	546,098	60,608	18,417	-	4,229	-	823,188
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	4	-	170,028	24,407	-	-	4,229	-	198,668
Foreign Banks	30,497	-	376,070	36,201	18,417	-	-	-	461,185
Special finance houses	163,335	-	-	-	-	-	-	-	163,335
Other	-	-	-	-	-	-	-	-	-
Total	4,339,298	-	5,020,128	14,587,307	4,142,059	496,651	141,122	-	28,726,565

b) Information on saving deposits under the guarantee of saving deposit insurance:

b.1) Saving deposits exceeding the limit of insurance:

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

Saving Deposits	Under the Guarantee of Insurance(*)		Exceeding the limit of Insurance(*)	
	Current Period	Prior Period	Current Period	Prior Period
Saving deposits	5,759,987	3,757,130	6,148,459	6,951,578
Foreign currency saving deposits	1,097,403	689,586	4,162,071	3,208,096
Other deposits in the form of saving deposits	282,197	206,322	327,503	522,832
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore banking regions' deposits under foreign authorities' insurance	-	-	-	-
Total	7,139,587	4,653,038	10,638,033	10,682,506

(*) According to the BRSA's circular no 1584 dated on 23 February 2005, accruals are included in the saving deposit amounts.

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**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

II. Explanations and Disclosures Related to the Liabilities (Continued)

ii) Deposits of real persons not under the guarantee of saving deposit insurance:

	Current Period	Prior Period
Deposits and accounts in branches abroad	208,053	145,967
Deposits of ultimate shareholders and their close families	766,595	229,879
Deposits of chairman and members of the Board of Directors and their close families	27,526	23,176
Deposits obtained through illegal acts defined in the 282 nd Article of the 5237 numbered Turkish Criminal Code dated 26 September 2004.	-	-
Saving deposits in banks established in Turkey exclusively for off shore banking activities	-	-

2. Information on derivative financial liabilities:

a) Negative differences table related to derivative financial liabilities held-for-trading:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	56,913	5,154	11,810	26,424
Swap Transactions	233,404	31,535	115,815	12,646
Futures Transactions	-	-	-	-
Options	147,561	7,144	48,198	18,306
Other	-	-	-	-
Total	437,878	43,833	175,823	57,376

3.a) Information on banks and other financial institutions:

	Current Period		Prior Period	
	TL	FC	TL	FC
Loans from Central Bank of Turkey	-	-	-	-
From Domestic Banks and Institutions	161,386	220,561	99,424	197,910
From Foreign Banks, Institutions and Funds	370,200	6,040,825	174,184	4,707,264
Total	531,586	6,261,386	273,608	4,905,174

As of 31 December 2013, the Bank has borrowings from its related parties amounting to TL3,088,488 (31 December 2012: TL2,606,616).

b) Maturity analysis of borrowings:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term	220,774	5,779,750	96,784	4,032,945
Medium and long-term	310,812	481,636	176,824	872,229
Total	531,586	6,261,386	273,608	4,905,174

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**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

II. Explanations and Disclosures Related to the Liabilities (Continued)

c) Additional explanation related to the concentrations of the Bank’s major liabilities:

The Bank diversifies its funding sources through customer deposit and borrowings from abroad. As of 31 December 2013 foreign borrowings of the Bank includes syndication loan obtained with the agreement dated 22 August 2013 and 27 August 2014 maturity amounting to EUR310,000,000 and USD140,000,000.

Bank makes analysis of its customers that provide the maximum amount of funds within the branches and throughout the Bank, in consideration of profitability. Bank takes short and long term preventive measures to spread its customers on a wider spectrum on the basis of customer concentration in the branches.

d) Information on funds provided from repurchase agreement transactions:

	Current Period		Prior Period	
	TL	FC	TL	FC
From domestic transactions	1,062,443	-	40,916	-
Financial institutions and organizations	1,062,443	-	40,916	-
Other institutions and organizations	-	-	-	-
Real persons	-	-	-	-
From foreign transactions	-	-	-	-
Financial institutions and organizations	-	-	-	-
Other institutions and organizations	-	-	-	-
Real persons	-	-	-	-
Total	1,062,443	-	40,916	-

e) Information on debt securities issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank bonds	507,046	-	333,689	-
Treasury bills	203,230	-	160,548	-
Total	710,276	-	494,237	-

Bond issued by the Bank on 4 March 2013 with a nominal value of TL99,711, maturity of 405 days, with due date of 14 April 2014, with an interest rate of 6.84908% and with an annual compound rate of 6.82406% has started to be publicly traded in bonds and bill market with the ISIN code “TRSTEBK41416”.

Bond issued by the Bank on 20 May 2013 with a nominal value of TL200,000, maturity of 386 days, with due date of 11 June 2014, with an interest rate of 5.81603% and with an annual compound rate of 5.80650% has started to be publicly traded in bonds and bill market with the ISIN code “TRSTEBK61414”.

Bond issued by the Bank on 7 October 2013 with a nominal value of TL350,000 maturity of 148 days, with due date of 5 March 2014, with an interest rate of 7.84266% and with an annual compound rate of 8.02640% has started to be publicly traded in bonds and bill market with the ISIN code “TRQTEBK31411”.

Bond issued by the Bank on 9 December 2013 with a nominal value of TL250,000 maturity of 169 days, with due date of 28 May 2014, with an interest rate of 8.85178% and with an annual compound rate of 9.06261% has started to be publicly traded in bonds and bill market with the ISIN code “TRQTEBK51419”.

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II. Explanations and Disclosures Related to the Liabilities (Continued)

- 4. Other liabilities which exceed 10% of the balance sheet total (excluding off-balance sheet commitments) and the breakdown of these which constitute at least 20% of grand total:**
None (31 December 2012: None).

5. Explanations on financial lease obligations (Net):

- a) The general explanations on criteria used in determining installments of financial lease agreements, renewal and purchasing options and restrictions in the agreements that create significant obligations to the bank:

In the financial lease agreements, installments are based on useful life, usage periods and principles of the Tax Procedural Law.

- b) The explanation on modifications in agreements and new obligations resulting from such modifications: None.

- c) Explanation on finance lease payables:

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	-	-	-	-
Between 1-4 Years	-	-	-	-
More than 4 Years	-	-	-	-
Total	-	-	-	-

- d) Explanations regarding operational leases:

For the period ended 31 December 2013, operational lease expenses amounting to TL159,858 (31 December 2012: TL141,644) have been recorded in the profit and loss accounts. The lease periods vary between 1 and 10 years and lease agreements are cancelable subject to a certain period of notice.

- e) Explanations on the lessor and lessee in sale and lease back transactions, agreement conditions, and major agreement terms: None.

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**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

II. Explanations and Disclosures Related to the Liabilities (Continued)

6. Negative differences table of derivative financial liabilities for hedging purposes:

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair value hedge	15,433	-	47,695	1
Cash flow hedge	53,822	-	120,811	-
Hedge of net investment in foreign operations	-	-	-	-
Total	69,255	-	168,506	1

7. Information on provisions:

a) Information on general provisions:

	Current Period	Prior Period
Provisions for First Group Loans and Receivables	387,103	315,620
Additional Provision for Loans and Receivables with Extended Maturities	52,914	22,203
Provisions for Second Group Loans and Receivables	53,208	26,553
Additional Provision for Loans and Receivables with Extended Maturities	14,860	1,926
Provisions for Non-Cash Loans	28,504	29,734
Other	1,113	9,269
Total	537,702	405,305

b) Foreign exchange losses on the foreign currency indexed loans and finance lease receivables:
The foreign exchange losses on the foreign currency indexed loans amounting to TL83,440
(31 December 2012: TL91,324) is offset from the loans on the balance sheet.

c) The specific provisions provided for unindemnified non cash loans amount to TL34,791 (31
December 2012: TL22,512).

d) Liabilities on unused vacation, bonus and employee termination benefits:

As of 31 December 2013 TL24,808 (31 December 2012: TL26,458) unused vacation provision,
TL85,927 (31 December 2012: TL89,898) employee termination benefit provision and
TL65,013 (31 December 2012: TL60,069) bonus for the employee are presented under “Reserve
for Employee Benefit” in financial statements.

d.1) Movement of employee termination benefits:

	Current Period	Prior Period
As of January 1	89,898	57,957
Service cost	12,266	8,338
Interest cost	6,566	5,385
Settlement cost	1,675	5,807
Actuarial loss/gain	(19,459)	23,693
Benefits paid	(5,019)	(11,282)
Total	85,927	89,898

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II. Explanations and Disclosures Related to the Liabilities (Continued)

7. Information on provisions: (Continued)

(i) Retirement Benefits:

The employees who have joined the Bank as a consequence of the merger of TEB and Fortis Bank are members of the “Pension Fund Foundation” established in accordance with the Social Security Law No.506, Article No.20.

The liabilities described in the Retirement Fund Section 3 No. XV “Explanations on Liabilities related to Rights of Employees” which may arise during the transfer have been calculated by the actuary based on the principles of the related regulation, whereas the liabilities in connection with other social rights and benefits which will not be undertaken by the SSI after the transfer have been calculated by the actuary based on IAS 19 principles. The Bank is not required to provide any provisions for any technical or actual deficit in the financial statements based on the actuarial report prepared as of 31 December 2012 and 31 December 2012. Since the Bank has no legal rights to carry the economic benefits arising from repayments of Pension Funds and/or decreases in future contributions at present value; no asset has been recognized in the balance sheet.

Based on the determined assumptions

Transferrable Retirement and Health Liabilities:	31 December 2013	31 December 2012
Net Present Value of Transferrable Retirement Liabilities	(915,853)	(823,577)
Net Present Value of Transferrable Retirement and Health Contributions	525,943	534,823
General Administration Expenses	(9,159)	(8,235)
Present Value of Pension and Medical Benefits Transferable to SSF (1)	(399,069)	(296,989)
Fair Value of Plan Assets (2)	1,264,472	1,179,000
Asset Surplus over Transferable Benefits ((2)-(1)=(3))	865,403	882,011
Non-Transferable Benefits (4)	(219,301)	(183,383)
Asset Surplus over Total Benefits ((3)-(4))	646,102	698,628

Distribution of total assets of the Retirement Fund as of 31 December 2013 and 31 December 2012 is presented below:

	31 December 2013	31 December 2012
Bank placements	1,159,056	1,060,309
Government Bonds and Treasury Bill, Fund and Accrual Interest		
Income	35,742	43,563
Tangible assets	68,267	66,840
Other	1,407	8,288
Total	1,264,472	1,179,000

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(Continued)**

II. Explanations and Disclosures Related to the Liabilities (Continued)

7. Information on provisions: (Continued)

Actuarial assumptions used in valuation of liabilities except for transferrable liabilities based on IAS 19 are as follows:

	31 December 2013	31 December 2012
Discount Rate	%10.10	%7.00
Expected Inflation Rate	%6.50	%4.61

Medical inflation is expected more than 40% for two periods. General wage increases and Social Security Institution (the “SSI”) increase of ceiling rate is expected in parallel to inflation rate. In order to represent the expected mortality rates before and after the retirement, CSO 2001 (31 December 2012: CSO 2001) Female/Male mortality table is used.

As of 31 December 2013, for all liabilities with the provision of TMS 19, the actuary open does not come as a result of the calculations made by independent actuaries.

e) Information on other provisions:

e.1) Provisions for possible losses: None (31 December 2012: None).

e.2) The breakdown of the subsidiary accounts if other provisions exceed 10% of the grand total of provisions:

	Current Period	Prior Period
Provision for legal cases	35,502	45,171
Provision for unindemnified non-cash loans	34,791	22,512
Provision for promotions of credit cards and banking services	12,204	12,093
Other	18,032	13,138
Total	100,529	92,914

8. Explanations on taxes payable:

a) Information on current tax liability:

	Current Period	Prior Period
Corporate Tax Payable	13,070	63,524
Taxation on Securities	26,875	23,176
Property Tax	1,804	1,637
Banking Insurance Transaction Tax (BITT)	28,977	24,915
Foreign Exchange Transaction Tax	15	10
Value Added Tax Payable	6,062	3,287
Other (*)	15,989	13,024
Total	92,792	129,573

(*) Others include income taxes deducted from wages amounting to TL11,777 (31 December 2012: TL10,618) and stamp taxes payable amounting to TL1,174 (31 December 2012: TL931).

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II. Explanations and Disclosures Related to the Liabilities (Continued)

8. Explanations on taxes payable: (Continued)

b) Information on premiums:

	Current Period	Prior Period
Social Security Premiums-Employee	4,434	3,478
Social Security Premiums-Employer	5,174	3,868
Bank Social Aid Pension Fund Premium-Employee	-	-
Bank Social Aid Pension Fund Premium-Employer	-	-
Pension Fund Membership Fees and Provisions-Employee	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employee	412	342
Unemployment Insurance-Employer	622	489
Other	-	-
Total	10,642	8,177

c) Explanations on deferred tax liabilities, if any: None (31 December 2012: None).

9. Information on liabilities regarding assets held for sale and discontinued operations:

None (31 December 2012: None).

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

The Bank has signed an agreement with the International Finance Corporation (IFC) on 27 June 2005, for a subordinated loan. The facility is a USD50 million subordinated loan, with a maturity of 15 July 2015 and with an interest rate of LIBOR+3.18%.

The Bank has obtained a primary subordinated loan by issuing a bond amounting to USD100 million as of 31 July 2007. The investor of the bond is IFC. The maturity of the borrowing is indefinite with semi-annually interest payment. The interest rate is defined as LIBOR+3.5% until 31 July 2017. In case the borrowed amount is not repaid at that date, the interest rate will be revised as LIBOR + 5.25%. Notes are issued as perpetual.

The Bank has obtained secondary subordinated loans by issuing a bond amounting to EUR 75 million as of 4 November 2011 and a bond amounting to EUR100 million as of 21 December 2011. The bond issue on 21 December 2011 amounting to EUR100 million is added up with the first issue of EUR75 million and together will be followed as EUR 175 million. Since the coupon rate of the issue amounting to EUR100 million is semi-annual Euribor + 5.25% and two issues stated above will be merged and the merged issue will carry the coupon rate of the first issue (Euribor + 4.75% on an annual basis), the price of EUR100 million issue has been determined as 96.026% (the price determined as the 12-year interest difference between two issues discounted by new issues semi-annual coupon rate of Euribor + 5.25%). As interest payment periods of the new issue will be same with the first one, 47-day interest accrual amounting to EUR852,527.78 related to the period between 4 November 2011 and 21 December 2011 was paid to the Bank by the investor purchasing the second issue. On 21 December 2011, total net amount of EUR96,878,527.78 is transferred to the bank accounts.

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**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

II. Explanations and Disclosures Related to the Liabilities (Continued)

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

The Bank, during its Board of Directors’ meeting dated 8 May 2012 has resolved to issue a debt instrument as Secondary Subordinated debt instrument with a value of USD 65 million on 14 May 2012. The semi annually interest rate of the issuance is determined as USD Libor + %5.75. The maturity date of the debt instrument is determined as 14 May 2024 and there is no option to repay within the first seven years. The debt instrument can be amortized on 14 May 2019 with the decision of the Board of Directors and upon the approval of Banking Regulation and Supervision Agency.

The Bank has resolved to issue a Secondary Subordinated Debt in the amount of EURO 100 million on 20 July 2012. The interest rate of the issuance has been determined as semi-annually EURIBOR + 4.75%. The maturity date of the debt instrument is 20 July 2024 and there is no option to repay within the first seven years. The debt instrument can be amortized on 20 July 2019 with the resolution of the BoD and upon the approval of the BRSA.

The Bank has resolved to issue a Secondary Subordinated Debt in the amount of EURO 125 million on 25 June 2013. The interest rate of the issuance has been determined as semi-annually EURIBOR + 2.1%. there is no option to repay within the first five years. The debt instrument can be amortized on 27 June 2018 with the resolution of the BoD and upon the approval of the BRSA.

The Bank has resolved to issue a Secondary Subordinated Debt in the amount of USD 65 million on 25 June 2013. The interest rate of the issuance has been determined as semi-annually EURIBOR + 3.40%. there is no option to repay within the first five years. The debt instrument can be amortized on 28 June 2018 with the resolution of the BoD and upon the approval of the BRSA

The above mentioned five subordinated loans are utilized in-line with the “loan capital” definition of BRSA and will positively affect the capital adequacy ratio of the Bank as well as utilizing long term funding

a) Information on subordinated loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	1,175,535	-	-
From Other Foreign Institutions	-	602,788	-	1,037,480
Total	-	1,778,323	-	1,037,480

11. Information on Shareholders’ Equity:

a) Presentation of Paid-in Capital:

	Current Period	Prior Period
Common stock	2,204,390	2,204,390
Preferred stock	-	-

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

Capital System	Paid-in capital	Ceiling
Registered Capital System	2,204,390	-

c) Information on share capital increases and their sources; other information on increased capital shares in current period: None.

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**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

III. Explanations and Disclosures Related to the Liabilities (Continued)

11. Information on Shareholders’ Equity: (Continued)

- d) Information on share capital increases from revaluation funds: None.
- e) Capital commitments in the last fiscal year and at the end of the following year end period, the general purpose of these commitments and projected resources required to meet these commitments: None.
- f) Indicators of the Bank’s income, profitability and liquidity for the previous periods and possible effects of these future assumptions on the Bank’s equity due to the uncertainty of these indicators:

Prior year income, profitability and liquidity of the Bank is closely monitored and reported to Board of Directors, Asset and Liability Committee, and Risk Management by the Budget and Financial Control Group. This group tries to forecast the effects of interest, currency and maturity fluctuations that change these indicators with static and dynamic scenario analysis. Net asset value, which is defined as the difference of fair values of assets and liabilities, is measured. Expectations are made for Bank’s future interest income via simulations of net interest income and scenario analysis.

- g) Information on preferred shares:

7% of the Bank’s remaining net income after tax subsequent to deducting legal reserves and first dividends, corresponding to the Bank’s 0,06 shares of TL30 (in full TL) is distributed to the founder shares.

- h) Information on marketable securities valuation differences:

	Current Period		Prior Period	
	TL	FC	TL	FC
From Associates, Subsidiaries, and Entities				
Under Common Control (Joint Vent.)	-	-	-	-
Valuation Difference (*)	(93,714)	15	57,529	4,016
Foreign Exchange Difference	-	-	-	-
Total	(93,714)	15	57,529	4,016

- (*) Government debt securities with TL224,275 nominal value which had been accounted as financial assets available for sale, have been classified as held to maturity investments with their market value amounting to TL287,008 as of 25 September 2013. As of 25 September, accumulated valuation difference amounting to negative TL38,362 for reclassified available for sale securities are followed under shareholders’ equity. This accumulated valuation difference is subjected to amortization according to the days to maturity and being transferred to profit/loss accounts in the related periods. As of 31 December 2013, total accumulated valuation difference of these securities followed under shareholders’ equity is negative TL36,973. Detail information for this classification was described at 5th chapter in 6-b note.

- 12. Information on minority shares: None (31 December 2012:None)**

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SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

III. Explanations and Disclosures Related to the Off-Balance Sheet Contingencies and Commitments

1. Information on off-balance sheet liabilities:

a) Nature and amount of irrevocable loan commitments:

	Current Period	Prior Period
Loan granting commitments	3,853,759	2,942,424
Commitments for credit card expenditure limits	3,545,841	2,933,697
Payment commitment for checks	2,002,630	1,879,298
Forward asset purchase commitments	1,742,558	1,309,306
Forward deposit purchase commitments	101,194	614,094
Tax and fund liabilities from export commitments	12,503	11,709
Commitments for promotions related with credit cards and banking activities	4,451	5,978
Other irrevocable commitments	188,342	147,132
Total	11,451,278	9,843,638

b) Possible losses and commitments related to off-balance sheet items:

The Bank, within the context of banking activities, undertakes certain commitments, consisting of loan commitments, letters of guarantee, acceptance credits and letters of credit.

b.1) Non-cash loans including guarantees, acceptances, financial guarantee and other letters of credits:

	Current Period	Prior Period
Letters of Credit	1,356,355	1,388,201
Bank Acceptances	271,178	903,219
Other Commitments	1,420,669	1,032,189
Other Contingencies	419,412	292,651
Total	3,467,614	3,616,260

b.2) Guarantees, surety ships, and similar transactions:

	Current Period	Prior Period
Guarantee Letters	5,333,081	4,519,954
Advance Guarantee Letters	1,159,907	921,924
Temporary Guarantee Letters	477,487	462,831
Guarantee Letters Given for Customs	377,222	317,546
Other Guarantee Letters	526,708	464,704
Total	7,874,405	6,686,959

c) c.1) Total amount of non-cash loans:

	Current Period	Prior Period
Non-cash loans given against achieving cash loans	781,422	887,465
With maturity of 1 year or less than 1 year	6,361	210,284
With maturity of more than 1 year	775,061	677,181
Other non-cash loans	10,560,597	9,415,754
Total	11,342,019	10,303,219

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III. Explanations and Disclosures Related to the Off-Balance Sheet Contingencies and Commitments (Continued)

c.2) Information on sectoral risk breakdown of non-cash loans:

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	71,081	1.50	45,051	0.68	57,744	1.43	114,344	1.82
Farming and raising livestock	53,208	1.12	39,686	0.60	43,248	1.07	112,166	1.79
Forestry, Wood and Paper	16,956	0.36	5,365	0.08	13,531	0.34	2,081	0.03
Fishery	917	0.02	-	0.00	965	0.02	97	0.00
Manufacturing	2,165,556	45.56	3,628,615	55.07	1,897,967	47.14	3,675,770	58.55
Mining and Quarry	138,368	2.91	120,580	1.83	122,124	3.03	123,292	1.96
Production	1,972,506	41.50	3,423,583	51.96	1,696,182	42.13	3,517,196	56.03
Electricity, Gas and Water	54,682	1.15	84,452	1.28	79,661	1.98	35,282	0.56
Construction	1,107,734	23.31	1,291,228	19.59	969,447	24.08	1,217,275	19.39
Services	1,323,725	27.85	770,737	11.69	1,021,259	25.37	539,858	8.60
Wholesale and Retail Trade	601,981	12.67	153,347	2.33	460,398	11.44	66,873	1.07
Hotel, Tourism, Food and Beverage Services	43,405	0.91	17,506	0.27	37,753	0.94	23,662	0.38
Transportation and Communication	242,465	5.10	388,412	5.89	217,069	5.39	258,234	4.11
Financial Institutions	113,596	2.39	92,958	1.41	79,383	1.97	65,557	1.04
Real Estate and Renting	144,737	3.05	64,203	0.97	91,587	2.27	64,885	1.03
Self-employment Services	93,798	1.97	33,518	0.51	71,903	1.79	31,128	0.50
Education Services	5,886	0.12	4,269	0.06	2,863	0.07	1,361	0.02
Health and Social Services	77,857	1.64	16,524	0.25	60,303	1.50	28,158	0.45
Other	84,489	1.78	853,803	12.97	79,764	1.98	729,791	11.64
Total	4,752,585	100.00	6,589,434	100.00	4,026,181	100.00	6,277,038	100.00

c.3) Information on I st and II nd Group non-cash loans:

Non-cash loans	I st Group		II st Group	
	TL	FC	TL	FC
Letters of guarantee	3,867,148	3,951,909	43,601	11,747
Bank acceptances	-	271,178	-	-
Letters of credit	381	1,355,591	-	383
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	838,980	998,626	2,475	-
Total	4,706,509	6,577,304	46,076	12,130

The Bank provided a reserve of TL62,012 (31 December 2012: TL46,581) for non-cash loans not indemnified yet amounting to TL34,791 (31 December 2012: TL22,512).

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(Continued)**

III. Explanations and Disclosures Related to the Off-Balance Sheet Contingencies and Commitments (Continued)

2. Information related to derivative financial instruments:

	Derivative transactions according to purposes			
	Trading		Hedging	
	Current Period	Prior Period	Current Period	Prior Period
Types of trading transactions				
Foreign currency related derivative transactions (I):	49,187,388	34,526,021	-	-
Forward transactions	8,850,451	6,265,980	-	-
Swap transactions	20,108,295	11,448,558	-	-
Futures transactions	-	-	-	-
Option transactions	20,228,642	16,811,483	-	-
Interest related derivative transactions (II):	6,514,648	2,256,150	-	-
Forward rate transactions	-	-	-	-
Interest rate swap transactions	6,238,386	1,945,502	-	-
Interest option transactions	276,262	310,648	-	-
Futures interest transactions	-	-	-	-
Marketable securities call-put options (III)	-	-	-	-
Other trading derivative transactions (IV)	-	-	-	-
A. Total trading derivative transactions (I+II+III+IV)	55,702,036	36,782,171	-	-
Types of hedging transactions				
Fair value hedges	-	-	599,491	1,441,536
Cash flow hedges	-	-	3,916,034	3,153,677
Net investment hedges	-	-	-	-
B. Total hedging related derivatives	-	-	4,515,525	4,595,213
Total Derivative Transactions (A+B)	55,702,036	36,782,171	4,515,525	4,595,213

Related to agreements of forward transactions and options; the information based on the type of forward and options transactions are disclosed separately, specified with related amounts, type of agreement, purpose of transaction, nature of risk, strategy of risk management, hedging relationship, possible effects on the Bank’s financial position, timing of cash flows, reasons of unrealized transactions which previously projected to be realized, income and expenses that could not be linked to income statement in the current period because of the agreements:

Forward foreign exchange and swap transactions are based on protection from interest and currency fluctuations. According to TAS, they do not qualify as hedging instruments and are remeasured at fair value.

i) Derivative instruments for fair value hedging purposes:

As of 1 July 2008, the Bank has started to apply fair value hedge accounting in order to avoid the effects of interest rate fluctuations in the market by matching its swap portfolio with its loan portfolio. As of 31 December 2013, nominal value of derivative instruments for hedging purposes is TL599,491 (31 December 2012: TL1,441,536) and its net fair value is TL40,563 (31 December 2012: TL32,389 negative) and its fair value of the hedged item loans is TL3,404 (31 December 2012: TL16,309). The Bank accounts TL78,670 income (31 December 2012: TL22,865 expense) for derivative instruments for hedging purposes and TL12,905 expense (31 December 2012: TL4,755 income) from hedged item loans in the financial statements.

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**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

III. Explanations and Disclosures Related to the Off-Balance Sheet Contingencies and Commitments (Continued)

2. Information related to derivative financial instruments: (Continued)

	Current Period			Prior Period		
	Nominal	Fair Value		Nominal	Fair Value	
		Asset	Liability		Asset	Liability
Interest Rate Swaps						
Cross Currency Swaps	599,491	56,962	15,433	1,441,536	5,064	47,696
	599,491	56,962	15,433	1,441,536	5,064	47,696

ii) Derivative instruments for cash flow hedge purposes:

The Bank has adopted cash flow hedge accounting by matching its swap portfolio having total buy-sell nominal amounting to TL3,916,034 since 2011 with the deposit portfolio having maturity up to 90 days. Effective portion of TL40,332 (31 December 2012: TL62,082 credit) debit accounted for under equity is presented after deduction of its deferred tax effect of TL8,046 (31 December 2012: TL12,614 debit) credit in the financial statements. In 2013, the ineffective portion of TL1,427 income (31 December 2012: TL3,455 expense) is accounted for under income statement.

	Current Period			Prior Period		
	Nominal	Fair Value		Nominal	Fair Value	
		Asset	Liability		Asset	Liability
Interest Rate Swaps	3,916,034	55,283	53,822	3,153,677	11,819	120,811

3. Credit derivatives and risk exposures on credit derivatives: None.

4. Explanations on contingent liabilities and assets:

- a.1) The Bank's share in contingent liabilities arising from entities under common control (joint ventures) together with other venturer: None.
- a.2) Share of entity under common control (joint ventures) in its own contingent liabilities: None.
- a.3) The Bank's contingent liabilities resulting from liabilities of other venturers in entities under common control (joint ventures): None.
- b) Accounting and presentation of contingent assets and liabilities in the financial statements:
 - b.1) Contingent assets are accounted for, if probability of realization is almost certain. If probability of realization is high, then it is explained in the footnotes: As of 31 December 2013, there are no contingent assets that need to be explained (31 December 2012: None).
 - b.2) A provision is made for contingent liabilities, if realization is probable and the amount can be reliably determined. If realization is remote or the amount cannot be determined reliably, then it is explained in the footnotes:

Following a resolution in favor of the Bank in 2003 for the case related to deduct accumulated losses from the corporate tax base for 2002 and for subsequent periods in accordance with Corporate Tax Law article 14/7; the Ministry of Finance appealed against the decision, however, the case was again concluded in favor of the Bank by Tax Supreme Court. In this context, the Bank acquired the right to deduct accumulated losses amounting to TL364,501 thousand from the corporate tax base. Related accumulated losses have been deducted from tax base by the Bank between the years 2003 and 2006.

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(Continued)**

III. Explanations and Disclosures Related to the Off-Balance Sheet Contingencies and Commitments (Continued)

4. Explanations on contingent liabilities and assets: (Continued)

On the other hand, the Tax Office has not taken into consideration the deduction amount of TL144,824 which is included in the 2003/4 temporary tax declaration based on the resolution of the Tax Supreme Court, and recalculated a temporary corporate tax liability of TL15,510 and levied a fine of TL16,131 to the Bank based on the declaration as of 20 April 2004. In that respect, the Bank has filed a counter case against the Tax Office, and 1st Tax Office decided in favor of the Bank with resolution no: K:2006/974 based on its decision related with 2002/I period explained above .

The Tax Office filed an appeal against the ruling; however, the 4th Administration of Council of State resolution no: K:2007/4747 ruled that the defendant’s claim on the Management’s double loss deduction should be initially reviewed and a new ruling should be made accordingly. Therefore the tax office’s resolution is overruled by the Council of State.

Although the 1st Tax Office of İstanbul had reviewed the related issues upon the Council of State’s overruling and conducted the litigation in favor of the Bank upon its resolution no: K:2010/2377, TL48,557 of loss amount is considered as undeductible in the basis of the resolution. Therefore, the Bank has filed an appeal on 4 October 2010 for the overruling of the related resolution basis and the outcome of the appeal is still in process. As the Bank management foresees no significant risk in relation to the related lawsuits, no provision is provided in the financial statements. The Bank has increased the tax base by TL2,863 in regards to the related lawsuit in accordance with the requirements of the Communiqué No:6111 “Restructuring of Specific Receivables and Social Insurance and General Health Insurance Law and Amendments to Some Other Laws and Requirements”.

5. Custodian and intermediary services:

The Bank provides trading and safe keeping services in the name and account of third parties, which are presented in the statement of contingencies and commitments.

Investment fund participation certificates held in custody which belong to the customers and the portfolio are accounted for with their nominal values. As of 31 December 2013 the total nominal value and number of certificates are TL1,726,140 and 172,614,007 thousand (31 December 2012: TL2,673,619 and 267,361,941 thousand) and the total fair value is TL8,211,335 (31 December 2012: TL9,894,934).

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**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

III. Explanations and Disclosures Related to the Off-Balance Sheet Contingencies and Commitments (Continued)

6. The information on the Bank’s rating by the international rating introductions (*):

The results of the ratings performed by Moody’s Investor Services and Fitch Ratings are shown below:

Moody’s Investor Services: October 2013

View	Stable
Bank Financial Strength	D+
Foreign Currency Deposits	Baa3/NP

Fitch Ratings: October 2013

Foreign Currency Commitments	
Long term	BBB
Short term	F3
View	Stable
Turkish Lira Commitments	
Long term	BBB+
Short term	F2
View	Stable
National	AAA (tur)
View	Stable
Individual Rating	bbb-
Support Points	2

(*) Ratings above are not performed based on the “Communiqué for Authorization and Activities of Rating Institutions” published by the Capital Markets Board.

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**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

IV. Explanations and Disclosures Related to the Statement of Income

1. a) Information on interest on loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on loans (*)				
Short term loans	1,768,355	114,767	1,831,807	140,924
Medium and long term loans	1,548,244	171,064	1,312,162	155,861
Interest on non-performing loans	35,228	-	29,471	-
Premiums received from Resource Utilization Support Fund	-	-	-	-
Total	3,351,827	285,831	3,173,440	296,785

(*) Includes fees and commissions obtained from cash loans amounting to TL103,255 (31 December 2012: TL106,335).

b) Information on interest received from banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of Turkey	-	-	-	-
Domestic banks	2,959	245	5,382	165
Foreign banks	3,404	862	2,663	1,432
Branches and head office abroad	-	-	-	-
Total	6,363	1,107	8,045	1,597

c) Information on interest received from securities portfolio:

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets held for Trading	61,713	735	52,902	8,329
Financial Assets Valued at Fair Value through Profit or Loss	-	-	-	-
Financial Assets Available-for-Sale	290,552	43	332,795	7,539
Investments Held-to-Maturity	7,893	-	-	-
Total	360,158	778	385,697	15,868

d) Interest received from Subsidiaries and Associates:

	Current Period	Prior Period
Interest received from Subsidiaries and Associates	328	4,222

2. a) Information on interest on funds borrowed (*) :

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
The Central Bank of Turkey	-	-	-	-
Domestic banks	7,612	5,793	7,884	5,910
Foreign banks	56,264	117,878	128,631	107,658
Branches and head office abroad	-	-	-	-
Other financial institutions	-	13,030	-	14,425
Total	63,876	136,701	136,515	127,993

(*) Includes fees and commission expenses of cash loans amounting to TL4,138 (31 December 2012: TL4,805).

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**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

IV. Explanations and Disclosures Related to the Statement of Income (Continued)

b) Information on interest expense to associates and subsidiaries:

	Current Period	Prior Period
Interest expenses to associates and subsidiaries	1,808	1,502

c) Information on interest expenses on securities issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expense on securities issued	32,288	-	37,311	
Total	32,288	-	37,311	-

d) Distribution of interest expenses on deposits based on maturity of deposits:

Account Name	Demand Deposits	Time Deposits					Accumulated Deposits	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year		
TL								
Bank deposits	-	21,082	1,484	449	182	253	-	23,450
Saving deposits	-	259,338	494,396	131,814	17,327	3,939	-	906,814
Public sector deposits	1	2,095	10,412	14,184	68	-	-	26,760
Commercial deposits	-	85,491	272,739	46,893	4,805	7	-	409,935
Other deposits	-	5,271	88,404	46,965	30,401	1,645	-	172,686
7 days call accounts	-	-	-	-	-	-	-	-
Total	1	373,277	867,435	240,305	52,783	5,844	-	1,539,645
FC								
Foreign currency deposits	-	47,762	114,248	15,644	4,010	4,775	-	186,439
Bank deposits	-	394	802	84	-	-	-	1,280
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	1,573	2,518	292	322	-	-	4,705
Total	-	49,729	117,568	16,020	4,332	4,775	-	192,424
Grand Total	1	423,006	985,003	256,325	57,115	10,619	-	1,732,069

3. Information on dividend income:

	Current Period	Prior Period
Trading Securities	-	-
Financial assets at fair value through profit and loss	-	-
Available-for-sale securities	1,716	874
Other	3,224	17,189
Total	4,940	18,063

4. Information on net trading income:

	Current Period	Prior Period
Income	8,875,074	5,144,767
Gains on capital market operations	136,298	64,702
Gains on derivative financial instruments (*)	3,072,440	1,527,692
Foreign exchange gains (**)	5,666,336	3,552,373
Losses (-)	8,803,370	5,226,230
Losses on capital market operations	94,604	34,451
Losses on derivative financial instruments (*)	2,614,321	2,007,565
Foreign exchange losses (**)	6,094,445	3,184,214

(*) Foreign exchange gains on hedging transactions are TL62,823 (31 December 2012: TL1,410), while foreign exchange losses on hedging transactions are TL3,338 (31 December 2012: TL15,229).

(**) Foreign exchange gains on derivative financial transactions are TL98,883 (31 December 2012: TL37,244 foreign exchange losses)

5. Information on other operating income:

There is no issue that includes new developments and can influence the Bank's income significantly.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
UNCONSOLIDATED YEAR END FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**TÜRK EKONOMİ BANKASI A.Ş.
UNCONSOLIDATED NOTES TO THE YEAR END FINANCIAL STATEMENTS FOR THE
PERIOD FROM 1 JANUARY TO 31 DECEMBER 2013**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

IV. Explanations and Disclosures Related to the Statement of Income (Continued)

6. Provision expenses of banks for loans and other receivables:

	Current Period	Prior Period
Specific provisions for loans and other receivables	262,044	132,061
III. Group Loans and Receivables	67,816	43,943
IV. Group Loans and Receivables	92,066	50,046
V. Group Loans and Receivables	102,162	38,072
General provision expenses	132,397	141,191
Provision expenses for possible losses	-	-
Marketable securities impairment losses	-	-
Financial assets at fair value through profit and loss	-	-
Investment securities available for sale	-	-
Impairment provision expense	-	-
Associates	-	-
Subsidiaries	-	-
Entities under common control (Joint Vent.)	-	-
Investments held to maturity	-	-
Other	577	650
Total	395,018	273,902

7. Information on other operating expenses:

	Current Period	Prior Period
Personnel expenses (*)	725,162	634,396
Reserve for employee termination benefits (**, *****)	25,356	30,284
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Depreciation expenses of fixed assets	69,250	70,682
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	14,132	11,874
Impairment for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	5,463	1,858
Depreciation expenses of assets to be disposed	2,173	1,676
Impairment expenses of assets held for sale and discontinued operations	-	-
Other operating expenses	620,849	519,392
Operating lease expenses (***)	159,858	141,644
Maintenance expenses	27,639	17,359
Advertisement expenses (****)	79,060	66,778
Other expenses	354,292	293,611
Loss on sales of assets	1,266	3,364
Other (*****)	238,206	209,066
Total	1,701,857	1,482,592

(*) As of 31 December 2012, includes restructuring expenses amounting to TL11,602 (31 December 2013: None).

(**) As of 31 December 2012, includes TL7,646 restructuring charges (31 December 2013: None).

(***) As of 31 December 2012, includes TL1,382 restructuring charges (31 December 2013: None).

(****) Includes TL295 restructuring charges. (31 December 2013: None).

(*****) Included TL43,951 (31 December 2012: TL26,496) in other premiums paid to the Saving Deposit Insurance Fund, TL83,010 (31 December 2012: TL72,997) is other taxes and duties paid and as of 31 December 2012 merger and restructuring costs is TL11,492.(31 December 2013: None).

(*****) The classification mentioned in the 3rd part XXIV numbered note has been done in prior year financial statement.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
UNCONSOLIDATED YEAR END FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**TÜRK EKONOMİ BANKASI A.Ş.
UNCONSOLIDATED NOTES TO THE YEAR END FINANCIAL STATEMENTS FOR THE
PERIOD FROM 1 JANUARY TO 31 DECEMBER 2013**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

IV. Explanations and Disclosures Related to the Statement of Income (Continued)

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

Profit before tax of the Bank consists of net interest income and net fees and commission income amounting to TL1,972,239 (31 December 2012: TL1,844,714) and TL647,518 (31 December 2012: TL536,890), respectively; while operating expenses are TL1,701,857 (31 December 2012: TL1,482,592).

9. Information on tax provision for continued and discontinued operations:

- a) As of 31 December 2013, the current tax charge is TL60,125 (31 December 2012: TL239,694), and deferred tax asset is TL103,991 (31 December 2012: TL84,599 deferred tax liability). There is no current and deferred tax income due to calculated discontinued operations.
- b) Deferred tax benefit on temporary differences resulted from continued operations is TL103,991 (31 December 2012: TL84,599 deferred tax liability).
- c) Tax reconciliation:

	Current Period	Prior Period
Profit before tax	699,164	653,661
Additions	160,167	158,120
Nonallowable expenses	28,658	17,167
General loan loss provision	131,509	140,953
Deductions	(38,751)	(23,366)
Dividend income	(4,910)	(17,929)
Other	(33,841)	(5,437)
Taxable Profit / (Loss)	820,580	788,415
Corporate tax rate	20%	20%
Tax calculated	164,116	157,683

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

The Bank's net profit from continued operations for the year ended 31December 2013 is TL535,048 (31 December 2012: TL495,978).

11. The explanations on net income / loss for the period:

- a) The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the complete understanding of the Bank's performance for the period: None (31 December 2012: None).
- b) Effect of changes in accounting estimates on income statement for the current and, if any, for subsequent periods: None (31 December 2012: None).
- c) Profit or loss attributable to minority shares: None (31 December 2012: None)

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
UNCONSOLIDATED YEAR END FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**TÜRK EKONOMİ BANKASI A.Ş.
UNCONSOLIDATED NOTES TO THE YEAR END FINANCIAL STATEMENTS FOR THE
PERIOD FROM 1 JANUARY TO 31 DECEMBER 2013**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

IV. Explanations and Disclosures Related to the Statement of Income (Continued)

12. If the other items in the income statement exceed 10% of the income statement total accounts amounting to at least 20% of these items:

	Current Period	Prior Period
<u>Other fees and commissions received</u>		
Card fee and commissions	446,587	441,309
Intelligence fee and commissions	61,410	45,753
Insurance commissions	52,091	40,233
Settlement expense provision, eft, swift, agency commissions	29,509	17,653
Transfer commissions	26,333	29,134
Fund management fees	22,221	18,492
Commissions and fees earned from correspondent banks	5,726	14,880
Other	207,272	173,246
Total	851,149	780,700
<u>Other fees and commissions paid</u>		
Credit cards commissions and fees	226,183	258,824
Settlement expense provision, eft, swift, agency commissions	10,556	8,279
Commissions and fees paid to correspondent banks	6,792	6,019
Other	59,981	53,622
Total	303,512	326,744

V. Explanations and Disclosures Related to Statement of Changes in Shareholders' Equity

- a) Increasing resulting from revaluation of financial assets available for sale is TL194,054 (31 December 2012: TL201,018 decreased) and change effect to deferred tax is TL38,810 (31 December 2012: TL40,203)

Gain or loss arising from measurement of financial assets available-for-sale included in shareholders' equity in the current period, excluding those related to hedging amounting TL105,299 expense (31 December 2012: TL204,477 income).

The amount recycled from equity to net income/loss account if the loss or gain related with measurement at fair value is recorded to equity for the financial assets available-for-sale (excluding the assets related to hedging): TL88,755 income (31 December 2012: TL3,460 income).

- b) Increase in cash flow risk hedging items:
The Bank hedges itself against cash flow risk from Turkish Lira short term time deposits through its interest rate swaps. In this context, the effective portion is accounted for under equity in "Hedging Funds" account. The related amount in year 2013 is TL102,314 increased (31 December 2012: TL67,713 decreased) and change effect to deferred tax is TL20,463 (31 December 2012: TL13,543).
- c) The reconciliation related with foreign exchange amounts in the beginning and end of the period: None.
- d) Dividends declared subsequent to the balance sheet date, but before the announcement of the financial statements: None.
- e) Dividends per share proposed subsequent to the balance sheet date: Profit appropriation will be resolved in the General Assembly meeting which has not been conducted as of the date of the accompanying financial statements are authorized for issue.
- f) Proposals to General Assembly for the payment dates of dividends and if it will not be appropriated the reasons for this: The Board of Directors has not decided for profit appropriation as of the date of the financial statements are authorized for issue.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
UNCONSOLIDATED YEAR END FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**TÜRK EKONOMİ BANKASI A.Ş.
UNCONSOLIDATED NOTES TO THE YEAR END FINANCIAL STATEMENTS FOR THE
PERIOD FROM 1 JANUARY TO 31 DECEMBER 2013**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

**V. Explanations and Disclosures Related to Statement of Changes in Shareholders' Equity
(Continued)**

g) Amounts transferred to legal reserves: Amount transferred to legal reserves is TL24,281 in 2013 (31 December 2012: TL10,334).

h) Information on shares issued:

The Bank has not recorded any shares issued in “Share Premium” account in the current period

VI. Explanations and Disclosures Related to Statement of Cash Flows

**1. The effects of the other items stated in the cash flow statement and the changes in foreign
currency exchange rates on cash and cash equivalents:**

“Other items” amounting to TL1,196,638 (31 December 2012: TL1,733,960) in “Operating profit before changes in operating assets and liabilities” consists of fees and commissions paid and other expenses except for leasing expenses, reserve for employee termination benefits, depreciation charges and taxes paid.

“Net increase/decrease in other liabilities” amounting to TL170,520 (31 December 2012: TL229,184) in “Changes in operating assets and liabilities” consists of changes in sundry creditors, other liabilities and interbank money market borrowings. “Net increase/decrease in other assets” with a total amount of TL1,881,042 (31 December 2012: TL2,051,946) consists of changes in sundry debtors, blocked reserved deposits and other assets.

Other items” amounting to TL44,644 (31 December 2012: TL16,939) in “Net cash provided from investing activities” consists of cash paid for purchases of intangible assets.

Effect of change in foreign exchange rate on cash and cash equivalents includes the foreign exchange effect resulting from the translation of cash and cash equivalents in foreign currency by using the foreign exchange rates at the beginning and at the end of the period, and it is TL28,013 for the year 2012 (31 December 2012: TL16,322 negative).

2. Cash and cash equivalents at beginning and end of periods:

The reconciliation of the components of cash and cash equivalents, accounting policies used to determine these components, the effect of any change made in accounting principle in the current period, the recorded amounts of the cash and cash equivalent assets at the balance sheet and the recorded amounts in the cash flow statement:

Beginning of the period	Current Period	Prior Period
Cash	1,088,529	2,429,724
Cash in TL/Foreign Currency	591,035	487,808
Central Bank – Unrestricted amount	447,146	1,616,648
Other	50,348	325,268
Cash equivalents	2,378,675	817,678
Banks	678,675	307,678
Money market placements	1,700,000	510,000
Total cash and cash equivalents	3,467,204	3,247,402

End of the period	Current Period	Prior Period
Cash	1,546,637	1,088,529
Cash in TL/Foreign Currency	673,702	591,035
Central Bank – Unrestricted amount	852,969	447,146
Other	19,966	50,348
Cash equivalents	286,135	2,378,675
Banks	286,135	678,675
Money market placements	-	1,700,000
Total cash and cash equivalents	1,832,772	3,467,204

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
UNCONSOLIDATED YEAR END FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**TÜRK EKONOMİ BANKASI A.Ş.
UNCONSOLIDATED NOTES TO THE YEAR END FINANCIAL STATEMENTS FOR THE
PERIOD FROM 1 JANUARY TO 31 DECEMBER 2013**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

VII. Explanations on the Risk Group of the Bank

1. Volume of related party transactions, income and expense amounts involved and outstanding loan and deposit balances:

Balance sheet items of previous periods are presented as of 31 December 2012; income/expense items of previous periods are presented as of 31 December 2012.

a) Current Period:

Related Parties	Subsidiaries, associates and entities under common control (Joint Vent.)		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
	Loans and other receivables					
Balance at beginning of period	64	8,368	2,815	4	35,486	396,822
Balance at end of period	97	7,967	20,666	10	12,228	376,434
Interest and commission income	328	181	2,730	32	887	626

Subsidiaries, associates and entities under common control balance above includes TL97, direct and indirect shareholders of the Bank balance above includes TL13,536 and other entities included in the risk group balance above includes TL666 placement in foreign banks.

b) Prior Period:

Related Parties	Subsidiaries, associates and entities under common control (Joint Vent.)		Direct and indirect Shareholders of the Bank		Other entities included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
	Loans and other receivables					
Balance at beginning of period	404	3,126	76,412	4	127,364	231,970
Balance at end of period	64	8,368	2,815	4	35,486	396,822
Interest and commission income received	4,222	113	3,684	23	16,163	95

Subsidiaries, associates and entities under common control balance above includes TL64, direct and indirect shareholders of the Bank balance above includes TL2,118 and other entities included in the risk group balance above includes TL152 placement in foreign banks

c) c.1) Information on related party deposits balances:

Related parties	Subsidiaries, associates and entities under common control (Joint Vent.)		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Current Period	Prior Period	Current period	Prior period	Current period	Prior Period
	Deposits					
Balance at beginning of period	44,929	46,466	471,343	430,246	236,958	372,913
Balance at end of period	55,298	44,929	1,148,318	471,343	667,056	236,958
Interest on deposits	1,808	1,502	27,654	14,033	9,677	23,496

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
UNCONSOLIDATED YEAR END FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**TÜRK EKONOMİ BANKASI A.Ş.
UNCONSOLIDATED NOTES TO THE YEAR END FINANCIAL STATEMENTS FOR THE
PERIOD FROM 1 JANUARY TO 31 DECEMBER 2013**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

VII. Explanations on the Risk Group of the Bank (Continued)

1. Volume of related party transactions, income and expense amounts involved and outstanding loan and deposit balances: (Continued)

c.2) Information on forward and option agreements and other similar agreements made with related parties:

Related Parties	Subsidiaries, associates and entities under common control (Joint Vent.)		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Current Period	Prior Period	Current period	Prior period	Current period	Prior Period
Financial Assets at Fair Value Through Profit and Loss						
Beginning of period	-	-	8,489,076	9,020,778	3,628	178,125
End of period	-	-	11,369,222	8,489,076	664,232	3,628
Total income/loss	-	-	(35,159)	12,945	1,563	792
Hedging transactions purposes						
Beginning of period	-	-	830,956	522,500	-	-
End of period	-	-	480,718	830,956	-	-
Total income/loss	-	-	24,388	(16,405)	-	-

d) As of 31 December 2013, the total amount of remuneration and benefits provided for the senior management of the Bank is TL25,217 (31 December 2012: TL26,259).

VIII. Explanations on the Bank’s Domestic Branches, Agencies and Branches Abroad and Off-shore Branches

1. Explanations on the Bank’s domestic branches, agencies and branches abroad and off-shore branches:

	Numbers	Employees		Total Assests	Capital
Domestic branches	539	9,935			
Rep-offices abroad	-	-	Country		
Branches abroad	4	63	Cyprus	485,440	20,000
Off-shore branches	1	3	Bahrain	889,687	-

2. Explanations on Branch and Agency Openings or Closings of the Bank:

In the year 2013, Bank opened 36 branches , closed 1 branch.

IX. Explanations on significant events and matters arising subsequent to balance sheet date:

None.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
UNCONSOLIDATED YEAR END FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**TÜRK EKONOMİ BANKASI A.Ş.
UNCONSOLIDATED NOTES TO THE YEAR END FINANCIAL STATEMENTS FOR THE
PERIOD FROM 1 JANUARY TO 31 DECEMBER 2013**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

SECTION SIX

OTHER EXPLANATIONS

I. Explanations on Other Activities of Bank

None.

SECTION SEVEN

INDEPENDENT AUDITOR’S REPORT

I. Explanations on the Independent Auditor’s Report

The unconsolidated financial statements of the Bank were audited by Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and the independent auditor’s report dated 13 February 2014 is presented preceding the financial statements.

II. Other Footnotes and Explanations Prepared by the Independent Auditors

None.

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**CONSOLIDATED FINANCIAL STATEMENTS
TÜRK EKONOMİ BANKASI ANONİM ŞİRKET AND ITS FINANCIAL SUBSIDIARIES INDEPENDENT
AUDITOR'S REPORT, CONSOLIDATED FINANCIAL STATEMENTS AND NOTES FOR THE YEAR ENDED
DECEMBER 31, 2013**

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

TÜRK EKONOMİ BANKASI A.Ş.

**PUBLICLY ANNOUNCED CONSOLIDATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2013**

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

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

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

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

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

Disclosure for the Responsibility of the Authorized Audit Firm:

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

Independent Auditor's Opinion:

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Türk Ekonomi Bankası A.Ş. and its consolidated subsidiaries at 31 December 2013 and the results of its operations and its cash flows for the period then ended in accordance with accounting principles and standards set out by regulations in conformity with articles 37 and 38 of the Banking Act No. 5411 and other regulations, communiques, interpretations and circulars published by the BRSA on accounting and financial reporting principles.

Additional Paragraph for Convenience Translation:

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

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

Zeynep Uras, SMMM
Partner

Istanbul, 13 February 2014

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS AND AUDITED REPORT
ORIGINALLY ISSUED IN TURKISH, SEE IN NOTE I. OF SECTION THREE**

**CONSOLIDATED FINANCIAL REPORT OF TÜRK EKONOMİ BANKASI A.Ş.
AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2013**

Address : Saray Mahallesi Sokullu Caddesi No:7/A – 7/B
Ümraniye 34768 - İstanbul
Telephone : (0 216) 635 35 35
Fax : (0 216) 636 36 36
Website : www.teb.com.tr
E-mail : investor.relations@teb.com.tr

The consolidated financial report for the year-end prepared in accordance with “Communiqué on the Financial Statements and the Related Policies and Disclosures to be Publicly Announced” as regulated by the Banking Regulation and Supervision Agency, is consist of the sections listed below:

- General Information About The Parent Bank
- Consolidated Financial Statements Of The Parent Bank
- Explanations On The Accounting Policies Applied In The Related Period
- Information On Financial Structure Of The Group Which Is Under Consolidation
- Explanatory Disclosures And Footnotes On Consolidated Financial Statements
- Other Explanation
- Independent Auditor’s Report

The subsidiaries, associates and jointly controlled entities, financial statements have been consolidated in this reporting package are as follows:

	Subsidiaries	Associates	Jointly Controlled Entities
1	The Economy Bank N.V.	-	-
2	Stichting Effecten Dienstverlening	-	-
3	Kronenburg Vastgoed B.V.	-	-
4	TEB Yatırım Menkul Değerler A.Ş.	-	-
5	TEB Faktoring A.Ş.	-	-
6	TEB Portföy Yönetimi A.Ş.	-	-

The consolidated financial statements and the explanatory disclosures and footnotes, unless otherwise stated, are presented **in thousands of Turkish Lira**, in accordance with the Regulation on Accounting Applications For Banks and Safeguarding Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, related statements and guidances, and in compliance with the financial records of the Bank, have been independently audited and presented as attached.

	Jean -Milan Charles				
	Dominique	Dr. Akın			
Yavuz Canevi	Givadinovitch	Akbaygil	Ümit Leblebici	M. Aşkın Dolaştır	Gökhan Kazcılar
Chairman of	Chairman	Vice Chairman	General Manager	Assistant General	Director
the Board of	of the Audit	of the Audit		Manager Responsible of	Responsible of
Directors	Committee	Committee		Financial Reporting	Financial Reporting

Information related to responsible personnel for the questions can be raised about financial statements:

Name-Surname/Title : Çiğdem Çelikkbilek / Investor Relations Manager

Tel No : (0216) 635 24 63

Fax No : (0216) 636 36 36

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**TÜRK EKONOMİ BANKASI A.Ş.
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM
1 JANUARY TO 31 DECEMBER 2013**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

SECTION ONE

GENERAL INFORMATION

I. History of the Parent Bank, Including its Incorporation Date, Initial Legal Status and Amendments to Legal Status, if any

Türk Ekonomi Bankası Anonim Şirketi (“TEB” or “The Bank”), which had been a local bank incorporated in Kocaeli in 1927 under the name of Kocaeli Halk Bankası T.A.Ş., was acquired by the Çolakoğlu Group in 1982. Its title was changed as Türk Ekonomi Bankası A.Ş. and its headquarters moved to İstanbul. On 10 February 2005, BNP Paribas took over 50% of shares of TEB Holding A.Ş. Consequently, BNP Paribas became indirect shareholder of TEB with 42.125% ownership. In 2009 BNP Paribas Group successively acquired 75% of Fortis Bank Belgium and 66% of Fortis Bank Luxembourg and became the shareholder holding the majority of the shares of Fortis Bank Turkey. The indirect majority shareholders of TEB which are BNP Paribas and Çolakoğlu Group has agreed on the merger of TEB and Fortis Bank under the trademark of TEB and following the authorizations obtained from the regulatory authorities on 14 February 2011 the legal merge of two banks has been performed. The process regarding the procedure has been summarized below. As a result of the merger of TEB Holding, TEB has a majority stake of 55% and on the other hand Çolakoğlu Group and BNP Paribas has the share of 50 %.

II. Explanation on the Parent Bank’s Capital Structure, Shareholders of the Parent Bank who are in Charge of the Management and/or Auditing of the Parent Bank Directly or Indirectly, Changes in These Matters (if any), and the Group the Parent Bank Belongs to

After the share purchases of BNPP Yatırımlar Holding A.Ş. in 2013, their capital ration has risen from 23.3450% to 23.5141%.

After the share purchases of Fortis Yatırımlar Holding A.Ş. in 2013, their capital ration has risen from 17.0834% to 17.2524%.

As of 31 December 2013 and 31 December 2012 the shareholders’ structure and their respective ownerships are summarized as follows:

Name of shareholders	As of 31 December 2013		As of 31 December 2012	
	Paid in capital	%	Paid in capital	%
TEB Holding A.Ş.	1,212,414	55.00	1,212,414	55.00
BNPP Yatırımlar Holding A.Ş.	518,342	23.51	514,616	23.34
BNP Paribas Fortis Yatırımlar Holding A.Ş.	380,311	17.25	376,584	17.08
Publicly Traded	92,222	4.18	99,556	4.52
Other Shareholders	1,101	0.06	1,220	0.06
	2,204,390	100.00	2,204,390	100.00

As of 31 December 2013, Parent Bank’s paid-in-capital consists of TL2,204,390,000 shares of TL1.00 (full TL) nominal each.

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1 JANUARY TO 31 DECEMBER 2013**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

GENERAL INFORMATION (Continued)

III. Explanations Regarding the Chairman and the Members of Board of Directors, Audit Committee, General Manager and Assistants and Shares of the Parent Bank They Possess

<u>Name</u>	<u>Title</u>
Board of Directors;	
Yavuz Canevi	Chairman of the Board of Directors
Dr.Akın Akbaygil	Vice Chairman of the Board of Directors and Vice Chairman of the Audit Committee and Independent Member of the Board
Jean-Milan Charles Dominique Givadinovitch	Member of the Board of Directors, Chairman of the Audit Committee and Independent Member of the Board of Directors
Jean Paul Sabet	Vice Chairman of the Board of Directors
Ayşe Aşardağ	Member of the Board of Directors
Ümit Leblebici	General Manager and Member of the Board of Directors
Sabri Davaz	Member of the Board of Directors and Audit Committee
Alain Georges Auguste Fonteneau	Member of the Board of Directors
Yvan L.A.M De Cock	Member of the Board of Directors and Audit Committee
Musa Erden	Member of the Board of Directors
Béatrice Thérèse Elisabeth Marie- Paule Dumurgier Cossa	Member of the Board of Directors
Henri Simon Andre Foch	Member of the Board of Directors
Alain Kokocinski	Independent Member of the Board of Directors
İsmail Yankı	Independent Member of the Board of Directors
Assistant General Managers;	
Turgut Boz	Assistant General Manager Responsible from SME Banking, Deputy General Manager
Gökhan Mendi	Assistant General Manager Responsible from Consumer Banking and Private Banking
Dr. Nilsen Altıntaş	Assistant General Manager Responsible from Human Resources
Melis Coşan Baban	Chief Legal Counsel and Secretary of the Board of Directors
Mehmet Ali Cer	Assistant Manager Responsible from Information Technologies
Levent Çelebioğlu	Assistant General Manager Responsible from Corporate Banking
Mustafa Aşkın Dolaştır	Assistant General Manager Responsible from Financial Control
Philippe Bernard Dumel	Chief Operational Officer
Osman Durmuş	Assistant General Manager Responsible from Consumer Loans and Business Loans
Kubilay Güler	Banking Operations & Facility Services Ass. General Manager
Başar Ordukaya	Assistant General Manager Responsible from Large Corporate Customers
Akil Özçay	Assistant Manager Responsible from Financial Markets
Gökhan Özdil	Assistant General Manager Responsible from Corporate Loans
Saniye Telci	Central and Corporate Operations Assistant General Manager
Nuri Tuncalı	Assistant General Manager Responsible from SME Loans
Eric Patrice Paul Josserand	Assistant General Manager Responsible from Corporate Investment Banking
Group Heads (*);	
Didier Albert Nicole Van Hecke	Chief Risk Officer
Biröl Deper	Head of Compliance Group and Internal Control Group, Officer Responsible from Consumer Relations Coordination
Inspection Committee (*);	
Hakan Tıraşın	Chairman of the Inspection Committee

(*) Group Heads and Chairman of the Inspection Committee are in Assistant General Manager status.

Shares of the Bank owned by the above stated Chairman and Members of Board of Directors, General Manager and Assistants are negligible.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
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**TÜRK EKONOMİ BANKASI A.Ş.
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM
1 JANUARY TO 31 DECEMBER 2013**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

GENERAL INFORMATION (Continued)

IV. Information About the Persons and Institutions That Have Qualified Shares in the Parent Bank

Name / Commercial Name	Share Amount	Share Ratio	Paid up Shares	Unpaid Shares
TEB Holding A.Ş.	1,212,414	55.00%	1,212,414	-
BNP Yatırımlar Holding A.Ş.	518,342	23.51%	518,342	-
BNP Paribas Fortis Yatırımlar Holding A.Ş.	380,311	17.25%	380,311	-

TEB Holding A.Ş. is the controlling party of the Parent Bank’s capital having both direct and indirect qualified shares. TEB Holding A.Ş. is a member of both Çolakoğlu and BNP Paribas groups. 50% of the shares of TEB Holding A.Ş. are controlled by BNP Paribas, while the remaining 50% is controlled by Çolakoğlu Group. BNP Paribas Fortis Yatırımlar Holding A.Ş. BNP Paribas Fortis Yatırımlar Holding A.Ş. is controlled by BNP Paribas Fortis NV/SA whose shareholders are BNP Paribas Fortis NV/SA by 100% shares, respectively. 100% of the shares of BNP Yatırımlar Holding is controlled by BNP Paribas S.A. The Belgium State has 9.98% shares in BNP Paribas S.A.

V. Summary on the Parent Bank’s Functions and Areas of Activity

The Parent Bank’s operating areas include, corporate, retail and private banking as well as project finance, fund management and custody operations. Besides the ordinary banking operations, the Parent Bank is handling agency functions through its branches on behalf of TEB Yatırım Menkul Değerler A.Ş., TEB Portföy Yönetim A.Ş., Zurich Sigorta A.Ş. and Cardif Hayat Sigorta A.Ş. As of 31 December 2013, the Parent Bank has 539 local branches and 5 foreign branches (31 December 2012: 504 local branches, 5 foreign branches).

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

None

SECTION TWO
CONSOLIDATED FINANCIAL STATEMENTS

- I. Consolidated Balance Sheet
- II. Consolidated Statement of Off-Balance Sheet Contingencies and Commitments
- III. Consolidated Statement of Income
- IV. Consolidated Statement of Profit and Loss Accounted for Under Equity
- V. Consolidated Statement of Changes in Shareholders' Equity
- VI. Consolidated Statement of Cash Flows
- VII. Consolidated Profit Distribution Table

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

**TÜRK EKONOMİ BANKASI A.Ş.
CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2013**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

I. CONSOLIDATED BALANCE SHEET - ASSETS (STATEMENT OF FINANCIAL POSITION)

	Section 5 Note Ref.	Audited Current Period 31.12.2013			Audited Prior Period 31.12.2012		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(I-1)	632,299	6,179,313	6,811,612	768,858	3,680,542	4,449,400
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(I-2)	1,299,445	84,672	1,384,117	544,118	94,887	639,005
2.1 Financial assets held for trading		1,299,445	84,672	1,384,117	544,118	94,887	639,005
2.1.1 Public sector debt securities		642,579	12,268	654,847	445,796	26,499	472,295
2.1.2 Share certificates		-	-	-	-	-	-
2.1.3 Derivative financial assets held for trading		656,866	72,404	729,270	98,322	68,388	166,710
2.1.4 Other marketable securities		-	-	-	-	-	-
2.2 Financial assets classified at fair value through profit and loss		-	-	-	-	-	-
2.2.1 Public sector debt securities		-	-	-	-	-	-
2.2.2 Share certificates		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other marketable securities		-	-	-	-	-	-
III. BANKS	(I-3)	80,615	379,970	460,585	444,461	563,855	1,008,316
IV. MONEY MARKET PLACEMENTS		245	-	245	1,700,525	-	1,700,525
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3 Receivables from reverse repurchase agreements		245	-	245	1,700,525	-	1,700,525
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(I-4)	4,267,827	141,058	4,408,885	4,247,116	61,716	4,308,832
5.1 Share certificates		19,695	100	19,795	17,829	5,602	23,431
5.2 Public sector debt securities		4,246,912	119,574	4,366,486	4,228,115	56,114	4,284,229
5.3 Other marketable securities		1,220	21,384	22,604	1,172	-	1,172
VI. LOANS AND RECEIVABLES	(I-5)	31,410,241	8,233,107	39,643,348	24,505,325	6,490,263	30,995,588
6.1 Loans and receivables		31,070,196	8,231,279	39,301,475	24,247,866	6,480,325	30,728,191
6.1.1 Loans to Risk Group of the Bank		10,785	7,849	18,634	31,276	11,888	43,164
6.1.2 Public sector debt securities		-	-	-	-	-	-
6.1.3 Other		31,059,411	8,223,430	39,282,841	24,216,590	6,468,437	30,685,027
6.2 Non-performing loans		868,121	72,593	940,714	643,226	71,671	714,897
6.3 Specific provisions (-)		528,076	70,765	598,841	385,767	61,733	447,500
VII. FACTORING RECEIVABLES	(I-18)	641,838	450,849	1,092,687	521,099	233,668	754,767
VIII. HELD TO MATURITY INVESTMENTS (Net)	(I-6)	292,956	-	292,956	-	20,416	20,416
8.1 Public sector debt securities		292,956	-	292,956	-	20,416	20,416
8.2 Other marketable securities		-	-	-	-	-	-
IX. INVESTMENTS IN ASSOCIATES (Net)	(I-7)	-	-	-	-	-	-
9.1 Accounted for under equity method		-	-	-	-	-	-
9.2 Unconsolidated associates		-	-	-	-	-	-
9.2.1 Financial investments		-	-	-	-	-	-
9.2.2 Non-financial investments		-	-	-	-	-	-
X. INVESTMENTS IN SUBSIDIARIES (Net)	(I-8)	-	-	-	-	-	-
10.1 Unconsolidated financial subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated non-financial subsidiaries		-	-	-	-	-	-
XI. ENTITIES UNDER COMMON CONTROL (JOINT VENT.) (Net)	(I-9)	5	-	5	5	-	5
11.1 Consolidated under equity method		-	-	-	-	-	-
11.2 Unconsolidated		5	-	5	5	-	5
11.2.1 Financial subsidiaries		-	-	-	-	-	-
11.2.2 Non-financial subsidiaries		5	-	5	5	-	5
XII. FINANCE LEASE RECEIVABLES	(I-10)	-	-	-	-	-	-
12.1 Finance lease receivables		-	-	-	-	-	-
12.2 Operating lease receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned income (-)		-	-	-	-	-	-
XIII. DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES	(I-11)	112,182	63	112,245	16,726	157	16,883
13.1 Fair value hedge		56,899	63	56,962	4,907	157	5,064
13.2 Cash flow hedge		55,283	-	55,283	11,819	-	11,819
13.3 Hedge of net investment risks in foreign operations		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)	(I-12)	323,348	9,609	332,957	248,208	8,065	256,273
XV. INTANGIBLE ASSETS (Net)	(I-13)	475,492	1,332	476,824	445,328	808	446,136
15.1 Goodwill		421,124	-	421,124	421,124	-	421,124
15.2 Other		54,368	1,332	55,700	24,204	808	25,012
XVI. INVESTMENT PROPERTIES (Net)	(I-14)	-	-	-	-	-	-
XVII. TAX ASSET		41,122	1,574	42,696	131,297	6,985	138,282
17.1 Current tax asset		274	1,319	1,593	1,522	4,882	6,404
17.2 Deferred tax asset		40,848	255	41,103	129,775	2,103	131,878
XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(I-16)	83,217	-	83,217	61,590	-	61,590
18.1 Held for sale		83,217	-	83,217	61,590	-	61,590
18.2 Discontinued operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(I-17)	889,338	172,539	1,061,877	862,516	203,566	1,066,082
TOTAL ASSETS		40,550,170	15,654,086	56,204,256	34,497,172	11,364,928	45,862,100

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

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

**TÜRK EKONOMİ BANKASI A.Ş.
CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2013**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. CONSOLIDATED BALANCE SHEET - LIABILITIES AND EQUITY (STATEMENT OF FINANCIAL POSITION)

		Audited Current Period 31.12.2013			Audited Prior Period 31.12.2012			
		Section 5 Note Ref.	TL	FC	Total	TL	FC	Total
I.	DEPOSITS	(II-1)	24,018,946	11,514,200	35,533,146	21,042,270	8,917,664	29,959,934
1.1	Deposits from Risk Group of the Bank		1,269,421	624,319	1,893,740	516,211	262,262	778,473
1.2	Other		22,749,525	10,889,881	33,639,406	20,526,059	8,655,402	29,181,461
II.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(II-2)	437,878	44,953	482,831	176,413	58,402	234,815
III.	FUNDS BORROWED	(II-3)	1,065,147	6,917,400	7,982,547	702,410	5,307,605	6,010,015
IV.	MONEY MARKET BALANCES		1,083,153	-	1,083,153	65,120	-	65,120
4.1	Interbank money market takings		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money market takings		20,710	-	20,710	24,204	-	24,204
4.3	Funds provided under repurchase agreements	(II-3)	1,062,443	-	1,062,443	40,916	-	40,916
V.	MARKETABLE SECURITIES ISSUED (Net)	(II-3)	710,276	-	710,276	494,237	-	494,237
5.1	Bills		507,046	-	507,046	333,689	-	333,689
5.2	Asset backed securities		-	-	-	-	-	-
5.3	Bonds		203,230	-	203,230	160,548	-	160,548
VI.	FUNDS		-	-	-	-	-	-
6.1	Borrower funds		-	-	-	-	-	-
6.2	Other		-	-	-	-	-	-
VII.	SUNDRY CREDITORS		966,951	155,761	1,122,712	858,955	29,384	888,339
VIII.	OTHER LIABILITIES	(II-4)	910,875	1,278	912,153	1,154,042	2,286	1,156,328
IX.	FACTORING PAYABLES	(II-13)	2,942	5,070	8,012	623	3,365	3,988
X.	FINANCE LEASE PAYABLES	(II-5)	-	-	-	-	-	-
10.1	Finance lease payables		-	-	-	-	-	-
10.2	Operating lease payables		-	-	-	-	-	-
10.3	Other		-	-	-	-	-	-
10.4	Deferred finance lease expenses (-)		-	-	-	-	-	-
XI.	DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	(II-6)	69,438	-	69,438	168,506	1	168,507
11.1	Fair value hedge		15,616	-	15,616	47,695	1	47,696
11.2	Cash flow hedge		53,822	-	53,822	120,811	-	120,811
11.3	Hedge of net investment in foreign operations		-	-	-	-	-	-
XII.	PROVISIONS	(II-7)	826,643	17,788	844,431	688,370	13,541	701,911
12.1	General loan loss provisions		539,624	14,983	554,607	407,150	12,286	419,436
12.2	Restructuring reserve		-	-	-	516	-	516
12.3	Reserve for employee benefits		186,048	2,202	188,250	187,133	736	187,869
12.4	Insurance technical reserves (Net)		-	-	-	-	-	-
12.5	Other provisions		100,971	603	101,574	93,571	519	94,090
XIII.	TAX LIABILITY	(II-8)	107,782	333	108,115	141,205	457	141,662
13.1	Current tax liability		107,782	333	108,115	141,205	457	141,662
13.2	Deferred tax liability		-	-	-	-	-	-
XIV.	PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(II-9)	-	-	-	-	-	-
14.1	Held for sale		-	-	-	-	-	-
14.2	Discontinued operations		-	-	-	-	-	-
XV.	SUBORDINATED LOANS	(II-10)	-	1,778,323	1,778,323	-	1,037,480	1,037,480
XVI.	SHAREHOLDERS' EQUITY	(II-11)	5,416,436	152,683	5,569,119	4,823,154	176,610	4,999,764
16.1	Paid-in capital		2,204,390	-	2,204,390	2,204,390	-	2,204,390
16.2	Supplementary capital		714,670	(2,126)	712,544	764,799	4,959	769,758
16.2.1	Share premium		2,565	-	2,565	2,565	-	2,565
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Marketable securities valuation differences		(100,521)	(2,126)	(102,647)	50,780	4,959	55,739
16.2.4	Tangible assets revaluation differences		101,391	-	101,391	101,391	-	101,391
16.2.5	Intangible assets revaluation differences		-	-	-	-	-	-
16.2.6	Investment properties revaluation differences		-	-	-	-	-	-
16.2.7	Bonus shares obtained from associates, subsidiaries and jointly controlled entities (Joint Vent.)		527	-	527	527	-	527
16.2.8	Hedging funds (Effective portion)		32,185	-	32,185	(49,666)	-	(49,666)
16.2.9	Accumulated valuation differences from assets held for sale and from discontinued operations		-	-	-	-	-	-
16.2.10	Other capital reserves (*)		678,523	-	678,523	659,202	-	659,202
16.3	Profit reserves		1,911,073	154,809	2,065,882	1,349,369	171,651	1,521,020
16.3.1	Legal reserves		170,419	-	170,419	143,555	-	143,555
16.3.2	Status reserves		-	-	-	-	-	-
16.3.3	Extraordinary reserves		1,425,595	154,809	1,580,404	1,111,376	171,651	1,283,027
16.3.4	Other profit reserves		315,059	-	315,059	94,438	-	94,438
16.4	Profit or loss		578,313	-	578,313	496,894	-	496,894
16.4.1	Prior years' income/ (loss)		9,497	-	9,497	9,497	-	9,497
16.4.2	Current year income/ (loss)		568,816	-	568,816	487,397	-	487,397
16.5	Minority shares	(II-12)	7,990	-	7,990	7,702	-	7,702
TOTAL LIABILITIES AND EQUITY			35,616,467	20,587,789	56,204,256	30,315,305	15,546,795	45,862,100

(*) The classification mentioned in the 3rd part XXIV numbered note has been done in prior year financial statement.

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

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

**TÜRK EKONOMİ BANKASI A.Ş.
CONSOLIDATED OFF-BALANCE SHEET COMMITMENT
AT 31 DECEMBER 2013**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”)).

**II. CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET CONTINGENCIES AND
COMMITMENTS**

	Section 5 Note Ref	Audited Current Period 31.12.2013			Audited Prior Period 31.12.2012		
		TL	FC	Total	TL	FC	Total
A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I-II-III)		41,848,805	43,482,396	85,331,201	28,803,888	34,194,648	62,998,536
I. GUARANTEES (III-1)		4,752,585	6,943,361	11,695,946	4,032,796	6,457,642	10,490,438
1.1 Letters of guarantee		3,910,749	3,985,049	7,895,798	3,410,978	3,319,084	6,730,062
1.1.1 Guarantees subject to State Tender Law		124,446	47,427	171,873	126,475	45,223	171,698
1.1.2 Guarantees given for foreign trade operations		345,982	101,790	447,772	297,750	128,726	426,476
1.1.3 Other letters of guarantee		3,440,321	3,835,832	7,276,153	2,986,753	3,145,135	6,131,888
1.2 Bank loans		-	271,178	271,178	-	903,219	903,219
1.2.1 Import letter of acceptance		-	271,178	271,178	-	901,081	901,081
1.2.2 Other bank acceptances		-	-	-	-	2,138	2,138
1.3 Letters of credit		381	1,688,508	1,688,889	4,666	1,527,651	1,532,317
1.3.1 Documentary letters of credit		381	608,042	608,423	4,666	856,453	861,119
1.3.2 Other letters of credit		-	1,080,466	1,080,466	-	671,198	671,198
1.4 Prefinancing given as guarantee		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2 Other endorsements		-	-	-	-	-	-
1.6 Securities issue purchase guarantees		-	-	-	-	-	-
1.7 Factoring guarantees		-	-	-	-	-	-
1.8 Other guarantees		839,960	580,709	1,420,669	615,588	416,601	1,032,189
1.9 Other collateral		1,495	417,917	419,412	1,564	291,087	292,651
II. COMMITMENTS (III-1)		10,230,483	1,318,648	11,549,131	8,180,716	1,734,157	9,914,873
2.1 Irrevocable commitments		10,230,483	1,318,648	11,549,131	8,180,716	1,734,157	9,914,873
2.1.1 Forward asset purchase commitments		566,850	1,175,708	1,742,558	223,497	1,085,809	1,309,306
2.1.2 Forward deposit purchase and sales commitments		-	101,194	101,194	-	614,094	614,094
2.1.3 Share capital commitment to associates and subsidiaries		-	-	-	-	-	-
2.1.4 Loan granting commitments		3,853,680	79	3,853,759	2,942,347	77	2,942,424
2.1.5 Securities underwriting commitments		-	-	-	-	-	-
2.1.6 Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7 Payment commitment for checks		2,002,630	-	2,002,630	1,879,298	-	1,879,298
2.1.8 Tax and fund liabilities from export commitments		12,503	-	12,503	11,709	-	11,709
2.1.9 Commitments for credit card expenditure limits		3,545,841	-	3,545,841	2,933,697	-	2,933,697
2.1.10 Commitments for promotions related with credit cards and banking activities		4,451	-	4,451	5,978	-	5,978
2.1.11 Receivables from short sale commitments		-	-	-	-	-	-
2.1.12 Payables for short sale commitments		-	-	-	-	-	-
2.1.13 Other irrevocable commitments		244,528	41,667	286,195	184,190	34,177	218,367
2.2 Revocable commitments		-	-	-	-	-	-
2.2.1 Revocable loan granting commitments		-	-	-	-	-	-
2.2.2 Other revocable commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS (III-2)		26,865,737	35,220,387	62,086,124	16,590,376	26,002,849	42,593,225
3.1 Derivative financial instruments for hedging purposes		4,200,388	327,712	4,528,100	3,877,112	718,101	4,595,213
3.1.1 Fair value hedge		284,354	327,712	612,066	723,435	718,101	1,441,536
3.1.2 Cash flow hedge		3,916,034	-	3,916,034	3,153,677	-	3,153,677
3.1.3 Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2 Held for trading transactions		22,665,349	34,892,675	57,558,024	12,713,264	25,284,748	37,998,012
3.2.1 Forward foreign currency buy/sell transactions		3,914,050	4,993,564	8,907,614	1,957,068	4,328,080	6,285,148
3.2.1.1 Forward foreign currency transactions-buy		1,289,744	3,183,977	4,473,721	889,152	2,249,254	3,138,406
3.2.1.2 Forward foreign currency transactions-sell		2,624,306	1,809,587	4,433,893	1,067,916	2,078,826	3,146,742
3.2.2 Swap transactions related to f.c. and interest rates		9,993,386	18,150,946	28,144,332	4,396,774	10,190,525	14,587,299
3.2.2.1 Foreign currency swap-buy		3,812,213	6,671,784	10,483,997	1,828,627	4,288,357	6,117,184
3.2.2.2 Foreign currency swap-sell		3,969,991	6,395,332	10,365,323	2,268,147	3,876,628	6,144,775
3.2.2.3 Interest rate swaps-buy		1,085,790	2,578,291	3,664,081	150,000	1,012,670	1,162,670
3.2.2.4 Interest rate swaps-sell		1,125,392	2,505,539	3,630,931	150,000	1,012,670	1,162,670
3.2.3 Foreign currency, interest rate and securities options		8,757,913	11,748,165	20,506,078	6,359,422	10,766,143	17,125,565
3.2.3.1 Foreign currency options-buy		3,969,496	6,256,411	10,225,907	2,484,511	5,889,778	8,374,289
3.2.3.2 Foreign currency options-sell		4,576,617	5,427,292	10,003,909	3,674,911	4,765,717	8,440,628
3.2.3.3 Interest rate options-buy		111,800	32,231	144,031	100,000	55,324	155,324
3.2.3.4 Interest rate options-sell		100,000	32,231	132,231	100,000	55,324	155,324
3.2.3.5 Securities options-buy		-	-	-	-	-	-
3.2.3.6 Securities options-sell		-	-	-	-	-	-
3.2.4 Foreign currency futures		-	-	-	-	-	-
3.2.4.1 Foreign currency futures-buy		-	-	-	-	-	-
3.2.4.2 Foreign currency futures-sell		-	-	-	-	-	-
3.2.5 Interest rate futures		-	-	-	-	-	-
3.2.5.1 Interest rate futures-buy		-	-	-	-	-	-
3.2.5.2 Interest rate futures-sell		-	-	-	-	-	-
3.2.6 Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		119,812,537	22,597,297	142,409,834	98,288,929	20,674,207	118,963,136
IV. ITEMS HELD IN CUSTODY		26,419,033	1,712,075	28,131,108	18,697,638	1,991,111	20,688,749
4.1 Assets under management		1,726,150	56	1,726,206	2,673,631	115	2,673,746
4.2 Investment securities held in custody		15,714,865	399,512	16,114,377	7,853,214	285,880	8,139,094
4.3 Checks received for collection		8,587,081	879,545	9,466,626	7,825,901	710,421	8,536,322
4.4 Commercial notes received for collection		390,735	112,718	503,453	343,722	79,899	423,621
4.5 Other assets received for collection		103	320,244	320,347	1,071	914,796	915,867
4.6 Assets received for public offering		-	-	-	-	-	-
4.7 Other items under custody		99	-	99	99	-	99
4.8 Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		93,267,521	20,845,763	114,113,284	79,456,986	18,648,921	98,105,907
5.1 Marketable securities		583,589	19,982	603,571	1,119,384	37,339	1,156,723
5.2 Guarantee notes		47,924,350	13,954,626	61,878,976	42,590,560	11,553,285	54,143,845
5.3 Commodity		70,351	166,369	236,720	26,992	350,093	377,085
5.4 Warranty		-	-	-	-	-	-
5.5 Properties		38,664,915	4,912,365	43,577,280	30,867,446	5,629,882	36,497,328
5.6 Other pledged items		6,024,316	1,792,421	7,816,737	4,852,604	1,078,322	5,930,926
5.7 Pledged items-depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		125,983	39,459	165,442	134,305	34,175	168,480
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		161,661,342	66,079,693	227,741,035	127,092,817	54,868,855	181,961,672

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

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

**TÜRK EKONOMİ BANKASI A.Ş.
CONSOLIDATED STATEMENT OF INCOME FOR THE PERIOD
FROM 1 JANUARY TO 3 2013**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

III. CONSOLIDATED STATEMENT OF INCOME

	Section 5 Note Ref.	Audited Current Period 01.01-31.12.2013	Audited Prior Period 01.01-31.12.2012
I. INTEREST INCOME	(IV-1)	4,171,277	4,113,040
1.1 Interest on loans		3,705,072	3,550,107
1.2 Interest received from reserve deposits		-	-
1.3 Interest received from banks		8,344	10,976
1.4 Interest received from money market placements		11,176	49,504
1.5 Interest received from marketable securities portfolio		364,175	405,190
1.5.1 Held-for-trading financial assets		63,463	62,927
1.5.2 Financial assets at fair value through profit and loss		-	-
1.5.3 Available-for-sale financial assets		292,347	341,154
1.5.4 Investments held-to-maturity		8,365	1,109
1.6 Finance lease Income		-	-
1.7 Other interest income	(IV-12)	82,510	97,263
II. INTEREST EXPENSE	(IV-2)	2,106,816	2,172,965
2.1 Interest on deposits		1,757,158	1,767,110
2.2 Interest on funds borrowed		235,124	310,489
2.3 Interest on money market borrowings		47,987	42,599
2.4 Interest on securities issued		32,288	37,311
2.5 Other interest expense		34,259	15,456
III. NET INTEREST INCOME/EXPENSE (I - II)		2,064,461	1,940,075
IV. NET FEES AND COMMISSIONS INCOME/EXPENSE		701,692	581,553
4.1 Fees and commissions received		1,024,069	915,733
4.1.1 Non-cash loans		109,303	95,456
4.1.2 Other	(IV-12)	914,766	820,277
4.2 Fees and commissions paid		322,377	334,180
4.2.1 Non-cash loans		1,646	1,317
4.2.2 Other	(IV-12)	320,731	332,863
V. DIVIDEND INCOME	(IV-3)	1,761	909
VI. NET TRADING GAIN/(LOSS)	(IV-4)	66,520	(82,789)
6.1 Securities trading gains/ (losses)		40,831	31,880
6.2 Gains/ (losses) from derivative financial instruments		452,086	(484,061)
6.3 Foreign exchange gains/ (losses)		(426,397)	369,392
VII. OTHER OPERATING INCOME	(IV-5)	93,403	90,550
VIII. NET OPERATING INCOME (III+IV+V+VI+VII)		2,927,837	2,530,298
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(IV-6)	407,329	325,529
X. OTHER OPERATING EXPENSES (-)	(IV-7)	1,775,151	1,552,440
XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)		745,357	652,329
XII. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-
XIII. GAIN / (LOSS) ON EQUITY METHOD		-	-
XIV. GAIN / (LOSS) ON NET MONETARY POSITION		-	-
XV. PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)		745,357	652,329
XVI. TAX PROVISION FOR CONTINUED OPERATIONS (-)	(IV-9)	174,813	163,390
16.1 Current income tax (charge)/benefit (*)		71,155	248,599
16.2 Deferred tax (charge)/benefit		103,658	(85,209)
XVII. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	(IV-10)	570,544	488,939
XVIII. INCOME ON DISCONTINUED OPERATIONS		-	-
18.1 Income on assets held for sale		-	-
18.2 Income on sale of associates, subsidiaries and entities under common control (Joint vent.)		-	-
18.3 Income on other discontinued operations		-	-
XIX. LOSS FROM DISCONTINUED OPERATIONS (-)		-	-
19.1 Loss from assets held for sale		-	-
19.2 Loss on sale of associates, subsidiaries and jointly controlled entities (Joint vent.)		-	-
19.3 Loss from other discontinued operations		-	-
XX. PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)		-	-
XXI. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	(IV-9)	-	-
21.1 Current income tax (charge)/benefit		-	-
21.2 Deferred tax (charge)/benefit		-	-
XXII. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)	(IV-10)	-	-
XXIII. NET PROFIT/LOSS (XVII±XXII)	(IV-11)	570,544	488,939
23.1 Group's profit/loss		568,816	487,397
23.2 Minority shares		1,728	1,542
Earnings per share		0.2580	0.2211

(*) The classification mentioned in the 3rd part XXIV numbered note has been done in prior year financial statement.

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

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

**TÜRK EKONOMİ BANKASI A.Ş.
CONSOLIDATED STATEMENT OF PROFIT AND LOSS ITEMS ACCOUNTED
FOR UNDER EQUITY FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2013**
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

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

	Audited Current Period 01.01-31.12.2013	Audited Prior Period 01.01-31.12.2012
I. Additions to marketable securities revaluation differences for available for sale financial assets	(108,114)	205,086
II. Tangible assets revaluation differences	-	-
III. Intangible assets revaluation differences	-	-
IV. Foreign exchange differences for foreign currency transactions	57,465	(9,182)
V. Profit/Loss from derivative financial instruments for cash flow hedge purposes (Effective portion of fair value differences)	102,314	(67,713)
VI. Profit/Loss from derivative financial instruments for hedge of net investment in foreign operations (Effective portion of fair value differences)	-	-
VII. The effect of corrections of errors and changes in accounting policies	-	-
VIII. Other profit loss items accounted for under equity due to TAS (*)	24,151	(13,710)
IX. Deferred tax of valuation differences (*)	(3,533)	(24,759)
X. Total Net Profit/Loss accounted under equity (I+II+...+IX)	72,283	89,722
XI. Profit/Loss	(72,032)	(2,816)
11.1 Change in fair value of marketable securities (Transfer to Profit/Loss)	(72,032)	(2,816)
11.2 Reclassification and transfer of derivatives accounted for cash flow hedge purposes to Income Statement	-	-
11.3 Transfer of hedge of net investments in foreign operations to Income Statement	-	-
11.4 Other	-	-
XII. Total Profit/Loss accounted for the period (X±XI)	251	86,906

(*) The classification mentioned in the 3rd part XXIV numbered note has been done in prior year financial statement.

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

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

**TÜRK EKONOMİ BANKASI A.Ş.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD FROM 1 JANUARY TO DECEMBER 2012**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Audited																				
	Section 5 Note Ref	Paid-in Capital	Effect of Inflation Accounting on Capital and Reserves	Share Premium	Share Certificate Cancellati on profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/ (Loss)	Prior Period Net Income/ (Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Val. Diff. from Assets Held for Sale and from Disc. Op.	Total Equity Before Minority Shares	Minority Shares	Total Equity	
I.		2,204,390	200,262	2,565	-	130,033	-	1,072,893	573,527	-	234,061	(105,487)	100,483	527	4,505	-	4,417,759	13,019	4,430,778	
II.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
III.		2,204,390	200,262	2,565	-	130,033	-	1,072,893	573,527	-	234,061	(105,487)	100,483	527	4,505	-	4,417,759	13,019	4,430,778	
IV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
V.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VI.	(V-a)	-	-	-	-	-	-	-	-	-	-	161,226	-	-	-	-	161,226	6	161,232	
6.1	(V-b)	-	-	-	-	-	-	-	-	-	-	-	-	-	(54,171)	-	(54,171)	-	(54,171)	
6.2		-	-	-	-	-	-	-	-	-	-	-	-	-	(54,171)	-	(54,171)	-	(54,171)	
VII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
IX.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
X.	(V-c)	-	-	-	-	-	-	-	(9,182)	-	-	-	-	-	-	-	(9,182)	-	(9,182)	
XI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XIII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XIV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
14.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
14.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XV.	(V-h)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XVI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XVII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XVIII.		-	-	-	-	-	-	-	(10,967)	-	-	-	-	-	-	-	(10,967)	(6,865)	(17,832)	
XIX.		-	-	-	-	-	-	-	487,397	487,397	-	-	-	-	-	-	487,397	1,542	488,939	
20.1		-	-	-	-	13,522	-	210,134	-	(224,564)	-	-	908	-	-	-	-	-	-	
20.2		-	-	-	-	13,522	-	210,134	-	(224,564)	-	-	908	-	-	-	-	-	-	
20.3		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Closing Balance 31.12.2012																				
(III+IV+V+VI+VII+VIII+IX+X+XI+XII+XIII+XIV+XV+XVI+XVII+XVIII+XIX+XX)																				
		2,204,390	200,262	2,565	-	143,555	-	1,283,027	553,378	487,397	9,497	55,739	101,391	527	(49,666)	-	4,992,062	7,702	4,999,764	

(*) The classification mentioned in the 3rd part XXIV numbered note has been done in prior year statement of changes in shareholders' equity.

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

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

**TÜRK EKONOMİ BANKASI A.Ş.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2013**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Audited																			
Section 5 Note Ref	Paid-in Capital	Effect of Inflation Accounting on Capital and Other Reserves		Share Cancellation profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/ (Loss)	Prior Period Net Income/ (Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Associates	Hedging Funds	Acc. Val. Diff. from Assets Held for Sale and from Disc. Op.	Total Equity Before Minority Shares	Minority Shares	Total Equity	
		Capital	Share Premium																
I	Current Period- 01.01-31.12.2013																		
	Beginning balance – 31.12.2012																		
	2,204,390	200,262	2,565	-	143,555	-	1,283,027	553,378	-	496,894	55,739	101,391	527	(49,666)	-	4,992,062	7,702	4,999,764	
	Changes in period																		
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II.	Increase/Decrease related to merger																		
III.	Marketable securities valuation differences (V-a)																		
IV.	Hedging Funds (Effective Portion) (V-b)																		
4.1	-	-	-	-	-	-	-	-	-	-	-	-	-	81,851	-	81,851	-	81,851	
4.2	-	-	-	-	-	-	-	-	-	-	-	-	-	81,851	-	81,851	-	81,851	
V.	Tangible assets revaluation differences																		
VI.	Intangible assets revaluation differences																		
VII.	Bonus shares obtained from associates, subsidiaries and jointly controlled entities (Joint vent.)																		
VIII.	Foreign exchange differences (V-c)																		
IX.	The disposal of assets																		
X.	The reclassification of assets																		
XI.	The effect of change in associate's equity																		
XII.	Capital increase																		
12.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Share premium (V-h)																		
XIV.	Share cancellation profits																		
XV.	Inflation adjustment to paid-in capital																		
XVI.	Other																		
XVII.	Period net income/(loss)																		
XVIII.	Profit distribution																		
18.1	-	-	-	-	26,864	-	297,377	163,156	-	(487,397)	-	-	-	-	-	-	-	(1,397)	(1,397)
18.2	-	-	-	-	26,864	-	297,377	163,156	-	(487,397)	-	-	-	-	-	-	-	(1,397)	(1,397)
18.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance 31.12.2013																			
(I+II+III+IV+V+VI+VII+VIII+IX+X+XI+XII																			
I+XIII+XIV+XV+XVI+XVII+XVIII)																			
	2,204,390	200,262	2,565	-	170,419	-	1,580,404	793,320	568,816	9,497	(102,647)	101,391	527	32,185	-	5,561,129	7,990	5,569,119	

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

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**TÜRK EKONOMİ BANKASI A.Ş.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2013**
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

VI. CONSOLIDATED STATEMENT OF CASH FLOWS

	Section 5 Note Ref	Audited Current Period 01.01-31.12.2013	Audited Prior Period 01.01-31.12.2012
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		1,515,984	1,400,341
1.1.1 Interest received		3,559,819	4,139,183
1.1.2 Interest paid		(1,965,628)	(2,107,531)
1.1.3 Dividend received		55	909
1.1.4 Fees and commissions received		1,214,409	1,071,150
1.1.5 Other income		509,046	596,867
1.1.6 Collections from previously written off loans		390,110	333,650
1.1.7 Payments to personnel and service suppliers		(771,042)	(674,717)
1.1.8 Taxes paid		(117,592)	(204,697)
1.1.9 Others	(VI-1)	(1,303,193)	(1,754,473)
1.2 Changes in operating assets and liabilities		(2,761,426)	(1,978,004)
1.2.1 Net decrease (increase) in financial assets held for trading		(195,060)	485,521
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss		-	-
1.2.3 Net decrease (increase) in due from banks and other financial institutions		194,910	(169,950)
1.2.4 Net (increase) in loans		(8,930,049)	(3,926,071)
1.2.5 Net (increase) in other assets	(VI-1)	(2,226,953)	(1,996,572)
1.2.6 Net increase (decrease) in bank deposits		1,722,359	(1,238,764)
1.2.7 Net increase in other deposits		4,879,912	6,045,141
1.2.8 Net increase (decrease) in funds borrowed		1,970,433	(1,386,635)
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities	(VI-1)	(176,978)	209,326
I. Net cash provided from / (used in) banking operations		(1,245,442)	(577,663)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from / (used in) investing activities		(741,320)	435,054
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries		-	-
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries		-	-
2.3 Fixed assets purchases		(145,952)	(74,618)
2.4 Fixed assets sales		1,746	28,289
2.5 Cash paid for purchase of financial assets available for sale		(6,909,289)	(1,871,048)
2.6 Cash obtained from sale of financial assets available for sale		6,331,629	2,370,097
2.7 Cash paid for purchase of investment securities		-	-
2.8 Cash obtained from sale of investment securities		26,142	-
2.9 Others	(VI-1)	(45,596)	(17,666)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from / (used in) financing activities		288,616	236,634
3.1 Cash obtained from funds borrowed and securities issued		765,060	485,756
3.2 Cash used for repayment of funds borrowed and securities issued		(476,286)	(249,107)
3.3 Capital increase		-	-
3.4 Dividends paid		-	-
3.5 Payments for finance leases		(158)	(15)
3.6 Other		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents	(VI-1)	67,874	(24,885)
V. Net increase / (decrease) in cash and cash equivalents		(1,630,272)	69,140
VI. Cash and cash equivalents at beginning of the period	(VI-2)	3,581,774	3,512,634
VII. Cash and cash equivalents at end of the period	(VI-2)	1,951,502	3,581,774

The accompanying notes are an integral part of these financial statements

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**TÜRK EKONOMİ BANKASI A.Ş.
CONSOLIDATED PROFIT DISTRIBUTION TABLE
FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2013**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

VII. PROFIT DISTRIBUTION TABLE

	(*)Current Audited Period 31.12.2013	Prior Audited Period 31.12.2012
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1 CURRENT YEAR INCOME	-	-
1.2 TAXES AND DUTIES PAYABLE (-)	-	-
1.2.1 Corporate tax (Income tax)	-	-
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties	-	-
A. NET INCOME FOR THE YEAR (1.1-1.2)	-	-
1.3 PRIOR YEARS' LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	-
1.5 OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5))]	-	-
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1 To owners of ordinary shares	-	-
1.6.2 To owners of preferred shares	-	-
1.6.3 To owners of preferred shares (preemptive rights)	-	-
1.6.4 To profit sharing bonds	-	-
1.6.5 To holders of profit and loss sharing certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To owners of ordinary shares	-	-
1.9.2 To owners of preferred shares	-	-
1.9.3 To owners of preferred shares (preemptive rights)	-	-
1.9.4 To profit sharing bonds	-	-
1.9.5 To holders of profit and loss sharing certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	-
1.11 STATUTORY RESERVES (-)	-	-
1.12 EXTRAORDINARY RESERVES	-	-
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES		
2.1 DISTRIBUTED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To owners of ordinary shares	-	-
2.3.2 To owners of preferred shares	-	-
2.3.3 To owners of preferred shares (preemptive rights)	-	-
2.3.4 To profit sharing bonds	-	-
2.3.5 To holders of profit and loss sharing certificates	-	-
2.4 DIVIDENDS TO PERSONNEL (-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE		
3.1 TO OWNERS OF ORDINARY SHARES	-	-
3.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
3.3 TO OWNERS OF PREFERRED SHARES	-	-
3.4 TO OWNERS OF PREFERRED SHARES (%)	-	-
IV. DIVIDEND PER SHARE		
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3 TO OWNERS OF PREFERRED SHARES	-	-
4.4 TO OWNERS OF PREFERRED SHARES (%)	-	-
(*) The Bank can not distribute profit .		

The accompanying notes are an integral part of these financial statements

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CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM
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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

SECTION THREE

ACCOUNTING PRINCIPLES

I. Basis of Presentation

The Parent Bank prepares its financial statements and notes according to Communiqué on Banks’ Accounting Practice and Maintaining Documents, Turkish Accounting Standards (TAS) enacted by Public Oversight Accounting and Auditing Standards Authority (POA), Turkish Financial Reporting Standards (TFRS) and related additions and comments (all “Turkish Financial Reporting Standards or TFRS) to , other regulations, communiqués and circulars in respect of accounting and financial reporting and pronouncements made by Banking Regulation and Supervision Agency (BRSA), Turkish Commercial Code and Tax Legislation.

The prior period financial statements are prepared in line with the principles of TAS Board No:1 “Fundamentals of Preparing and Presenting Financial Statements” published in the Official Gazette on 16 January 2005 with No: 25702, and in accordance with Turkish Accounting Standards and Turkish Financial Reporting Standards; and other principles, methods and explanations about accounting and financial reporting issued by the BRSA. Certain reclassifications have been made to the prior year financial statements in order to comply with the current year presentation whenever required.

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

II. Explanations on Usage Strategy of Financial Assets and Foreign Currency Transactions

The Group aims to develop and promote products for the financial needs of each customer such as SMEs, multinational companies and even small individual investors in line with Banking Legislation. The primary objective of the Parent Bank is to increase profitability with optimum liquidity and minimum risk while fulfilling customer needs.

The Group aims at creating an optimum maturity risk and working with a positive margin between cost of resource and product yield in the process of asset and liability management.

As a component of risk management strategy of the Group, risk bearing short term positions of currency, interest or price movements is performed only by the Treasury Asset-Liability Management using the limits defined by the Board of Directors. The Asset-Liability Committee of the Parent Bank manages the maturity mismatches while deciding the short, medium and long term strategies as well as adopting the principle of positive balance sheet margin as a pricing policy.

The Board of Directors of the Parent Bank allows a purchase risk in treasury operations and individual limits are defined by the Board of Directors for each product.

The Parent Bank’s hedging activities for the currency risk due to foreign currency available-for-sale equity instruments are described under the Currency Risk section; and the Parent Bank’s hedging activities from interest rate risk arising from fixed interest rate deposits and floating interest rate borrowings are described in detail under Interest Rate Risk section.

The Parent Bank’s Asset-Liability Committee approves the trading of various derivative instruments such as currency swaps, forwards and similar derivatives to hedge interest and currency exchange risks in line with the Parent Bank’s balance sheet structure.

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ACCOUNTING PRINCIPLES (Continued)

III. Information about the Parent Bank and its Consolidated Subsidiaries

The Bank, with no difference between TAS and IFRS, uses line-by-line consolidation method. Türk Ekonomi Bankası Anonim Şirketi and its financial institutions, The Economy Bank N.V. (Economy Bank), Stichting Effecten Dienstverlening (Stichting), Kronenburg Vastgoed B.V. (Kronenburg), TEB Finansal Kiralama A.Ş. (TEB Leasing), TEB Faktoring A.Ş. (TEB Faktoring), Fortis Faktoring A.Ş. (Fortis Faktoring), TEB Yatırım Menkul Değerler A.Ş. (TEB Yatırım) and TEB Portföy Yönetimi A.Ş. (TEB Portföy) are included in the accompanying consolidated financial statements by line-by-line consolidation method.

The merger process of Fortis Faktoring A.Ş. and TEB Faktoring A.Ş., which is 100% owned the Bank, had been commenced and the Sale and Purchase Agreement signed on 31 January 2013 for the purpose of the completion of the share transfer prior to the merger. Pursuant to the Sale and Purchase Agreement, following the receipt of necessary legal approvals the share transfer completed and the Bank has become an indirect shareholder of 100% shares in Fortis Faktoring A.Ş. on 22 March 2013. Approval from Banking Regulation and Supervision Agency regarding merger of Fortis Faktoring with TEB Faktoring by way of acquisition, whereby all the assets and liabilities of Fortis Faktoring shall be transferred to TEB Faktoring as a whole, has been obtained on 20 June 2013. Merger of TEB Faktoring and Fortis Faktoring has been completed upon registration of the said merger to the Istanbul Trade Registry on 1 July 2013.

The accompanying consolidated financial statements are prepared in accordance with “Communiqué on Preparation of Consolidated Financial Statements of Banks” published in the Official Gazette dated November 8, 2006 numbered 26340. The Parent Bank and the entities included in the consolidation are referred to as “the Group” in this report.

The financial statements of the subsidiaries, which were prepared in accordance with the prevailing principles and rules regarding financial accounting and reporting standards in their respective country of incorporation and the Turkish Commercial Code and/or Financial Leasing Law and/or communiqués of the Capital Market Board, are duly adjusted in order to present their financial statements in accordance with TAS and TFRS.

Explanations on Consolidation Method and Scope

The commercial names of the entities included in consolidation and the locations of the head offices of these institutions:

<u>Commercial Name</u>	<u>Head Office</u>
Economy Bank	Netherlands
Stichting	Netherlands
Kronenburg	Netherlands
TEB Faktoring	Turkey
TEB Yatırım	Turkey
TEB Portföy	Turkey

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ACCOUNTING PRINCIPLES (Continued)

III. Information about the Parent Bank and its Consolidated Subsidiaries (Continued)

Line-by-line consolidation method is used for all the financial institutions included in the consolidation.

When there are differences between the accounting policies of the subsidiaries and the Parent Bank, the financial statements are adjusted in accordance with the principle of materiality. The financial statements of the subsidiaries are prepared as 31 December 2013 and 31 December 2012.

The transactions and balances between the consolidated entities and the Parent Bank are eliminated.

Explanations on Foreign Currency Transactions

Gains or losses arising from foreign currency transactions realized during the year are reflected to the income statement. Foreign currency assets and liabilities at each period-end are translated into Turkish lira at the period-end foreign exchange buying rates and the resulting foreign exchange gains or losses are recorded in the income statement as foreign exchange gain or loss. The EUR and USD exchange rates used for translating foreign currency transactions into Turkish Lira and reflecting these to consolidated financial statements as of 31 December 2013 are euro 2.9346 in full TL per EUR and 2.1297 in full TL per USD, respectively (31 December 2012: TL2.3548 in full TL, while the USD exchange rate is TL1.7823 in full TL).

There are no capitalized foreign exchange differences.

The information regarding the principles of foreign currency risk management are stated in Section Four, Note IV.

There are no debt securities issued. Foreign exchange gains and losses arising from translating monetary financial assets are reflected to “Foreign Exchange Gains / (Losses) in the income statement.

The foreign currency net investment in consolidated foreign subsidiaries are translated into Turkish Lira using the exchange rate prevailing at the balance sheet date for their assets and liabilities and the year end average exchange rate for their income statement items. The currency translation gain arising from the consolidated subsidiaries’ inflation and devaluation differences amounting to TL57,465 (31 December 2012: TL9,182 negative currency differences) currency translation gain has been recorded in “Other Profit Reserves” under shareholders’ equity.

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ACCOUNTING PRINCIPLES (Continued)

IV. Explanations on Forward and Option Contracts and Derivative Instruments

Fair values of foreign currency forward and swap transactions are determined by comparing the period end Bank foreign exchange rates with the contractual forward rates discounted to the balance sheet date with the prevailing current market rates. The resulting gain or loss is reflected to the income statement.

In the assessment of fair value of interest rate swap instruments, interest amounts to be paid or to be received due to/from the fixed rate on the derivative contract are discounted to the balance sheet date with the current applicable fixed rate in the market that is prevailing between the balance sheet date and the interest payment date, whereas interest amounts to be paid or to be received due to/from the floating rate on the derivative contract are recalculated with the current applicable market rates that are prevailing between the balance sheet date and the interest payment date and are discounted to the balance sheet date again with the current applicable market rates that are prevailing between the balance sheet date and the interest payment date. The differences between the fixed rate interest amounts and floating rate interest amounts to be received/paid are recorded in the profit/loss accounts in the current period.

The fair value of call and put option agreements are measured at the valuation date by using the current premium values of all option agreements, and the differences between the contractual premiums received/paid and the current premiums measured at valuation date are recognized in the statement of income.

Futures transactions are valued on a daily basis by the primary market prices and related unrealized gains or losses are reflected in the income statement.

As of 1 July 2008, the Parent Bank has adopted fair value hedge accounting in order to avoid the effects of interest rate changes in the market by matching a portion of its swap portfolio with its loan portfolio. As of August 2011, the Bank has also adopted cash flow hedge accounting by matching a portion of its swap portfolio with its deposit basis. The Bank documents relations between hedging instrument and hedged item on transaction date, in conjunction with strategies on objectives of the Bank's risk management and hedging transactions for hedging purposed transactions. Besides, the Bank that effectively values fair value changes of hedged items that are balanced by derivative transactions for hedging purposes documented regularly. In case, hedging transactions do not to meet the hedging accounting conditions, adjustments to fair value of hedged item, which are rediscounted within days to maturity, are reflected in Income Statement.

Bank has started a fair value hedge for the value of its fixed coupon government bonds in September 2012 by using swaps as hedging instruments

While the Parent Bank recognizes the fair value changes of the hedged items in the “other interest income” and “other interest expense” accounts, it recognizes the fair value changes of the hedging instruments related to the same period in the “gains/(losses) from derivative financial instruments” account.

Additionally, the difference between the fair value and carrying value of the hedged items as of the application date of hedge accounting is amortized based on their maturities and recognized in “other interest income” and “other interest expense” accounts.

V. Explanations on Interest Income and Expenses

Interest income and expense are recognized in the income statement for all interest bearing instruments whose cash inflows and outflows are known on an accrual basis using the effective interest method. In accordance with the related regulation, realized and unrealized interest accruals of the non-performing loans are reversed and interest income related to these loans are recorded as interest income only when collected.

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ACCOUNTING PRINCIPLES (Continued)

VI. Explanations on Fees and Commission Income and Expenses

Fees for various banking services are recorded as income when collected and prepaid commission income on cash and non-cash loans is recorded as income by using effective interest rate in the related period.

Fees and commissions for funds borrowed paid to other financial institutions, as part of the transaction costs, are recorded as prepaid expenses using the effective interest rate and are expensed on the related periods.

The dividend income is reflected to the financial statements on a cash basis when the profit distribution is realized by the associates and subsidiaries.

VII. Explanations on Financial Assets

Financial instruments comprise financial assets, financial liabilities and derivative instruments. Risks related to these activities form a significant part among total risks the Parent Bank undertakes. Financial instruments affect liquidity, market, and credit risks on the Parent Bank’s balance sheet in all respects. The Parent Bank trades these instruments on behalf of its customers and on its own behalf.

Basically, financial assets create the majority of the commercial activities of the Group. These instruments expose, affect and diminish the liquidity, credit and interest risks in the financial statements.

All regular way purchases and sales of financial assets are recognized on the settlement date i.e. the date that the asset is delivered to or by the Group. Settlement date accounting requires (a) accounting of the asset when acquired by the institution and (b) disposing of the asset out of the balance sheet on the date settled by the institution; and accounting of gain or loss on disposal. In case of application of settlement date accounting, the institution accounts for the changes that occur in the fair value of the asset in the period between commercial transaction date and settlement date as in the assets that the institution settles.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Changes in fair value of assets to be received during the period between the trade date and the settlement date are accounted for in the same way as the acquired assets.

The methods and assumptions used in determining the reasonable estimated values of all of the financial instruments are described below.

Cash, Banks, and Other Financial Institutions

Cash and cash equivalents comprise cash on hand, demand deposits, and highly liquid short-term investments with maturity of 3 months or less following the purchase date, not bearing risk of significant value change, and that are readily convertible to a known amount of cash. The book value of these assets approximates their fair values.

Financial Assets at Fair Value Through Profit and Loss

Trading securities are securities which were either acquired for generating a profit from short-term fluctuations in price or dealer’s margin, or are securities included in a portfolio with a pattern of short-term profit taking.

Trading securities are initially recognized at cost. Transaction costs of the related securities are included in the initial cost. The positive difference between the cost and fair value of such securities is accounted for as interest and income accrual, and the negative difference is accounted for as “Impairment Provision on Marketable Securities”.

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ACCOUNTING PRINCIPLES (Continued)

VII. Explanations on Financial Assets (Continued)

Held to Maturity Investments and Financial Assets Available for Sale

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

Available for sale financial assets include all securities other than loans and receivables, securities held to maturity and securities held for trading.

Marketable securities are initially recognized at cost including the transaction costs.

After the initial recognition, available for sale securities are measured at fair value and the unrealized gain/loss originating from the difference between the amortized cost and the fair value is recorded in “Marketable Securities Valuation Differences” under the equity. Fair values of debt securities that are traded in an active market are determined based on quoted prices or current market prices. In the absence of prices formed in an active market, fair value of these securities is determined using the prices declared in the Official Gazette or other valuation methods stated in TAS.

After initial recognition, held to maturity investments are measured at amortized cost by using effective interest rate less impairment losses, if any.

The interests received from held to maturity investments are recorded as interest income.

There are no financial assets that have been previously classified as held to maturity investments but cannot be currently classified as held to maturity for two years due to “tainting” rule.

The Group classifies its securities as referred to above at the acquisition date of related assets.

The sale and purchase transactions of the held to maturity investments are recorded on a settlement date basis.

Government debt securities with TL224,275 nominal value which had been accounted as financial assets available for sale, have been classified as held to maturity investments with their market value amounting to TL287,008 as of 25 September 2013. As of 25 September, accumulated valuation difference amounting to negative TL38,362 for reclassified available for sale securities are followed under shareholders’ equity. This accumulated valuation difference is subjected to amortization according to the days to maturity and being transferred to profit/loss accounts in the related periods. As of 31 December 2013, total accumulated valuation difference of these securities followed under shareholders’ equity is negative TL36,973 Detail information for this classification was described at 5th chapter in 6-b note.

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ACCOUNTING PRINCIPLES (Continued)

VII. Explanations on Financial Assets (Continued)

Loans and Provisions for Impairment

Loans are financial assets those generated by lending money and exclude those that are held with the intention of trading or selling in the near future.

The Group initially records loans and receivables at cost. In subsequent periods, in accordance with TAS, loans are measured at amortized cost using effective interest rate method.

Provision is set for the loans that may be doubtful and the amount is charged in the current period income statement. The provisioning criteria for non-performing loans are determined by the Group’s management for compensating the probable losses of the current loan portfolio, by evaluating the quality of loan portfolio, risk factors and considering the economic conditions, other facts and related regulations.

Specific reserves are provided for Group III, IV and V loans in accordance with the regulation on “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves” published in the Official Gazette No. 26333 dated 1 November 2006 which was amended with the communiqué published in the Official Gazette No. 27119 dated 23 January 2009. These provisions are reflected in the income statement under “Provision and Impairment Expenses - Special Provision Expense”. The collections made regarding these loans are first deducted from the principal amount of the loan and the remaining collections are deducted from interest receivables.

The collections made related to loans for which provision is made in the current period are reversed from the “Provision for Loan Losses and Other Receivables” account in the income statement, and related interest income is credited to the “Interest Received from Non-performing Loans” account.

Releases of loan loss provisions are booked in “Other Operating Income” account and reversed from the “Provision and Impairment Expenses - Specific Provision Expense” account in the income statement. The related non-performing loans have been from the accounts. Sales income that has been netted off with “Provision for Loan Losses and Other Receivables” in the financials

In addition to specific loan loss provisions, within the framework of the regulation and principles referred to above; the Parent Bank records general loan loss provisions for loans and other receivables.

The Parent Bank has reflected in related period financial statements the general provision difference calculated for standard and under close monitoring loans with the mentioned ratios and provided until 31 December 2015 according to change in paragraph 7, article 1 of Communiqué on “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves” dated 21 September 2012, numbered 28418.

Specific reserves are also provided by TEB Faktoring based on the Communiqué on “Methods and Principles for the Determination of Receivables to be Reserved for and Allocation of Reserves of Financial Institutions, Leasing, and Factoring Firms” published in the Official Gazette No: 26588 on 20 July 2007 which was amended with the communiqué published in the Official Gazette No. 27270 dated 26 June 2009 and based on the Communiqué about “The Amendment in the Communiqué on Methods and Principles for the Determination of Receivables to be Reserved for and Allocation of Reserves of Finance Companies, Leasing, and Factoring Firms” published in the Official Gazette No: 26808 on 6 March 2008.

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ACCOUNTING PRINCIPLES (Continued)

VIII. Explanations on Impairment of Financial Assets

At each balance sheet date, the Group evaluates the carrying amounts of its financial asset or a group of financial assets to determine whether there is an objective indication that those assets have suffered an impairment loss or not. If any such indication exists, the Group determines the related impairment.

A financial asset or a financial asset group incurs impairment loss only if there is an objective indicator related to the occurrence (or nonoccurrence) of one or more than one event (“loss event”) after the first journalization of that asset; and such loss event (or events) causes, an impairment as a result of the effect on the reliable estimate of the expected future cash flows of the related financial asset and asset group. Irrespective of high probability the expected losses caused by the future events are not journalized.

IX. Explanations on Offsetting of Financial Assets and Liabilities

Financial assets and liabilities are offset when a party has a legally enforceable right to set off, the intention of collecting or paying the net amount of related assets and liabilities or the right to offset the assets and liabilities simultaneously.

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

The sales and purchase of government securities under repurchase agreements made with the customers are recorded in balance sheet accounts in accordance with the Uniform Chart of Accounts by the Group. Accordingly in the financial statements, the government bonds and treasury bills sold to customers under repurchase agreements are classified under securities held for trading, available for sale and held to maturity depending on the portfolio they are originally included in and are valued according to the valuation principles of the related portfolios. Funds obtained from repurchase agreements are classified as a separate sub-account under money markets borrowings account in the liabilities.

These transactions are short-term and consist of domestic public sector debt securities.

The income and expenses from these transactions are reflected to the “Interest Income on Marketable Securities” and “Interest Expense on Money Market Borrowings” accounts in the income statement.

As of 31 December 2013, the Group has reverse repo amounting to TL245 (31 December 2012: TL1,700,525).

As of 31 December 2013, the Group does not have any marketable securities lending transaction (31 December 2012: None).

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ACCOUNTING PRINCIPLES (Continued)

XI. Explanations on Assets Held for Sale, Discontinued Operations and Liabilities Related to Those Assets

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

As of 31 December 2013, assets held for sale of the Group are TL83,217 (31 December 2012: TL61,590). As per the appraisals performed for the real estate’s held for sale included “Assets Held for Sale” in the financial statements, TL4,961 (31 December 2012: TL1,291) has been reserved as provision for impairment losses

A discontinued operation is a division of a bank that is either disposed or held for sale. Results of discontinued operations are included in the income statement separately.

XII. Explanations on Goodwill and Other Intangible Assets

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. In the merger transaction where acquirer and acquiree exchange equity instruments, it is taken into account the fair value of equity shares exchanged and the difference between such amount and fair value of the acquiree’s identifiable net asset value is accounted as goodwill. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the acquirer shall report in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the acquirer shall retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. During the measurement period, the acquirer shall also recognize additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period shall not exceed one year from the acquisition date.

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ACCOUNTING PRINCIPLES (Continued)

XII. Explanations on Goodwill and Other Intangible Assets (Continued)

Goodwill arising on an acquisition of a business or a merger is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Bank's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the income statement. An impairment loss recognized for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Following announcement of the Banking Regulation and Supervision Agency approval dated 10 February 2011 at the Official Gazette dated 12 February 2011 and numbered 27844, merger of two bank by means of transfer of all rights, receivables, liabilities and obligations to the Parent Bank by dissolution of Fortis Bank A.Ş. has been effectuated with the relevant registration dated 14 February 2011 to Istanbul Trade Registry.

Within the framework of TFRS 3 “Business Combination”, identifiable assets and liabilities acquired at the merger date are measured at their acquisition date fair value. The resulting difference of TL48,783 is shown in related assets and liability section, the equity impact is shown under other shareholder’s equity section. The amount of TL2,385,482, which is the difference between the fair value of identifiable net asset value of TL1,964,358 and the asset of TL421,124 is accounted as goodwill in the financial statements of the Bank.

Intangible assets are accounted for at restated cost until 31 December 2004 in accordance with inflation accounting and are amortized with straight-line method, after 31 December 2004 the acquisition cost and any other cost incurred so as to prepare the intangible asset ready for use less reserve for impairment, if any, and are amortized on a straight-line method. The cost of assets subject to amortization is restated after deducting the exchange differences, capitalized financial expenses and revaluation increases, if any, from the cost of the assets.

The other intangible assets of the Group comprise mainly softwares. The useful lives of such assets acquired are determined as 3-5 years by taking into consideration the expected utilization period, technical, technological or any other impairment and maintenance expenses necessary for the economic use of such assets. Softwares used are mainly developed within the Parent Bank by the Bank’s personnel and the related expenses are not capitalized.

There are no anticipated changes in the accounting estimates about the amortization rate and amortization method and residual values that would have a significant impact in the current and future periods.

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ACCOUNTING PRINCIPLES (Continued)

XIII. Explanations on Tangible Fixed Assets

Properties are accounted for at their restated costs until 31 December 2004; afterwards the acquisition cost and any other cost incurred so as to prepare the fixed asset ready for use are reflected, less reserve for impairment, if any. The straight-line method of depreciation is used for buildings and useful life is considered as 50 years.

Other tangible fixed assets are accounted for at their restated costs until 31 December 2004; afterwards the acquisition cost and any other cost incurred so as to prepare the fixed asset ready for use are reflected less reserve for impairment, if any, and depreciated on a straight-line method. Depreciation of assets held less than one year as of the balance sheet date is accounted proportionately. No amendment has been made to the depreciation method in the current period. The annual rates used, which approximate rates based on the estimated economic useful lives of the related assets, are as follows:

	%
Buildings	2
Motor vehicles	10-20
Furniture, fixtures and office equipment and others	2-50

Gain or loss resulting from disposals of the tangible fixed assets is reflected to the income statement as the difference between the net proceeds and net book value.

Maintenance costs of tangible fixed assets are capitalized if they extend the economic useful life of the related asset. Other maintenance costs are expensed.

There are no pledges, mortgages or other restrictions on the tangible fixed assets.

There are no purchase commitments related to the tangible fixed assets.

There are no anticipated changes in the accounting estimates, which could have a significant impact in the current and future periods.

The Parent Bank employs independent appraisers in determining the current fair values of its real estates when there is any indication of impairment in value of real estates.

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ACCOUNTING PRINCIPLES (Continued)

XIV. Explanations on Leasing Transactions

Tangible fixed assets acquired by financial leases are accounted for in accordance with TAS No:17. In accordance with this standard, the leasing transactions, which consist of only foreign currency liabilities, are translated to Turkish Lira with the exchange rates prevailing at the transaction dates and they are recorded as an asset or a liability. The foreign currency liabilities are translated to Turkish Lira with the Parent Bank’s period end exchange rates. The increases/decreases resulting from the differences in the foreign exchange rates are recorded as expense/income in the relevant period. The financing cost resulting from leasing is distributed through the lease period to form a fixed interest rate.

In addition to the interest expense, depreciation expense is recorded for the depreciable leased assets in each period. The depreciation rate is determined in accordance with TAS No:16 "Accounting Standard for Tangible Fixed Assets" by taking the useful lives into account.

Operating lease payments are recognized as expense in the income statement on a straight line basis over the lease term.

The Group does not have any leasing transactions as “Lessor”.

XV. Explanations on Provisions and Contingent Liabilities

Provisions are recognized when there is a present obligation, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by using the Group’s best expectation of expenses in fulfilling the obligation as of the balance sheet date, and discounted to present value if material.

Provisions and contingent liabilities, excluding Specific and general provisions for loans and other receivables, are recognized in accordance with the Turkish Accounting Standards (“TAS 37”) regarding “Provisions, Contingent Liabilities and Contingent Assets”.

The inspection of the Competition Board that was conducted to determine whether 12 banks active in Turkey are in agreement and concerted practice in loan and credit card services sector and thus violated Article 4 of the Law on Protection of Competition, no 4054) was completed on March 8 2013. As a result of inspection, it has been agreed by a majority to impose an administrative fine of TL10,669 to the Parent Bank on the condition that the decision can be appealed against before Ankara Administrative Court. The penalty paid as TL8,002 on 22 July 2013 as three fourths of the main penalty as per Article 17 of the Misdemeanors Law, no 5326, was paid on 16th August 2013. The Parent Bank filed the annulment action over the file no.2014/7E Ankara 2nd Administrative Court against the decision about the administrative fines imposed by Competition Board at Ankara Administrative Court on 19 September 2013 and the case has been continuing.

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ACCOUNTING PRINCIPLES (Continued)

XVI. Explanations on Liabilities Regarding Employee Benefits

Defined Benefit Plans

In accordance with existing social legislation in Turkey, the Parent Bank is required to make lump-sum termination indemnities over a 30 day salary to each employee who has completed over one year of service, whose employment is terminated due to retirement or for reasons other than resignation or misconduct, and due to marriage, female employees terminating their employments within a year as of the date of marriage, or male employees terminating their employments due to their military service. The Parent Bank is also required to make a payment for the period of notice calculated over each service year of the employee whose employment is terminated for reasons other than resignation or misconduct. Total benefit is calculated in accordance with TAS No:19 “Turkish Accounting Standard on Employee Benefits”.

Such benefit plans are unfunded since there is no funding requirement in Turkey. The cost of providing benefits to the employees for the services rendered by them under the defined benefit plan is determined by independent actuaries annually using the projected unit credit method.

In calculating the related liability to be recorded in the financial statements for these defined benefit plans, the Parent Bank uses independent actuaries and also makes assumptions and estimation relating to the discount rate to be used, turnover of employees, future change in salaries/limits, etc. These estimations are reviewed annually. The carrying value of provision for employee termination benefits as of 31 December 2013 is TL89,348 (31 December 2012: TL93,125).

Communiqué on “Turkish Accounting Standard (TAS19) about Benefits for Employee (No:9)” published in Official Gazette by Public Oversight Accounting and Auditing Standards Authority (POA) on 12 March 2013 numbered 28585, was entered into force for the account periods starting after 31 December 2012 on accounting treatment of actuarial profit and loss resulting from changes in actuarial assumptions or differences between actual and actuarial assumptions. For the period of 1 January - 31 December 2013, actuarial gain after deferred tax effect amounting to TL19,321 was classified as “Other Comprehensive Income” and as of 31 December 2013 a total of TL8,354 actuarial gain was accounted under “Other Share Capital”.

	31 December 2013	31 December 2012
Discount Rate (%)	9.92	6.91
Expected Inflation Rate (%)	6.45	4.78
Salary Increase Rate above Inflation Rate (%)	1.00	1.00

Employees transferred to the Bank following the business combination defined in “General Information” of the Parent Bank and Fortis Bank A.Ş. are the members of “Türk Dış Ticaret Bankası Mensupları Pension Fund Foundation” (the “Pension Fund”) which was established in May 1964 under the Provisional Article 20 of Social Insurance Law No: 506. Technical financial statements of the Pension Fund are reviewed by a licensed actuary in accordance with Article 38 of the Insurance Supervisory Law and the “Actuary Regulations” issued based on the same article. As of 31 December 2013, the Pension Fund has 2,401 employees and 918 pensioners (31 December 2012: 2,571 employees and 873 pensioners).

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ACCOUNTING PRINCIPLES (Continued)

XVI. Explanations on Liabilities Regarding Employee Benefits (Continued)

Provisional Article 23 (1) of Banking Law No: 5411 (the “Banking Law”) published in the Official Gazette repeated no: 25983 on 1 November 2005 requires the transfer of bank funds to the Social Security Institution (the “SSI”) within 3 years after the effective date of the Banking Law and the related paragraph also sets out the basis for the related transfer. However, Article 23 (1) of Banking Law No: 5411 was annulled based on the Constitutional Court’s ruling issued on 22 March 2007 and ruled for the stay of execution as of 31 March 2007. The related Court ruling and its basis were published in the Official Gazette No: 26731 on 15 December 2007.

Following the publication of the said decree of the Constitutional Court, the Turkish Grand National Assembly (the “TGNA”) initiated its studies on the development of new regulations in regards to the transfer of bank pension participations to the SSI and the related articles of the Social Security Law that are set out to determine the basis of fund transfers and new regulations became effective with its publication in the Official Gazette No: 26870 on 8 May 2008 and the completion of the transfer within 3 years starting from 1 January 2008. Upon the Council of Ministers’ resolution issued in the Official Gazette, the transfer period has been extended for 2 years as of 14 March 2011. According to amendment on the social security and general health insurance law published in the Official Gazette dated 8 March 2012 numbered 6283, mentioned 2-year transfer period has been increased to 4 years.

According to the related regulation, all other outstanding social rights and payments of participants (even though they are covered in their respective settlement deed) shall be covered by the companies employing pension fund participants following the transfer of the pension fund participants and/or those that are paid annuities and their beneficiaries to the Social Security Institution.

The technical financial statements of the Pension Fund are prepared by an independent actuary company considering related regulation and the Fund is not required to provide any provisions for any technical or actual deficit in the financial statements based on the actuarial report prepared as of 31 December 2013. Since the Bank has no legal rights to carry the economic benefits arising from repayments of Pension Funds and/or decreases in future contributions at present value; no asset has been recognized in the balance sheet.

Since the Parent Bank management anticipates that any potential liability that may be incurred during or after the transfer within the above-mentioned limits will be likely recoverable, they believe such liabilities will not bring any additional liability to the Bank.

Defined Contribution Plans

The Parent Bank pays contributions to Social Security Funds and to “Security Fund” whose members joined to the Bank as a consequence of merger.

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ACCOUNTING PRINCIPLES (Continued)

XVII. Explanations on Taxation

Corporate tax

According to the Article 32 of the Corporate Tax Law No. 5520, announced in the Official Gazette dated 21 June 2006, the corporate tax rate is 20%.

The corporate tax in Holland is 25% for Economy Bank.

The tax legislation requires advance tax of 20% to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset from the final tax liability for the year. On the other hand, corporate tax and any related taxes paid to foreign tax offices for the income obtained from foreign branches are offset against the corporate tax levied in Turkey.

75% of participation shares held at least for two years and 75% of sale proceeds of real estate, to the extent that they are included in capital as required in Corporate Tax Law or they are retained in a special fund liability account for 5 years, and 75% of sale proceeds of real estate received from bank receivables are exempt from corporate taxation.

Tax returns are required to be filed between the first and twenty-fifth day of the fourth month following the balance sheet date and paid in one installment until the end of the related month.

According to the Corporate Tax Law, tax losses can be carried forward for a maximum period of five years following the year in which the losses are incurred. Tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

Deferred Tax Liability / Asset

The Group calculates and reflects deferred tax asset or liability on timing differences which will result in taxable or deductible amounts in determining taxable profit of future periods.

As of 31 December 2013 and 31 December 2012, in accordance with TAS No: 12 “Turkish Accounting Standard on Income Taxes” and the changes in the circular of BRSA numbered BDDK.DZM.2/13/1-a-3 dated 8 December 2004, the Parent Bank calculated deferred tax asset on all deductible temporary differences except for general loan reserves, if sufficient taxable profit in future periods to recover such amounts is probable; as well as deferred tax liability on all taxable temporary differences. Deferred tax assets and liabilities are shown in the accompanying financial statements on a net basis in the standalone financial statements of the consolidated subsidiaries.

The net deferred tax asset is included in deferred tax asset and the net deferred tax liability is reflected under deferred tax liability on the balance sheet. The deferred tax charge of TL103,658 (31 December 2012: TL85,209 deferred tax income) is stated under the deferred tax provision in the income statement. The part of deferred tax, directly related with financial assets relevant with equity, is netted with accounts consisting in equity account group including TL21,760 credit (31 December 2012: TL41,045 debit) from available-for-sale, TL4,830 debit (31 December 2012: TL2,742 credit) from actuarial gain and loss, TL20,463 debit (31 December 2012: TL13,544 credit) from hedge funds, TL18,092 credit (31 December 2012: TL704 credit) from transfer to profit and loss in period, totally TL14,559 credit (31 December 2012: TL24,055 debit) was recorded.

Furthermore, as per the above circular of BRSA, deferred tax benefit balance resulting from netting of deferred tax assets and liabilities should not be used in dividend distribution and capital increase.

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ACCOUNTING PRINCIPLES (Continued)

XVIII. Additional Explanations on Borrowings

The borrowing costs related to purchase, production, or construction of qualifying assets that require significant time to be prepared for use and sale are included in the cost of assets until the relevant assets become ready to be used or to be sold. Financial investment income obtained by temporary placement of undisbursed investment loan in financial investments is offset against borrowing costs qualified for capitalization.

All other borrowing costs are recorded to the income statement in the period they are incurred.

Debt securities issued by the Bank are accounted at amortized cost using effective interest rate method.

The Parent Bank has not issued convertible bonds.

XIX. Explanations on Issued Share Certificates

Following announcement of the Banking Regulation and Supervision Agency approval dated 10 February 2011 at the Official Gazette dated 12 February 2011 and numbered 27844, merger of two bank by means of transfer of all rights, receivables, liabilities and obligations to the Parent Bank by dissolution of Fortis Bank A.Ş. has been effectuated with the relevant registration dated 14 February 2011 to Istanbul Trade Registry. Due to the merger, ceiling for the registered capital of the Parent Bank is increased from TL1,400,000 to TL2,204,390, and the issued capital of the Parent Bank is increased by TL1,104,390 from TL1,100,000 to TL2,204,390.

XX. Explanations on Acceptances

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

XXI. Explanations on Government Incentives

There are no government incentives utilized by the Group.

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ACCOUNTING PRINCIPLES (Continued)

XXII. Explanations on Reporting According to Segmentation

The details of the income statement and the balance sheet which the group operates as a business lane according to organizational:

Current Period	Retail	Corporate	SME	Treasury/ Head Office	Elimination	Total
Net interest income	320,205	289,061	759,062	696,133	-	2,064,461
Net fees and commissions income and other operating income	187,970	165,932	251,097	196,910	(6,814)	795,095
Trading profit/loss	(442)	(3,050)	(1,271)	71,283	-	66,520
Dividend income	-	-	-	5,970	(4,209)	1,761
Impairment provision for loans and other receivables (-)	160,378	3,433	112,020	131,498	-	407,329
Other operating expenses (-)	292,867	70,432	406,179	1,012,487	(6,814)	1,775,151
Profit before taxes	54,488	378,078	490,689	(173,689)	(4,209)	745,357
Tax provision (-)	-	-	-	174,813	-	174,813
Net profit for the period	54,488	378,078	490,689	(348,502)	(4,209)	570,544

Current Period	Retail	Corporate	SME	Treasury/ Head Office	Elimination	Total
Segment assets	9,541,184	11,016,982	17,004,574	18,729,125	(87,614)	56,204,251
Investments in associates, subsidiaries and jointly controlled entities	-	-	-	174,798	(174,793)	5
Total Assets	9,541,184	11,016,982	17,004,574	18,903,923	(262,407)	56,204,256
Segment liabilities	19,520,348	11,337,393	5,934,189	13,931,182	(87,975)	50,635,137
Shareholders' equity	-	78,792	293,080	5,371,679	(174,432)	5,569,119
Total Liabilities	19,520,348	11,416,185	6,227,269	19,302,861	(262,407)	56,204,256

Prior Period	Retail	Corporate	SME	Treasury/ Head Office	Elimination	Total
Net interest income	266,534	303,512	777,574	592,456	(1)	1,940,075
Net fees and commissions income and other operating income	164,111	150,228	206,616	152,801	(1,653)	672,103
Trading profit / loss	(2,579)	672	(2,563)	(78,337)	18	(82,789)
Dividend income	-	-	202	22,518	(21,811)	909
Impairment provision for loans and other receivables (-)	84,451	80,420	118,937	41,721	-	325,529
Other operating expenses (-) (*)	226,090	68,904	403,885	855,214	(1,653)	1,552,440
Profit before taxes	117,525	305,088	459,007	(207,497)	(21,794)	652,329
Tax provision (-)	-	-	5,553	157,837	-	163,390
Net profit for the period	117,525	305,088	453,454	(376,301)	(21,794)	488,939

Prior Period	Retail	Corporate	SME	Treasury/ Head Office	Elimination	Total
Segment assets	7,224,169	9,164,479	13,364,946	16,181,299	(72,798)	45,862,095
Investments in associates, subsidiaries and jointly controlled entities	-	2,430	4,502	167,866	(174,793)	5
Total Assets	7,224,169	9,166,909	13,369,448	16,349,165	(247,591)	45,862,100
Segment liabilities	15,885,453	9,780,913	5,169,332	10,099,790	(73,152)	40,862,336
Shareholders' equity	-	46,846	321,772	4,805,585	(174,439)	4,999,764
Total Liabilities	15,885,453	9,827,759	5,491,104	14,905,375	(247,591)	45,862,100

(*) The classification mentioned in the 3rd part XXIV numbered note has been done in prior year financial statement

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ACCOUNTING PRINCIPLES (Continued)

XXIII. Explanations on Other Matters

It has been resolved in the Ordinary General Assembly dated 25 March 2013 of the Parent Bank, TL485,627 that constitutes the 2012 net balance sheet profit shall be transferred to the extraordinary reserves after setting aside, in accordance with the proposal in the resolution of the Board of Directors, TL24,281 as legal reserves, TL163,156 as other capital reserves, TL0.40 (full TL) as profit distributed to the holders of the founder jouissance certificates, TL0.40(full TL) as legal reserves.

XXIV. Classifications

28585 numbered communiqué on “Turkish Accounting Standard (TAS 19) about Benefits for Employee (No:9)” published in Official Gazette by Public Oversight Accounting and Auditing Standards Authority (POA) on 12 March 2013, was entered into force for account periods starting after 31 December 2012, in order to account the difference in actuarial assumptions changes or differences between actual and actuarial assumptions. Standard possesses to start retrospective application under “Transition and enforcement date” title. Because of the reason, amount requires to recognize as “Other Comprehensive Income”, showed in prior period profit/ loss account as of 31 December 2012. As a result of this classification, as of 1 January 2013 prior period profit/ loss increased by TL10,967 and “Other Capital Reserves” was decreased by the same amount. Before the arrangement, as of 31 December 2012 the Group’s profit before tax was amounting to TL638,620, and net profit was amounting to TL477,972.

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SECTION FOUR

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE OF THE GROUP

I. Explanations Related to the Consolidated Capital Adequacy Standard Ratio

The method used for risk measurement in determining capital adequacy standard ratio; Capital Adequacy Standard Ratio is calculated in accordance with "Communiqué on Measurement and Assessment of Capital Adequacy of Banks ", "Communiqué on Credit Risk Mitigation Techniques", "Communiqué on Calculation of Risk Weighted Amounts for Securitizations" published on 28 June 2012 and Official Gazette numbered 28337 and "Communiqué on Equities of Banks" published on 1 November 2006 in the Official Gazette numbered 26333. The Group's consolidated capital adequacy ratio is occurred 13.99% (31 December 2012: 14.84%) in accordance with the related Communiqué as of 31 December 2013.

In the computation of capital adequacy standard ratio, information prepared in accordance with statutory accounting data which is included in the calculation of credit and market risks classified as "Trading Accounts" and "Banking Accounts" according to the Regulation, is used.

The values deducted from the capital base in the shareholders' equity computation are excluded in calculation of risk-weighted assets, non-cash loans and contingent liabilities. Assets subject to depreciation and impairment among risk-weighted assets are included in the calculations over their net book values after deducting the relative depreciations and provisions.

Counterparty receivables related to non-cash loans is multiplied with the loan conversion rates presented in article 5 of "Communiqué on Measurement and Assessment of Capital Adequacy of Banks" and risk mitigation is applied in accordance with "Communiqué on Credit Risk Mitigation Techniques", calculated by applying the risk weights presented in the article 6 of the Regulation and weighted as per Appendix-1 of the Regulation.

In calculation of the basis of the value at credit risk for the derivative financial instruments and the receivables from counterparties indicated on the bank accounting are multiplied by the rates presented in the Appendix-2 of the "Communiqué on Measurement and Assessment of Capital Adequacy of Banks", is subjected to risk reduction presented in "Communiqué on Credit Risk Mitigation Techniques " and then included in the relevant exposure category presented in the article 6 of the "Communiqué on Measurement and Assessment of Capital Adequacy of Banks" and weighted to risk weight classification indicated as per Appendix-1 of the Regulation

According to the Clause 2 of the " Communiqué on Measurement and Assessment of Capital Adequacy of Banks" presented in the article 5 of the regulation, "counterparty credit risk" is calculated for repurchase transactions, marketable securities and commodity market transactions.

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INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE OF THE GROUP (Continued)

I. Explanations Related to the Consolidated Capital Adequacy Standard Ratio (Continued)

Information related to the capital adequacy ratio:

	Risk Weights									
	Consolidated									
Current Period – 31.12.2013	0%	10%	20%	50%	75%	100%	150%	200%	250%	1250%
Value at Credit Risk Exposure Categories										
Conditional and unconditional receivables from central governments or central bank	10,830,881	-	-	-	-	276,134	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	284,303	-	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	4,286	-	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	1,171,290	1,019,215	-	944,301	18,173	-	-	-
Conditional and unconditional receivables from corporate	-	-	-	-	-	21,653,661	-	-	-	-
Conditional and unconditional retail Receivables	-	-	-	-	12,092,627	-	-	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	4,762,102	-	-	-	-	-	-
Past due receivables	-	-	-	-	-	330,498	16,923	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	568,702	1,249,767	2,775,002	40,018	-
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporate	-	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-
Other receivables	680,116	-	13,553	-	-	2,453,886	-	-	-	-
Total Value at Risk	11,510,997	-	1,469,146	5,781,317	12,092,627	26,231,468	1,284,863	2,775,002	40,018	-
Total Risk Weighted Assets	-	-	293,829	2,890,659	9,069,470	26,231,468	1,927,295	5,550,004	100,045	-

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INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE OF THE GROUP (Continued)

I. Explanations Related to the Consolidated Capital Adequacy Standard Ratio (Continued)

Information related to the capital adequacy ratio: (Continued)

	Risk Weights									
	Consolidated									
Prior Period – 31.12.2012	0%	10%	20%	50%	75%	100%	150%	200%	250%	1250%
Value at Credit Risk Exposure Categories										
Conditional and unconditional receivables from central governments or central bank	8,218,842	-	-	-	-	76,530	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	150,383	-	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	13,291	-	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	1,472,341	966,230	-	680,011	14,485	-	-	-
Conditional and unconditional receivables from corporate	-	-	-	-	-	14,847,115	-	-	-	-
Conditional and unconditional retail Receivables	-	-	-	-	13,875,602	-	-	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	4,443,784	248,643	152,208	-	-	-	-
Past due receivables	-	-	-	-	-	257,656	14,270	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	26,379	858,747	1,252,069	-	-
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporate	-	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-
Other receivables	641,382	-	-	-	-	1,660,040	-	-	-	-
Total Value at Risk	8,860,224	-	1,622,724	5,410,014	14,124,245	17,713,230	887,502	1,252,069	-	-
Total Risk Weighted Assets	-	-	324,545	2,705,007	10,593,184	17,713,230	1,331,253	2,504,138	-	-

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INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE OF THE GROUP (Continued)

I. Explanations Related to the Consolidated Capital Adequacy Standard Ratio (Continued)

Summary information related to the consolidated capital adequacy ratio:

	Consolidated		Parent Bank	
	Current Period	Prior Period	Current Period	Prior Period
Capital Requirement for Credit Risk (Value at Credit Risk*0.08) (CRCR)	3,685,022	2,813,709	3,488,023	2,652,601
Capital Requirement for Market Risk (CRMR)	88,399	52,213	69,240	37,474
Capital Requirement for Operational Risk CROR (*)	319,382	291,482	300,586	274,451
Shareholders' Equity	7,156,976	5,856,092	6,860,593	5,647,740
Shareholders' Equity /((CRCR+CRMR+CROR)*12.5)*100	13.99	14.84	14.23	15.24

(*) Operational risk has been calculated by using the Basic Indicator Approach.

Information related to the components of shareholders' equity:

	Consolidated		Parent Bank	
	Current Period	Prior Period	Current Period	Prior Period
CORE CAPITAL				
Paid-in Capital	2,204,390	2,204,390	2,204,390	2,204,390
Nominal Capital	2,204,390	2,204,390	2,204,390	2,204,390
Capital Commitments (-)	-	-	-	-
Inflation Adjustments to Paid-in Capital	200,262	200,262	200,262	200,262
Share Premium	2,565	2,565	2,565	2,565
Share Cancellation Profits	-	-	-	-
Reserves (*)	2,495,360	1,931,177	2,245,489	1,730,310
Inflation Adjustments to Reserves	-	-	-	-
Profit	578,313	496,894	544,545	505,475
Current Period's Profit (*)	568,816	487,397	535,048	495,978
Prior Period's Profit	9,497	9,497	9,497	9,497
Provision for Possible Losses (up to 25% of Core Capital)	-	-	-	-
Income on Sale of Equity Shares and Real Estates	101,391	101,391	101,391	101,391
Primary Subordinated Debts	212,970	178,230	212,970	178,230
Minority Shares	8,037	7,702	-	-
Loss (in excess of Reserves) (-)	-	-	-	-
Current Period's Losses	-	-	-	-
Prior Period's Losses	-	-	-	-
Leasehold Improvements on Operational Leases (-)	77,281	54,571	76,969	54,151
Intangible Assets (-)	55,700	25,012	473,933	443,401
Deferred Tax Asset in excess of 10% of Core Capital (-)	-	-	-	-
Limit excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-	-	-	-
Goodwill (net) (-)	421,124	421,124	-	-
Total Core Capital	5,249,183	4,621,904	4,960,710	4,425,071
SUPPLEMENTARY CAPITAL				
General Provisions	554,607	419,436	537,702	405,305
45% of Revaluation Surplus on Movables	-	-	-	-
45% of Revaluation Surplus on Immovables	-	-	-	-
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	527	527	527	527
Primary Subordinated Debts excluding the portion included in Core Capital	-	-	-	-
Secondary Subordinated Debts	1,462,838	791,715	1,462,838	791,715
45% of Securities Value Increase Fund	(102,647)	25,083	(93,699)	27,695
Inflation Adjustments to Other Capital and Profit Reserves and Prior Periods' Profit/Loss (excluding inflation adjustment of reserves)	-	-	-	-
Minority Shares	(47)	-	-	-
Total Supplementary Capital	1,915,278	1,236,761	1,907,368	1,225,242
CAPITAL	7,164,461	5,858,665	6,868,078	5,650,313
DEDUCTIONS FROM CAPITAL	7,485	2,573	7,485	2,573
Unconsolidated Investments in Entities Operating in Banking and Financial Sectors	-	-	-	-
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Secondary Subordinated Debts and Debt Instruments Purchased from Such Parties Qualified as Primary or Secondary Subordinated Debts	-	-	-	-
Investment in Banks and Financial Institutions that are not Consolidated but Accounted under Equity Accounting	-	-	-	-
Loan granted to Customer against the Articles 50 and 51 of the Banking Law	6,763	1,324	6,763	1,324
Net Book Values of Immovables Exceeding 50% of the Equity and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law but Retained More Than Five Years	631	1,162	631	1,162
Securitization Positions to be Deducted from Equity	-	-	-	-
Other	91	87	91	87
Total Shareholder's Equity	7,156,976	5,856,092	6,860,593	5,647,740

(*) The classification mentioned in the 3rd part XXIV numbered note has been done in prior year financial statement

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INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE OF THE GROUP (Continued)

I. Explanations Related to the Consolidated Capital Adequacy Standard Ratio (Continued)

Information on applied approaches in order to evaluate internal capital adequacy within the scope of internal capital adequacy evaluation of internal capital requirement in terms of future and current activities:

According to definition and evaluation not to be exposed to risk at present or in the future , The Bank has created “Internal Capital Adequacy Evaluation Process” in order to provide development and implementation of proper risk management techniques aimed at reviewing and managing risks at issue , and providing sufficient capitalization to compensate risks at issue. Planning and performing the Evaluation Process responsibilities belongs to Group Risk Management (GRM) in accordance with article 45 of "Communiqué on Banks’ Internal Control and Risk Management Systems ". GRM includes contribution of Internal Audit, Internal Control and Department of Financial Affairs to demand and process to provide optimum comprehensive approach of Evaluation process. Evaluation process that is included countable and uncountable risks is risk-oriented and prudential, and constitutes a clearly connection between risk types and required capital level. Risk types considered on Evaluation Process is defined on the Evaluation Report and Risk Management Regulation.

Process and Evaluation Report is submitted to Board of Directors after being approved by Risk Policies Committee and Audit Committee

II. Explanations Related to the Consolidated Credit Risk

Credit risk is the risk that the Bank is a party in a contract whereby the counterparty fails to meet its obligation and causes to incur a financial loss.

The credit allocation is performed on a debtor and a debtor group basis within the limits. In the credit allocation process, many financial and non-financial criteria are taken into account within the framework of the internal rating procedures of the Bank. These criteria include geographical and sector concentrations. The sector concentrations for loans are monitored closely. In accordance with the Bank’s loan policy, the rating of the companies, credit limits and guarantees are considered together, and credit risks incurred are monitored.

The credit risks and limits related to treasury activities, the limits of the correspondent banks that are determined by their ratings and the control of the maximum acceptable risk level in relation to the equity of the Bank are monitored daily. Risk limits are determined in connection with these daily transactions, and risk concentration is monitored systematically concerning off-balance sheet operations.

As prescribed in the Communiqué on “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves”, the credit worthiness of the debtors of the loans and other receivables is monitored regularly. Most of the statements of accounts for the loans are derived from audited financial statements. The unaudited documents result from the timing differences between the loan allocation and the audit dates of the financial statements of the companies and subsequently the audited financial statements are obtained from the companies. Credit limits are determined according to the audited statement of accounts, and guarantee factors are developed in accordance with the decision of the credit committee considering the characteristics of the transactions and the financial structures of the companies.

According to the “Communiqué on Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves” published in the Official Gazette numbered 26333 dated 1 November 2006 which was amended with the communiqué published in the Official Gazette numbered 27119 dated 23 January 2009; Non-required delay time Loans that is not classified as Group III Loans, whose principal and interest payment collection delayed more than 30 days are considered as Non-Performing Loan in the Accounting Practice; group III, IV and V loans defined on the mentioned communiqué are considered as impaired receivables without considering refinancing or addition accrued interest and quasi-interest loading to principal.

The Bank provides specific reserves to Group III, IV and V loans in accordance with “Communiqué on Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves”

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INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE OF THE GROUP (Continued)

II. Explanations Related to the Consolidated Credit Risk (Continued)

Total amount of exposures after offsetting transactions but before applying credit risk mitigations and the average exposure amounts that are classified in different risk groups and types for the relevant period:

Exposure classifications	Current Period Risk Amount (*)	Average Risk Amount (*,**)
Conditional and unconditional receivables from central governments or central banks	11,107,015	10,472,308
Conditional and unconditional receivables from regional or local governments	285,811	228,746
Conditional and unconditional receivables from administrative units and non-commercial enterprises	4,286	5,992
Conditional and unconditional receivables from multilateral development banks	-	-
Conditional and unconditional receivables from international organizations	-	-
Conditional and unconditional receivables from banks and brokerage houses	3,271,858	3,365,902
Conditional and unconditional corporate receivables	22,825,335	21,438,116
Conditional and unconditional retail receivables	12,319,132	12,347,103
Conditional and unconditional secured mortgage receivables	4,762,102	4,844,065
Past due receivables	347,421	338,212
Receivables in high risk category defined by BRSA	4,633,878	3,501,523
Securities collateralised by mortgages	-	-
Securitisation positions	-	-
Short-term receivables from banks, stockbrokers and corporate	-	-
Investments of natured collective investment enterprise	-	-
Other receivables	3,165,211	2,754,536

(*) Risk amounts after conversion rate to credit are given before credit risk mitigation.

(**) Average risk amount is calculated by taking the average of balances on quarterly prepared to the end of the month.

For the forward transactions and other similar positions of the Bank, operational limits are set by the Board of Directors and the transactions take place within these limits.

The fulfillment of the benefits and proceeds related to forward transactions is realized at maturity. However, in order to minimize the risk, counter positions of existing risks are entered into in the market due to necessity.

Indemnified non-cash loans are subject to the same risk weight as outstanding loans matured but not yet paid.

Since the volume of the restructured loans is not material to the financial statements, no additional follow up methodology is developed, except as stated in the regulations.

Financial institutions abroad and country risks of the Bank are generally taken for the financial institutions and countries that are rated at investment level by international rating agencies and which do not have the risk of failing to meet minimum obligations. Therefore, the probable risks are not material when the financial structure of the Bank is concerned.

The Bank does not have a material credit risk concentration as an active participant in the international banking market when the financial operations of the other financial institutions are concerned.

As of 31 December 2013, the receivables of the Bank from its top 100 and top 200 cash loan customers amount to TL4,814,670 and TL6,575,173 and share in total cash loans respectively 12.25% and 16.73%.

As of 31 December 2013, the receivables of the Group from its top 100 ve top 200 non-cash loan customers amount to TL4,552,236 and TL5,662,134 with a share of 38.92% and 48.41% respectively in the total non-cash loans.

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II. Explanations Related to the Consolidated Credit Risk (Continued)

As of 31 December 2013, the share of cash and non-cash receivables of the Bank from its top 100 ve top 200 loan customers in total balance sheet and off-balance sheet assets is %5.20 and 7.11% respectively.

As of 31 December 2013, the general loan loss provision related with the credit risk taken by the Bank is TL554,607 (31 December 2012: TL419,436).

The table below shows the maximum exposure to credit risk for the components of the financial statements:

	Current Period	Prior Period
Central Bank of Turkey	6,117,942	3,808,017
Due from banks	460,585	992,607
Other money markets	245	1,700,295
Trading financial assets	654,847	472,295
Derivative financial instruments held for trading	729,270	166,710
Derivative financial instruments for hedging purposes	112,245	16,883
Financial assets available-for-sale	4,408,885	4,308,832
Held-to-maturity investments	292,956	20,416
Loans (*)	40,736,035	31,691,330
Total	53,513,010	43,177,385
Contingent liabilities	11,695,946	10,490,438
Commitments	11,549,131	9,837,623
Total	23,245,077	20,328,061
Total credit risk exposure	76,758,087	63,505,446

(*) Loans included factoring receivables amounting to TL1,092,687 (31December 2012: TL754,767)

Credit quality per class of financial assets as of 31 December 2013 and 31 December 2012 is as follows:

Current Period	Neither past due nor impaired	Past due or individually impaired	Total
Loans and receivables			
Commercial loans	25,454,682	1,071,844	26,526,526
Consumer loans	9,747,452	632,355	10,379,807
Credit cards	2,463,627	199,344	2,662,971
Other loans	74,044	-	74,044
Total	37,739,805	1,903,543	39,643,348
Prior Period	Neither past due nor impaired	Past due or individually impaired	Total
Loans and receivables			
Commercial loans	20,110,717	924,202	21,034,919
Consumer loans	7,616,269	387,217	8,003,486
Credit cards	1,591,411	277,534	1,868,945
Other loans	88,238	-	88,238
Total	29,406,635	1,588,953	30,995,588

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INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE OF THE GROUP (Continued)

II. Explanations Related to the Consolidated Credit Risk (Continued)

Carrying amount per class of financial assets whose terms have been renegotiated:

	Current Period	Prior Period
Loans and receivables		
Commercial loans	609,055	170,772
Consumer loans	440,937	315,599
Credit cards	3,642	-
Total	1,053,634	486,371

Credit Rating System

The credit risk is assessed through the internal rating system of the TEBCORE, by classifying loans from highest grade to lowest grade according to the probability of default. As of 31 December 2013, consumer loans and business loans are excluded from the internal rating system of the Parent Bank and those loans are about 39.31% of total loan portfolio.

The risks that are subject to rating models can be allocated as follows:

Category	Description of Category	Share in the Total %
1st Category	The borrower has a very strong financial structure	36.51
2nd Category	The borrower has a good financial structure	26.18
3rd Category	The borrower has an intermediate level of financial structure	31.95
4th Category	The financial structure of the borrower has to be closely monitored in the medium term	5.36
	Total	100.00

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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE OF THE GROUP (Continued)

II. Explanations Related to the Consolidated Credit Risk (Continued)

Profile of significant exposures in major regions:

	Exposure Categories														Others	
	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to regional governments or local authorities	Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	Conditional and unconditional exposures to multilateral development banks	Conditional and unconditional exposures to international organisations	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Past due items	Items in regulatory high-risk categories	Exposures in the form of bonds secured by mortgages	Securitization Positions	Short term exposures to banks, brokerage houses and corporates		Exposures in the form of collective investment undertakings
Current Period																
Domestic	49,748	56,531	-	-	-	1,059,789	17,247,053	7,344,065	2,317,559	353,848	8,062,169	-	-	-	-	2,245,884
European Union (EU)																
Countries	83,561	-	-	-	-	136,940	443,384	5,530	67	260	-	-	-	-	-	21,985
OECD Countries (*)	-	-	-	-	-	103,747	108,614	-	-	-	-	-	-	-	-	780
Off-Shore Banking Regions	142,825	-	-	-	-	20,982	123,107	28,479	18,812	26	-	-	-	-	-	-
USD, Canada	-	-	-	-	-	-	7,558	126	-	-	-	-	-	-	-	-
Other Countries	-	-	-	-	-	78,712	152,604	6,519	759	1,749	-	-	-	-	-	-
Associates, Subsidiaries and Joint –Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Assets/Liabilities (**)	-	631	4,286	-	-	376,299	4,743,019	1,854,630	43,853	-	31,621	-	-	-	-	205,603
Total	276,134	57,162	4,286	-	-	1,776,469	22,825,339	9,239,349	2,381,050	355,883	8,093,790	-	-	-	-	2,474,252

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

(**) Includes assets and liability items that can not be allocated on a consistent basis.

(***) Risk amounts after conversion rate to credit are given before Credit Risk Mitigation

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INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE OF THE GROUP (Continued)

II. Explanations Related to the Consolidated Credit Risk (Continued)

Profile of significant exposures in major regions:

	Exposure Categories														Others	
	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to regional governments or local authorities	Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	Conditional and unconditional exposures to multilateral development banks	Conditional and unconditional exposures to international organisations	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Past due items	Items in regulatory high-risk categories	Exposures in the form of bonds secured by mortgages	Securitization Positions	Short term exposures to banks, brokerage houses and corporates		Exposures in the form of collective investment undertakings
Prior Period																
Domestic	339	29,902	7,775	-	-	826,027	10,147,660	8,985,816	2,491,666	275,866	3,792,259	-	-	-	-	1,486,153
European Union (EU)																
Countries	50,901	-	-	-	-	165,258	236,633	3,630	103	427	-	-	-	-	-	23,332
OECD Countries (*)	10,711	-	-	-	-	2,997	157,272	-	-	-	-	-	-	-	-	-
Off-Shore																
Banking Regions	4,874	-	-	-	-	93,589	35,581	43,104	11,873	1,541	-	-	-	-	-	-
USD, Canada	-	-	-	-	-	75,390	2,832	2	-	303	-	-	-	-	-	-
Other Countries	9,704	-	-	-	-	67,798	168,696	5,828	2,257	925	-	-	-	-	-	-
Associates, Subsidiaries and Joint –Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Assets/Liabilities (**)	-	392	5,515	-	-	269,523	4,866,484	1,602,525	54,683	-	26,824	-	-	-	-	162,674
Total	76,529	30,294	13,290	-	-	1,500,582	15,615,158	10,640,905	2,560,582	279,062	3,819,083	-	-	-	-	1,672,159

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

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INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE OF THE GROUP (Continued)

II. Explanations Related to the Consolidated Credit Risk (Continued)

Risk profile by Sectors or Counterparties:

Current Period	Exposure Categories																	Total	
	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to regional governments or local authorities	Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	Conditional and unconditional exposures to multilateral development banks	Conditional and unconditional exposures to international organisations	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Past due items	Items in regulatory high-risk categories	Exposures in the form of bonds secured by mortgages	Securitization Positions	Short term exposures to banks, houses and corporates	Exposures in the form of collective investment undertakings	Others	TL (*)		FC
Agriculture	-	-	-	-	-	-	1,571,832	184,067	166,131	21,342	354	-	-	-	-	-	1,777,392	166,334	1,943,726
Farming and Stockbreeding	-	-	-	-	-	-	1,550,526	174,448	164,850	20,783	330	-	-	-	-	-	1,748,963	161,974	1,910,937
Forestry	-	-	-	-	-	-	2,309	2,536	-	68	-	-	-	-	-	-	4,913	-	4,913
Fishery	-	-	-	-	-	-	18,997	7,083	1,281	491	24	-	-	-	-	-	23,516	4,360	27,876
Manufacturing	-	9	-	-	-	-	12,036,800	2,827,428	370,712	111,989	12,778	-	-	-	-	-	9,371,030	5,988,686	15,359,716
Mining and Quarrying	-	-	-	-	-	-	566,374	177,546	21,210	5,871	364	-	-	-	-	-	481,678	289,687	771,365
Production	-	9	-	-	-	-	11,198,494	2,638,231	347,270	105,991	12,388	-	-	-	-	-	8,748,443	5,553,940	14,302,383
Electricity, Gas and Water	-	-	-	-	-	-	271,932	11,651	2,232	127	26	-	-	-	-	-	140,909	145,059	285,968
Construction	-	-	-	-	-	-	2,721,862	491,372	162,217	27,181	5,174	-	-	-	-	-	1,949,717	1,458,089	3,407,806
Services	276,134	57,140	4,286	-	-	1,776,244	5,773,975	1,829,638	284,272	73,375	11,710	-	-	-	-	411,167	6,357,492	4,140,449	10,497,941
Wholesale and Retail Trade	-	6,929	-	-	-	-	2,234,576	599,985	97,573	26,372	2,463	-	-	-	-	-	2,247,326	720,572	2,967,898
Accommodation and Dining	-	-	-	-	-	-	511,091	94,848	48,033	3,330	382	-	-	-	-	-	412,960	244,724	657,684
Transportation and Telecom.	-	-	-	-	-	-	1,428,006	309,085	44,660	28,925	1,000	-	-	-	-	5	1,155,176	656,505	1,811,681
Financial Institutions	276,134	-	-	-	-	1,776,244	211,560	434,649	1,743	1,974	6,457	-	-	-	-	411,162	1,241,904	1,878,019	3,119,923
Real Estate and Rental Services	-	2,500	-	-	-	-	837,008	242,377	61,479	7,678	718	-	-	-	-	-	581,831	569,929	1,151,760
Self-Employment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Services	-	2,307	4,286	-	-	-	262,603	79,589	17,279	3,029	514	-	-	-	-	-	319,632	49,975	369,607
Educational Services	-	1	-	-	-	-	39,030	15,103	2,164	205	45	-	-	-	-	-	54,391	2,157	56,548
Health and Social Services	-	45,403	-	-	-	-	250,101	54,002	11,341	1,862	131	-	-	-	-	-	344,272	18,568	362,840
Other	-	13	-	-	-	225	720,870	3,906,844	1,397,718	121,996	8,063,774	-	-	-	-	2,063,085	15,692,400	582,125	16,274,525
Total	276,134	57,162	4,286	-	-	-	1,776,469	22,825,339	9,239,349	2,381,050	355,883	8,093,790	-	-	-	2,474,252	35,148,031	12,335,683	47,483,714

(*) Foreign Currency oriented credits are shown in TL column

(**) Risk amounts after conversion rate to credit are given before credit risk mitigation.

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INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE OF THE GROUP (Continued)

II. Explanations Related to the Consolidated Credit Risk (Continued)

Risk profile by Sectors or Counterparties:

Prior Period	Exposure Categories															Others	TL (*)	FC	Total
	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to regional governments or local authorities	Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	Conditional and unconditional exposures to multilateral development banks	Conditional and unconditional exposures to international organisations	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Past due items	Items in regulatory high-risk categories	Exposures in the form of bonds secured by mortgages	Securitization Positions	Short term exposures to banks, brokerage houses and corporates	Exposures in the form of collective investment undertakings				
Agriculture	-	-	-	-	-	-	525,927	749,020	74,854	9,437	277	-	-	-	-	-	1,172,148	187,367	1,359,515
Farming and Stockbreeding	-	-	-	-	-	-	463,177	689,401	69,355	8,824	175	-	-	-	-	-	1,066,633	164,299	1,230,932
Forestry	-	-	-	-	-	-	56,744	50,650	4,171	571	83	-	-	-	-	-	90,136	22,083	112,219
Fishery	-	-	-	-	-	-	6,006	8,969	1,328	42	19	-	-	-	-	-	15,379	985	16,364
Manufacturing	-	70	-	-	-	-	9,579,276	3,512,412	463,581	108,990	10,620	-	-	-	-	-	7,538,823	6,136,126	13,674,949
Mining and Quarrying	-	-	-	-	-	-	246,161	198,992	21,642	3,673	270	-	-	-	-	-	324,341	146,397	470,738
Production	-	70	-	-	-	-	9,188,281	3,296,254	440,358	105,080	10,327	-	-	-	-	-	7,121,595	5,918,775	13,040,370
Electricity, Gas and Water	-	-	-	-	-	-	144,834	17,166	1,581	237	23	-	-	-	-	-	92,887	70,954	163,841
Construction	-	-	-	-	-	-	1,753,280	563,478	160,740	24,020	5,206	-	-	-	-	-	1,473,920	1,032,804	2,506,724
Services	76,529	30,224	13,290	-	-	1,500,582	3,318,012	1,906,943	400,924	92,674	9,140	-	-	-	-	236,426	4,672,940	2,911,804	7,584,744
Wholesale and Retail Trade	-	1,845	-	-	-	-	1,202,399	767,667	137,460	21,296	1,901	-	-	-	-	2,769	1,682,864	452,473	2,135,337
Accommodation and Dining	-	-	-	-	-	-	347,922	143,785	58,077	3,131	284	-	-	-	-	-	329,191	224,008	553,199
Transportation and Telecom.	-	-	-	-	-	-	796,230	485,749	50,073	26,305	579	-	-	-	-	-	890,908	468,028	1,358,936
Financial Institutions	76,529	-	-	-	-	1,500,582	301,328	11,552	1,171	27,956	5,409	-	-	-	-	231,182	833,008	1,322,701	2,155,709
Real Estate and Rental	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	384,627	274,681	117,044	6,307	390	-	-	-	-	-	393,066	389,983	783,049
Self-Employment Services	-	-	13,290	-	-	-	117,458	110,210	16,032	5,082	413	-	-	-	-	308	223,917	38,876	262,793
Educational Services	-	1	-	-	-	-	5,137	21,554	2,933	534	36	-	-	-	-	1,946	31,534	607	32,141
Health and Social Services	-	28,378	-	-	-	-	162,911	91,745	18,134	2,063	128	-	-	-	-	221	288,452	15,128	303,580
Other	-	-	-	-	-	-	438,663	3,909,052	1,460,483	43,941	3,793,840	-	-	-	-	1,435,733	10,805,592	276,120	11,081,712
Total	76,529	30,294	13,290	-	-	1,500,582	15,615,158	10,640,905	2,560,582	279,062	3,819,083	-	-	-	-	1,672,159	25,663,423	10,544,221	36,207,644

(*) Foreign Currency oriented credits are shown in TL column

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INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE OF THE GROUP (Continued)

II. Explanations Related to the Consolidated Credit Risk (Continued)

Analysis of maturity-bearing exposures according to remaining maturities:

Current Period Exposure Categories	Term To Maturity				
	Up to 1Month	1-3 Months	3-6 Months	6-12 Months	Over 1 year
Conditional and unconditional exposures to central governments or central banks	147,495	6,835	707	-	121,097
Conditional and unconditional exposures to regional governments or local authorities	94	571	28	3,402	52,436
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	-	-	-	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	631,369	176,298	168,909	255,900	92,224
Conditional and unconditional exposures to corporates	6,669,947	1,336,392	1,305,465	2,522,080	5,726,034
Conditional and unconditional retail exposures	3,484,616	308,004	401,824	620,026	3,043,052
Conditional and unconditional exposures secured by real estate property	328,219	21,986	40,659	84,166	1,861,987
Past due receivables	-	-	-	-	-
Items in regulatory high-risk category defined by BRSA	-	291,255	246,215	383,811	7,140,888
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitization Positions	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporate	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-
Others	1,089,487	137,593	102,638	-	161
Total	12,351,227	2,278,934	2,266,445	3,869,385	18,037,879

Prior Period Exposure Categories	Term To Maturity				
	Up to 1Month	1-3 Months	3-6 Months	6-12 Months	Over 1 year
Conditional and unconditional exposures to central governments or central banks	1,246	-	25,290	-	49,994
Conditional and unconditional exposures to regional governments or local authorities	161	335	303	795	28,308
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	7,775	-	-	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	484,520	59,853	289,790	162,653	66,658
Conditional and unconditional exposures to corporates	5,056,862	900,864	1,130,162	1,258,772	2,529,352
Conditional and unconditional retail exposures	4,210,944	348,825	412,364	653,218	3,405,587
Conditional and unconditional exposures secured by real estate property	467,421	28,686	60,514	83,749	1,865,315
Past due receivables	-	-	-	-	-
Items in regulatory high-risk category defined by BRSA	-	-	-	214,000	3,578,259
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitization Positions	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporate	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-
Others	728,013	719	177	-	6
Total	10,956,942	1,339,282	1,918,600	2,373,187	11,523,479

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INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE OF THE GROUP (Continued)

II. Explanations Related to the Consolidated Credit Risk (Continued)

Information about the risk exposure categories;

As explained on the 6. Article of the "Communiqué on Measurement and Assessment of Capital Adequacy of Banks ", receivables from central governments or central banks are calculated according to the OECD's published country risks.

Receivables from unrated nonresident banks and brokerage houses may receive a risk weight lower than that applied to claims on its sovereign of incorporation. Unrated bank with a days to maturity less than 3 months subject to a floor of %20, days to maturity more than 3 months subject to a floor of 50%. Receivables from corporate is subject to a floor of 100% or a higher country risk applied to sovereign of incorporation.

Credit quality step and risk weight matching table is shown below which is based on the OECD's published country risk classifications;

OECD Credit Quality Level	Receivables from Central Governments or Central Banks	Receivables from Banks and Brokerage Houses		Corporate Receivables
		DTM less than 3 months	DTM higher than 3 months	
0	0%	20%	50%	100%
1	0%	20%	50%	100%
2	20%	20%	50%	100%
3	50%	50%	50%	100%
4	100%	100%	100%	100%
5	100%	100%	100%	100%
6	100%	100%	100%	100%
7	150%	150%	150%	150%

Exposures by risk weights:

Current Period

Risk Weights	0%	10%	20%	50%	75%	100%	150%	200%	250%	1250%	Deductions from Equity
Exposures before Credit Risk Mitigation											
Exposures after Credit Risk Mitigation	11,510,997	-	1,479,524	5,883,348	12,319,132	27,428,614	1,285,413	2,775,002	40,018	-	561,590

Prior Period

Risk Weights	0%	10%	20%	50%	75%	100%	150%	200%	250%	1250%	Deductions from Equity
Exposures before Credit Risk Mitigation											
Exposures after Credit Risk Mitigation	8,860,224	-	1,627,238	5,435,599	14,436,516	18,501,620	887,501	1,252,069	-	-	503,280

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INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE OF THE GROUP (Continued)

II. Explanations Related to the Consolidated Credit Risk (Continued)

Informations in terms of major sectors and type of counterparties:

Current Period Major Sectors / Counterparties	Credits		Value Adjustments	Provisions
	Impaired Credits	Past Due Credits		
Agriculture	48,380	126,551	5,494	28,206
Farming and Stockbreeding	47,639	120,715	5,241	27,917
Forestry	-	4,494	195	-
Fishery	741	1,342	58	289
Manufacturing	335,737	384,349	16,662	224,156
Mining and Quarrying	19,254	28,606	1,242	14,635
Production	308,641	355,111	15,393	201,770
Electricity, Gas and Water	7,842	632	27	7,751
Construction	54,568	85,179	3,698	27,918
Services	205,316	333,335	14,472	132,783
Wholesale and Retail Trade	65,600	99,021	4,299	42,067
Accommodation and Dining	24,966	35,631	1,547	21,426
Transportation and Telecom.	75,593	96,728	4,199	47,017
Financial Institutions	614	2,339	102	477
Real Estate and Rental Services	16,052	39,239	1,704	8,270
Professional Services	16,213	38,610	1,676	10,085
Educational Services	849	3,512	152	530
Health and Social Services	5,429	18,255	793	2,911
Other	296,713	632,256	27,448	185,778
Total	940,714	1,561,670	67,774	598,841

Prior Period Major Sectors / Counterparties	Credits		Value Adjustments	Provisions
	Impaired Credits	Past Due Credits		
Agriculture	21,378	86,719	1,587	12,121
Farming and Stockbreeding	-	-	-	-
Forestry	21,146	85,378	1,562	11,937
Fishery	232	1,341	25	184
Manufacturing	297,839	356,163	6,513	204,366
Mining and Quarrying	70,927	1,710	31	70,433
Production	223,683	349,234	6,387	132,394
Electricity, Gas and Water	3,229	5,219	95	1,539
Construction	58,688	72,493	1,326	39,129
Services	146,721	297,269	5,395	83,790
Wholesale and Retail Trade	48,863	81,970	1,499	28,235
Accommodation and Dining	5,949	22,415	410	2,707
Transportation and Telecom.	57,115	69,810	1,235	32,720
Financial Institutions	1,216	21,283	389	868
Real Estate and Rental Services	12,153	27,721	507	6,040
Professional Services	-	-	-	-
Educational Services	954	4,647	85	529
Health and Social Services	20,471	69,423	1,270	12,691
Other	190,271	508,912	9,308	108,094
Total	714,897	1,321,556	24,129	447,500

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INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE OF THE GROUP (Continued)

II. Explanations Related to the Consolidated Credit Risk (Continued)

Information about Value Adjustment and Change in Provisions

	31.12.2012 Balance	Provision for Period	Provision Reversals	Write off from Asset	Other Adjustments*	31.12.2013 Balance
Specific Provisions	447,500	371,237	(110,202)	(118,939)	9,245	598,841
General Provisions	419,436	229,305	(97,152)	-	3,018	554,607

(*) Determined according to currency differences, business merger, acquisition and disposition of affiliate company

	31.12.2011 Balance	Provision for Period	Provision Reversals	Write off from Asset	Other Adjustments*	31.12.2012 Balance
Specific Provisions	541,076	307,601	(94,380)	-	(306,797)	447,500
General Provisions	273,409	219,221	(73,034)	-	(160)	419,436

(*) Determined according to currency differences, business merger, acquisition and disposition of affiliate company

III. Explanations Related to the Consolidated Market Risk

The Group’s risk management activities are managed under the responsibility of the Board of Directors in compliance with the “Communiqué on Banks’ Internal Control and Risk Management Systems” and “Communiqué on Measurement and Assessment of Capital Adequacy Ratios of Banks”.

The Board of Directors determines the limits for the basic risk that the Parent Bank is exposed to. Those limits are revised periodically in line with the market forces and strategies of the Parent Bank. Additionally, the Board of Directors has ensured that the risk management division and senior management has taken necessary precautions to describe, evaluate, control and manage risks faced by the Parent Bank.

Interest rate and exchange rate risks, arising from the volatility in the financial markets, of the financial positions taken by the Parent Bank related to balance sheet and off-balance sheet accounts are measured and while calculating the capital adequacy and the amount subject to Value at Risk (VAR), as summarized below, is taken into consideration by the standard method. Beside the standard method, VAR is calculated by using internal model as supported by scenario analysis and stress tests. VAR is calculated daily by historic simulation. These results are also reported daily to the management.

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INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE OF THE GROUP (Continued)

III. Explanations Related to the Consolidated Market Risk (Continued)

a) i) Information Related to Market Risk

	Consolidated	Parent Bank
(I) Capital Requirement to be Employed For General Market Risk - Standard Method	18,251	18,163
(II) Capital Requirement to be Employed For Specific Risk - Standard Method	981	884
Capital requirement against Specific Risks of Securitisation Positions– Standard Method	-	-
(III) Capital Requirement to be Employed For Currency Risk – Standard Method	24,918	5,977
(IV) Capital Requirement to be Employed For Commodity Risk – Standard Method	-	-
(V) Capital Requirement to be Employed For Settlement Risk – Standard Method	-	-
(VI) Total Capital Requirement to be Employed For Market Risk Resulting From Options - Standard Method	831	831
(VII) Capital requirement against Counterparty Credit Risks - Standard Method	43,418	43,385
(VIII) Total Capital Requirement to be Employed For Market Risk	-	-
(IX) Total Capital Requirement against Market Risk (I+II+III+IV+V+VI+VII)	88,399	69,240
(X) Amount Subject to Market Risk (12.5 x VIII) or (12.5 x IX)	1,104,988	865,500

ii) Average market risk table calculated at month ends during the period:

	Current Period			Prior Period		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	19,888	25,390	15,878	23,037	33,106	14,463
Common Stock Risk	-	-	-	1,942	3,899	-
Currency Risk	20,013	24,918	13,432	20,813	22,812	18,594
Commodity Risk	-	-	-	-	-	-
Exchange Risk	-	-	-	-	-	-
Counterparty Credit Risk	1,204	1,942	831	307	671	2
Option Risk	35,775	44,338	17,887	15,986	18,574	13,398
Total Value Subject to Risk (*)	960,993	1,140,132	700,325	583,063	829,300	328,400

(*) “Total Value Subject to Risk” is calculated as the total amount of capital requirements for the market risk multiplied by 12.5.

b) Information on Counterparty Credit Risk,

Limit requests of clients demanding derivative transaction are evaluated based on the related line of business in different credit committees. Limit amounts approved by credit committee are risk weighted limits. In calculation of risk amount traced to risk weighted limits is multiplied by ratios based on each factor’s historical movement and that change according to transaction’s nominal amount, transaction’s maturity, type, currency and purpose. Updates are generally conducted on a yearly basis except for the times of strict market fluctuations. In other words, if current tables do not cover risk calculations efficiently in case of strict market fluctuations, all tables are reviewed without waiting for annual period.

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III. Explanations Related to the Consolidated Market Risk (Continued)

b) Information on Counterparty Credit Risk, (Continued)

In table calculations, different time periods are considered while making analyses. If there is a period in data set with strictly fluctuating period, historical period after this period might be crucial. Also, in historical fluctuations, similar work meant for a data is organized separately. References provided by BNPP are also considered in the process. Eventually, all results are discussed firstly among line of business and then in the Market Risk Committee. Final decision is made by Risk Policy Committee and one of the alternatives is chosen.

Customers demanding derivative transactions are separated into two based on the purpose of the transaction. Decision of allocating the client to a group is given with taking into consideration client’s all transactions. Related Credit Department decides on the evaluation of client either in trading derivative transaction limit or in hedging derivative transaction limit.

In principle, all individual customers are evaluated as in trading portfolio, and The Bank works with 100% cash and cash equivalent collaterals. Commercial and corporate customers are evaluated different for each firm and based on the decision given, are subject to different collateral conditions. Risks are monitored daily based on the collateral conditions set with the client, and additional collaterals are demanded when a necessity arises according to internally set principles.

For derivative transactions made with banks, ISDA, CSA and GMRA agreements are requested from counterparties. In principle, derivative transactions are not made with banks that do not sign these agreements. Collateral management is made on a daily basis with banks considering agreement conditions so that counterparty risk is minimized.

All open derivative transactions are evaluated daily by using market data, and resulting evaluation amount is installed to system. As a new transaction is made, risk amount calculated with risk weights is reflected automatically to the system. In other words, counterparty risk regarding all derivative transactions is monitored on banking system. Collateral amount required for customer transactions, transaction evaluation amount and risk weighted nominal amount is monitored daily by considering collateral condition and limit monitoring principles set up by the Bank.

Simulations of transactions are conducted in order to be able to see the level of capital consumption on transaction basis. Ratings and Basel II portfolios of derivative customers and banks are reviewed and updated monthly. These are considered in the calculation of capital requirement and evaluation of collateral conditions.

Quantitative Information on Counterparty Risk:

	Trading Book	Banking Book	Total
Agreement Based on Interest Rate	14,615	7,120	21,735
Agreement Based on Foreign Exchange Currency	226,101	38,882	264,983
Agreement Based on Commodity	-	-	-
Agreement Based on Marketable Securities	-	-	-
Other	-	-	-
Gross Positive Fair Value	577,213	178,369	755,582
Benefits of Netting	-	-	-
Current Net Risk Amount	-	-	-
Reserved Guarantee	-	-	-
Net Position of Derivatives	817,929	224,371	1,042,300

c) Capital Requirement is not calculated with a measurement model permitted by Banking Regulation and Supervision Agency.

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INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE OF THE GROUP (Continued)

IV. Explanations Related to the Consolidated Operational Risk

- a) Operational risk has been calculated using the basic indicator approach. Market risk measurements are performed monthly.
- b) In case of application of the standart method:

	31.12.2010	31.12.2011	31.12.2012	Total/Positive Year	Rate (%)	Total
GROSS Income	2,071,801	1,805,354	2,510,493	2,129,216	15	319,382
Amount subject to Operational Risk (Total*12,5)						3,992,275

	31.12.2009	31.12.2010	31.12.2011	Total/Positive Year	Rate (%)	Total
GROSS Income	1,952,490	2,071,801	1,805,354	1,943,215	15	291,482
Amount subject to Operational Risk (Total*12,5)						3,643,525

- c) The Group does not use the standard method
- d) The Group does not use any alternative approach in standart method

V. Explanations Related to the Consolidated Currency Risk

Foreign currency risk indicates the probability of loss that the Group is subject to due to the exchange rate movements in the market. While calculating the share capital requirement, all foreign currency assets, liabilities and forward transactions of the Group are taken into consideration and risk is calculated by using the standard method.

The Board of Directors of the Parent Bank sets limits for the positions, which are followed up daily. Any possible changes in the foreign currency transactions in the Parent Bank’s positions are also monitored.

As an element of the Group’s risk management strategies, foreign currency liabilities are hedged against exchange rate risk by derivative instruments.

The Treasury Department of the Parent Bank is responsible for the management of Turkish Lira or foreign currency price, liquidity and affordability risks that could occur in the domestic and international markets within the limits set by the Board of Directors. The monitoring of risk and risk related transactions occurring in the money markets is performed daily and reported to the Parent Bank’s Asset-Liability Committee on a weekly basis.

As of 31 December 2013, the Group’s net long position is TL2,227,237 (31 December 2012: TL2,059,808 net long) resulting from short position on the balance sheet amounting to TL2,956,845 (31 December 2012: TL2,647,608 short) and short position on the off-balance sheet amounting to TL729,608 (31 December 2012: TL587,800 short).

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V. Explanations Related to the Consolidated Currency Risk (Continued)

The announced current foreign exchange buying rates of the Parent Bank at 31 December 2013 and the previous five working days in full TL are as follows:

	24.12.2013	25.12.2013	26.12.2013	27.12.2013	30.12.2013	31.12.2013
USD	2.0744	2.076	2.1122	2.1506	2.1189	2.1297
JPY	0.0199	0.0199	0.0202	0.0205	0.0202	0.0203
EURO	2.8341	2.8416	2.891	2.9684	2.9265	2.9346

The simple arithmetic averages of the major current foreign exchange buying rates of the Parent Bank for the thirty days before 31 December 2013 are as follows:

	Monthly Average Foreign Exchange Rate
USD	2.0621
JPY	0.0199
EURO	2.8267

Foreign currency sensitivity:

The Parent Bank is mainly exposed to EUR and USD currency risks.

The following table details the Parent Bank’s sensitivity to a 10% change in the TL against USD and EUR. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management’s assessment of the possible change in foreign exchange rates. A positive number indicates an increase in profit or loss and other equity in the case of short position and a decrease in the case of long position where the TL strengthens against USD and EUR.

	Change in currency rate in %	Effect on profit or loss		Effect on equity (*)	
		31 December 2013	31 December 2012	31 December 2013	31 December 2012
		USD	10 increase	13,286	18,779
USD	10 decrease	(13,286)	(18,779)	(60)	(401)
EURO	10 increase	82,628	39,794	127	223
EURO	10 decrease	(82,628)	(39,794)	(127)	(223)

(*) The effect on equity does not include the effect of changes in foreign exchange rate on the income statement.

The Group’s sensitivity to foreign currency rates have not changed significantly during the current period. The positions taken in line with market expectations can increase the foreign currency sensitivity from period to period.

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V. Explanations Related to the Consolidated Currency Risk (Continued)

Information on the foreign currency risk of the Group:

Current Period	EUR	USD	OTHER	TOTAL
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	2,813,895	2,435,949	929,469	6,179,313
Banks	104,987	156,958	118,025	379,970
Financial Assets at Fair Value Through Profit and Loss (****)	29,053	23,054	419	52,526
Money Market Placements	-	-	-	-
Available-For-Sale Financial Assets	92,866	42,043	6,149	141,058
Loans (**)	3,981,765	5,910,803	848,875	10,741,443
Subsidiaries, Associates and Entities Under Common Control	-	-	-	-
Held-To-Maturity Investments	-	-	-	-
Derivative Financial Assets for Hedging Purposes	-	63	-	63
Tangible Assets	9,609	-	-	9,609
Intangible Assets	1,332	-	-	1,332
Other Assets (***)	426,204	204,407	18,066	648,677
Total Assets	7,459,711	8,773,277	1,921,003	18,153,991
Liabilities				
Bank Deposits	61,508	141,287	91,178	293,973
Foreign Currency Deposits (*)	3,972,878	6,200,150	1,047,199	11,220,227
Money Market Borrowings	-	-	-	-
Funds Provided From Other Financial Institutions (**)	5,308,100	2,534,368	853,255	8,695,723
Marketable Securities Issued	-	-	-	-
Sundry Creditors	36,143	116,617	3,001	155,761
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities (***)	9,878	4,707	959	15,544
Total Liabilities	9,388,507	8,997,129	1,995,592	20,381,228
Net Balance Sheet Position	(1,928,796)	(223,852)	(74,589)	(2,227,237)
Net Off-Balance Sheet Position	2,755,072	90,997	110,776	2,956,845
Financial Derivative Assets (****)	7,158,689	11,900,978	616,803	19,676,470
Financial Derivative Liabilities (****)	4,403,617	11,809,981	506,027	16,719,625
Non-Cash Loans (*****)	3,090,581	3,703,730	149,050	6,943,361
Prior Period				
Total Assets	5,368,646	6,193,496	1,682,811	13,244,953
Total Liabilities	6,889,251	6,813,557	1,601,953	15,304,761
Net Balance Sheet Position	(1,520,605)	(620,061)	80,858	(2,059,808)
Net Off-Balance Sheet Position	1,928,082	782,648	(63,122)	2,647,608
Financial Derivative Assets	5,079,363	8,921,226	867,544	14,868,133
Financial Derivative Liabilities	3,151,281	8,138,578	930,666	12,220,525
Non-Cash Loans (*****)	3,018,025	3,275,566	164,051	6,457,642

- (*) Precious metal accounts amounting to TL671,360 (31 December 2012: TL798,011) are included in the foreign currency deposits.
- (**) Foreign currency indexed loans amounting to TL2,508,336 (31 December 2012: TL1,907,927) are included in the loan portfolio.
- (***) TL23,715 (31 December 2012: TL27,259) foreign currency indexed factoring receivables is included in other assets, while TL39,826 (31 December 2012: TL53,288) expense accruals from derivative financial instruments, and TL14,983 (31 December 2012: TL12,286) provision for general loan losses are deducted from other liabilities TL931 (31 December 2012: TL150) foreign currency indexed factoring payables is included in the other liabilities. Foreign currency indexed liabilities are included in funds provided from other financial institutions.
- (****) Forward asset and marketable securities purchase-sale commitments of TL626,064 (31 December 2012: TL654,449) are added to derivative financial assets and TL549,644 (31 December 2012: TL431,360) has been added to derivative financial liabilities.
- (*****) TL32,146 (31 December 2012: TL55,161) income accruals from derivative financial instruments is deducted from Financial Assets at Fair Value Through Profit and Loss.
- (******) There is no effect on the net off-balance sheet position.

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VI. Explanations Related to Consolidated Interest Rate Risk

Interest rate risk shows the probability of loss related to the changes in interest rates depending on the Parent Bank’s position, and it is managed by the Asset-Liability Committee. The interest rate sensitivity of assets, liabilities and off-balance sheet items related to this risk are measured by using the standard method and included in the market risk for capital adequacy.

The priority of the risk management department is to avoid the impact of the fluctuations in interest rates. In this context, duration, maturity and sensitivity analysis are calculated by the Risk Management Department and presented to both Liquidity Risk Committee and Asset-Liability Committee.

Simulations on interest income are performed in connection with the forecasted economic indicators used in the budget of the Group.

The Parent Bank management monitors the market interest rates on a daily basis and revises the interest rates of the Parent Bank when necessary.

Since the Group does not allow maturity mismatches or imposes limits on the mismatch, no significant interest rate risk exposure is expected.

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

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing	Total
Current Period							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	-	-	6,811,612	6,811,612
Banks	207,353	4,047	2,044	-	-	247,141	460,585
Financial Assets at Fair Value Through Profit and Loss	15,286	81,605	535,463	61,032	16,084	674,647	1,384,117
Money Market Placements	245	-	-	-	-	-	245
Available-For-Sale Financial Assets	501,840	1,088,923	1,089,614	1,626,144	81,349	21,015	4,408,885
Loans and Receivables (*)	12,646,061	2,282,817	7,017,871	13,181,229	4,139,381	375,989	39,643,348
Factoring Receivables	643,004	336,654	107,479	-	-	5,550	1,092,687
Financial Lease Receivables	-	-	-	-	-	-	-
Held-To-Maturity Investments	28,988	80,163	183,805	-	-	-	292,956
Other Assets	833	1,948	21,653	29,459	3,252	2,052,676	2,109,821
Total Assets	14,043,610	3,876,157	8,957,929	14,897,864	4,240,066	10,188,630	56,204,256
Liabilities							
Bank Deposits	1,491,958	28,478	8,182	-	-	106,954	1,635,572
Other Deposits	20,486,895	7,390,861	569,996	146,230	307	5,303,285	33,897,574
Money Market Borrowings	1,083,153	-	-	-	-	-	1,083,153
Sundry Creditors	-	-	-	-	-	1,122,712	1,122,712
Marketable Securities Issued	-	278,005	432,271	-	-	-	710,276
Funds Provided From Other Financial Institutions	2,017,071	3,377,011	4,084,836	164,800	117,152	-	9,760,870
Factoring Payables	-	-	-	-	-	8,012	8,012
Other Liabilities	17,542	17,439	41,917	42,180	3,301	7,863,708	7,986,087
Total Liabilities	25,096,619	11,091,794	5,137,202	353,210	120,760	14,404,671	56,204,256
Balance Sheet Long Position	-	-	3,820,727	14,544,654	4,119,306	-	22,484,687
Balance Sheet Short Position	(11,053,009)	(7,215,637)	-	-	-	(4,216,041)	(22,484,687)
Off-Balance Sheet Long Position	641,617	2,625,354	-	-	-	-	3,266,971
Off-Balance Sheet Short Position	-	-	(1,811,144)	(1,164,705)	(158,017)	-	(3,133,866)
Total Position	(10,411,392)	(4,590,283)	2,009,583	13,379,949	3,961,289	(4,216,041)	133,105

(*) Loans with floating interest rates of the Parent Bank amounting to TL6,850,037 are included in “Up to 1 Month” while mark to market differences from hedged loans amounting to TL3,404 are included in “1-5 Years”.

The other assets line in the non-interest bearing column consists of tangible assets amounting to TL332,957; intangible assets amounting to TL476,824, assets held for resale amounting to TL83,217, entities under common control (joint vent.) amounting to TL5, and the other liabilities line includes the shareholders’ equity of TL5,569,119.

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VI. Explanations Related to Consolidated Interest Rate Risk (Continued)

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

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing	Total
Prior Period							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	-	-	4,449,400	4,449,400
Banks	786,614	2,003	-	-	-	219,699	1,008,316
Financial Assets at Fair Value Through Profit and Loss	10,609	73,402	323,414	57,296	26,945	147,339	639,005
Money Market Placements	1,700,525	-	-	-	-	-	1,700,525
Available-For-Sale Financial Assets	658,492	592,162	1,692,743	1,271,236	69,596	24,603	4,308,832
Loans and receivables (*)	11,141,620	1,996,166	5,282,608	9,263,495	2,957,548	354,151	30,995,588
Factoring Receivables	421,330	236,115	92,790	-	-	4,532	754,767
Financial Lease Receivables	-	-	-	-	-	-	-
Held-To-Maturity Investments	-	-	20,416	-	-	-	20,416
Other Assets	523	-	714	10,088	1,175	1,972,751	1,985,251
Total Assets	14,719,713	2,899,848	7,412,685	10,602,115	3,055,264	7,172,475	45,862,100
Liabilities							
Bank Deposits	668,839	27,165	7,073	35,622	-	193,087	931,786
Other Deposits	15,243,909	8,049,215	1,447,678	152,770	263	4,134,313	29,028,148
Money Market Borrowings	65,120	-	-	-	-	-	65,120
Sundry Creditors	-	-	-	-	-	888,339	888,339
Marketable Securities Issued	287,660	-	206,577	-	-	-	494,237
Funds Provided From Other Financial Institutions	1,244,340	3,650,455	1,420,074	160,479	572,147	-	7,047,495
Factoring Payables	-	-	-	-	-	3,988	3,988
Other Liabilities	1,398	133	5,894	163,461	18,460	7,213,641	7,402,987
Total Liabilities	17,511,266	11,726,968	3,087,296	512,332	590,870	12,433,368	45,862,100
Balance Sheet Long Position	-	-	4,325,389	10,089,783	2,464,394	-	16,879,566
Balance Sheet Short Position	(2,791,553)	(8,827,120)	-	-	-	(5,260,893)	(16,879,566)
Off-Balance Sheet Long Position	974,971	1,598,199	-	-	-	-	2,573,170
Off-Balance Sheet Short Position	-	-	(150,000)	(1,448,474)	(766,726)	(221,048)	(2,586,248)
Total Position	(1,816,582)	(7,228,921)	4,175,389	8,641,309	1,697,668	(5,481,941)	(13,078)

(*) Loans with floating interest rates of the Parent Bank amounting to TL6,859,836 are included in “Up to 1 Month” while mark to market differences from hedged loans amounting to TL16,309 are included in “1-5 Years”.

The other assets line in the non-interest bearing column consists of tangible assets amounting to TL256,273; intangible assets amounting to TL446,136, assets held for resale amounting to TL61,590, entities under common control (joint vent.) amounting to TL5, and the other liabilities line includes the shareholders’ equity of TL4,999,764.

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INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE OF THE GROUP (Continued)

VI. Explanations Related to Consolidated Interest Rate Risk (Continued)

Average interest rates applied to monetary financial instruments:

	EURO	USD	YEN	TL
	%	%	%	%
Current Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	-
Banks	2.70	2.70	-	0.87
Financial Assets at Fair Value Through Profit and Loss	0.09	3.93	-	9.49
Money Market Placements	-	-	-	6.83
Available-For-Sale Financial Assets	0.86	3.43	-	9.49
Loans	3.78	4.01	3.43	11.72
Leasing Receivables	-	-	-	-
Factoring Receivables	2.78	2.18	-	11.50
Held-To-Maturity Investments	-	-	-	11.34
Liabilities				
Bank Deposits	0.39	0.58	-	5.60
Other Deposits	2.27	2.33	0.16	8.71
Money Market Borrowings	-	-	-	6.70
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	8.32
Funds Provided From Other Financial Institutions	1.67	2.34	2.42	8.12
	EURO	USD	YEN	TL
	%	%	%	%
Prior Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	-
Banks	0.19	0.18	-	5.65
Financial Assets at Fair Value Through Profit and Loss	4.91	4.39	-	6.07
Money Market Placements	-	-	-	6.33
Available-For-Sale Financial Assets	1.34	2.81	-	5.87
Loans	4.38	5.31	4.64	12.59
Leasing Receivables	-	-	-	-
Factoring Receivables	3.48	2.84	-	12.45
Held-To-Maturity Investments	6.21	5.28	-	-
Liabilities				
Bank Deposits	1.01	0.72	-	5.33
Other Deposits	2.71	2.60	0.51	8.35
Money Market Borrowings	-	-	-	5.25
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	7.02
Funds Provided From Other Financial Institutions	1.59	2.91	2.44	9.69

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INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE OF THE GROUP (Continued)

VI. Explanations Related to Consolidated Interest Rate Risk (Continued)

Interest rate risk on banking accounts:

- a) Nature of interest rate risk caused by the banking accounts, significant assumptions on the deposit movement excepting early repayment of the loans and time deposits and measurement frequency of the interest rate risk,

Interest rate risk resulting from the banking accounts whose imposed interest risk that is traced by the bank, as well as been assessing by the related committee in different angle. There is a limit to risk amount defined by the Board of Directors. According to view of market expectation of the bank in terms of currency, is taken care in order to supply balancing between assets and liabilities

Early repayment rate of loans is determined upon reviewing to feedback of previous mortgage rate movements. Repricing days of demand deposit at bank account is settled on basing of demand deposit movements in view of branches and accounts. Accepted assumptions in parallel of result are reflected to issued products in calculation of interest rate sensitivity.

- b) The Parent Bank only economic value differences resulted from interest rate instabilities calculated according to “Regulation on measurement and evaluation of interest rate risk resulted from the banking accounts as per standard shock method”:

Type of Currency	Shock Applied (+/- x basis point)	Gains/ (Losses)	Gains/Equity– (Losses)/Equity
TRY	(400)	864,647	12.60%
TRY	500	(930,990)	(13.57)%
EURO	(200)	19,774	0.29%
EURO	200	(16,890)	(0.25)%
USD	(200)	65,434	0.95%
USD	200	(58,972)	(0.86)%
Total (of negative shocks)	(800)	949,855	13.84%
Total (of positive shocks)	900	(1,006,852)	(14.68)%

Equity share position risk in banking accounts

The Parent Bank’s equity securities which are not publicly traded are booked as their fair value, or otherwise booked as their cost value if calculation of fair value is not determinate properly.

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INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE OF THE GROUP (Continued)

VII. Explanations Related to Consolidated Liquidity Risk

Liquidity risk occurs when there is insufficient cash or cash inflows to meet the cash outflows completely and timely.

Liquidity risk may also occur when the market penetration is not adequate, when the open positions cannot be closed quickly at suitable prices and sufficient amounts due to barriers and break-ups at the markets.

The Group’s policy is to establish an asset structure that can meet all kinds of liabilities by liquid sources at all times. In this context, liquidity problem has not been faced in any period. In order to maintain this, the Board of Directors of the Parent Bank continuously determines standards for the liquidity proportions, and monitors them.

According to the general policies of the Group, the matching of the maturity and interest rate structure of assets, and liabilities is always established within the asset liability management strategies. A positive difference is tried to be established between the yields of TL and foreign currency assets and liabilities on the balance sheet and their costs. According to this strategy, the Parent Bank manages its maturity risk within the limits determined by Parent Bank’s Board of Directors.

When the funding and liquidity sources are considered, the Parent Bank covers majority of its liquidity need by deposits, and in addition to this source, it makes use of pre-financing and syndication products to generate additional sources. Generally the Parent Bank is in a lender position.

Considering specific stressors related to general market and banking, liquidity position is assessed and managed through various scenarios. The most important of these scenarios is to proceed with parent bank’s net liquid assets/ loans to customers ratio within the limit.

	Current Year	Prior Year
	%	%
Average	23	23
Maximum	32	30
Minumun	18	17

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VII. Explanations Related to Consolidated Liquidity Risk (Continued)

Presentation of assets and liabilities according to their remaining maturities:

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Undistributed (*)	Total
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1,546,639	5,264,973	-	-	-	-	-	6,811,612
Banks	305,601	148,893	4,047	2,044	-	-	-	460,585
Financial Assets at Fair Value Through Profit and Loss	-	172,491	173,569	789,415	229,616	19,026	-	1,384,117
Money Market Placements	-	245	-	-	-	-	-	245
Available-For-Sale Financial Assets	21,015	12,624	582,677	972,061	2,408,587	411,921	-	4,408,885
Loans (**)	17,468	12,515,693	1,726,569	7,023,716	13,725,345	4,292,684	341,873	39,643,348
Factoring Receivables	-	643,004	336,654	107,479	-	-	5,550	1,092,687
Financial Lease Receivables	-	-	-	-	-	-	-	-
Held-To-Maturity Investments	-	-	-	-	-	292,956	-	292,956
Other Assets	833	4,165	43,123	21,874	44,602	3,252	1,991,972	2,109,821
Total Assets	1,891,556	18,762,088	2,866,639	8,916,589	16,408,150	5,019,839	2,339,395	56,204,256
Liabilities								
Bank Deposits	107,038	1,491,874	28,478	8,182	-	-	-	1,635,572
Other Deposits	5,937,860	19,852,320	7,367,861	592,996	146,230	307	-	33,897,574
Funds Provided From Other Financial Institutions	-	1,574,999	1,810,130	4,214,255	590,809	1,570,677	-	9,760,870
Money Market Borrowings	-	1,083,153	-	-	-	-	-	1,083,153
Marketable Securities Issued	-	0	278,005	432,271	-	-	-	710,276
Sundry Creditors	2,079	1,111,142	21	4	6	-	9,460	1,122,712
Factoring Payables	-	8,012	-	-	-	-	-	8,012
Other Liabilities	1,307	1,011,149	136,980	344,462	80,361	3,301	6,408,527	7,986,087
Total Liabilities	6,048,284	26,132,649	9,621,475	5,592,170	817,406	1,574,285	6,417,987	56,204,256
Liquidity Gap	(4,156,728)	(7,370,561)	(6,754,836)	3,324,419	15,590,744	3,445,554	(4,078,592)	-
Prior Period								
Total Assets	1,557,595	17,234,326	1,921,921	7,340,028	11,994,354	3,576,069	2,237,807	45,862,100
Total Liabilities	4,815,712	18,900,588	10,533,384	3,997,483	969,652	949,063	5,696,218	45,862,100
Liquidity Gap	(3,258,117)	(1,666,262)	(8,611,463)	3,342,545	11,024,702	2,627,006	(3,458,411)	-

(*) The assets which are necessary to provide banking services and could not be liquidated in a short term, such as tangible assets, investments in subsidiaries and associates, office supply inventory, prepaid expenses and non-performing loans, are classified as under undistributed.

(**) Loans with floating interest rates of the Parent Bank amounting to TL6,850,037 (31 December 2012: TL6,859,836) are included in “Up to 1 Month” while mark to market differences from hedged loans amounting to TL3,404 (31 December 2012: TL16,309) are included in “1-5 Years”.

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VII. Explanations Related to Consolidated Liquidity Risk (Continued)

Analysis of financial liabilities by remaining contractual maturities:

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Adjustments	Total
As of 31 December 2013,								
Money Market Borrowings	-	1,083,376	-	-	-	-	(223)	1,083,153
Deposit	5,937,862	19,882,932	7,469,878	604,875	156,448	-	(154,421)	33,897,574
Bank Deposit	107,039	1,492,313	28,556	8,591	-	-	(927)	1,635,572
Funds provided from other financial institutions	-	1,585,464	1,823,724	4,322,872	906,174	1,915,467	(792,831)	9,760,870
Total	6,044,901	24,044,085	9,322,158	4,936,338	1,062,622	1,915,467	(948,402)	46,377,169
As of 31 December 2012,								
Money Market Borrowings	-	65,120	-	-	-	-	-	65,120
Deposit	4,622,556	14,790,598	8,148,705	1,492,474	165,314	14	(191,513)	29,028,148
Bank Deposit	193,156	669,073	27,767	7,296	36,028	-	(1,534)	931,786
Funds provided from other financial institutions	-	580,425	915,085	4,016,500	954,822	1,210,239	(629,576)	7,047,495
Total	4,815,712	16,105,216	9,091,557	5,516,270	1,156,164	1,210,253	(822,623)	37,072,549

Analysis of contractual expiry by maturity of the Bank’s derivative financial instruments::

	Up to 1 Month	1-3 Month	3-12 Month	1-5 Year	5 Year and Over	Total
As of 31 December 2013,						
Derivative financial instruments for hedging purposes						
Fair value hedge	-	497,383	7,718	124,002	-	629,103
Cash flow hedge	16,296	3,458	131,843	102,146	630	254,373
Held for trading transactions						
Foreign exchange forward contracts-sell	1,706,709	943,466	1,412,272	371,446	-	4,433,893
Currency swaps-sell	3,311,054	3,332,033	2,732,970	1,016,684	-	10,392,741
Interest rate swaps-sell	14,002	16,075	42,538	38,654	3,100	114,369
Foreign currency futures-sell	-	-	-	-	-	-
Foreign currency options-sell	2,416,106	2,995,020	4,581,282	11,501	-	10,003,909
Total	7,464,167	7,787,435	8,908,623	1,664,433	3,730	25,828,388
As of 31 December 2012,						
Derivative financial instruments for hedging purposes						
Fair value hedge	1,804	13,835	30,126	1,486,575	-	1,532,340
Cash flow hedge	18,992	21,014	98,328	158,780	2,228	299,342
Held for trading transactions						
Foreign exchange forward contracts-sell	1,011,976	1,007,121	1,071,242	56,403	-	3,146,742
Currency swaps-sell	2,140,278	1,194,078	2,617,801	220,795	-	6,172,952
Interest rate swaps-sell	5,790	1,031	6,260	22,170	692	35,943
Foreign currency futures-sell	-	-	-	-	-	-
Foreign currency options-sell	2,389,585	3,064,581	2,985,520	942	-	8,440,628
Total	5,568,425	5,301,660	6,809,277	1,945,665	2,920	19,627,947

Table above shows cash outflows of derivative instruments

Securitization positions:

The Group does not apply securitization as of 31 December 2013 (31 December 2012: None).

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VII. Explanations Related to Consolidated Liquidity Risk (Continued)

Credit Risk Mitigation Techniques:

- a) Process of net-offs of balance sheet and off-balance sheet items and net-offs made through policies and Parent Bank’s net-off usage level,

Parent Bank does not perform net-off of balance sheet and off-balance sheet items in credit risk mitigation.

- b) Applications regarding valuation and management of collaterals,

Monetary collaterals are valued at fair value as of reporting date, and are included in the risk mitigation process. Mortgages’ legal validity is sustained by mortgage’s timely and fair approval. Changes considered important in market conditions are monitored.

- c) Types of collaterals received,

In terms of credit risk mitigation, the Parent bank uses cash, government and treasury bonds, fund, gold, bank guarantee, stock and derivatives as main collateral type. Mortgages on dwelling and commercial real estate reported under different risk class are other main types of collaterals.

- d) Main Guarantor and credit derivatives’ counter party and their credit valuableness,

Guarantor entity’s credit risk value is to be considered in credit risk mitigation process in cases where Parent bank credit customers obtained guarantee from other entities.

- e) Information on Credit mitigation in market or credit risk concentration,

Parent Bank mostly prefers cash, securities such as government and Treasury bond for collateral which have low market and credit risk mitigation risk.

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VII. Explanations Related to Consolidated Liquidity Risk (Continued)

Credit Risk Mitigation Techniques: (Continued)

f) Collaterals in terms of Risk Categories:

Current Period

Exposure classifications	Amount	Financial Collaterals	Other/Physical Collaterals	Guarantees and Credit Derivatives
Conditional and unconditional receivables from central governments or central banks	276,134	-	-	-
Conditional and unconditional receivables from regional or local governments	56,861	1,533	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	4,286	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	1,715,426	130,514	-	-
Conditional and unconditional corporate receivables	21,653,661	1,368,363	-	-
Conditional and unconditional retail receivables	9,069,470	282,453	-	-
Conditional and unconditional secured mortgage receivables	2,381,051	-	-	-
Non-performing loan	355,883	-	-	-
Receivables in high risk category defined by BRSA	8,093,402	1,226	-	-
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, stockbrokers and corporate	-	-	-	-
Investments of natured collective investment enterprise	-	-	-	-
Other receivables	2,456,593	17,656	-	-
Total	46,062,767	1,801,745	-	-

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VII. Explanations Related to Consolidated Liquidity Risk (Continued)

Credit Risk Mitigation Techniques: (Continued)

Prior Period

Exposure classifications	Amount	Financial Collaterals	Other/Physical Collaterals	Guarantees and Credit Derivatives
Conditional and unconditional receivables from central governments or central banks	76,530	-	-	-
Conditional and unconditional receivables from regional or local governments	30,077	1,147	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	13,291	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	1,479,557	54,285	-	-
Conditional and unconditional corporate receivables	14,876,740	896,414	-	-
Conditional and unconditional retail receivables	10,406,701	378,919	-	-
Conditional and unconditional secured mortgage receivables	2,560,582	-	-	-
Non-performing loan	278,647	-	-	-
Receivables in high risk category defined by BRSA	3,818,638	1,523	-	-
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, stockbrokers and corporate	-	-	-	-
Investments of natured collective investment enterprise	-	-	-	-
Other receivables	1,653,264	12,118	-	-
Total	35,194,027	1,344,406	-	-

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VII. Explanations Related to Consolidated Liquidity Risk (Continued)

Risk management objectives and policies

a) Strategies and practices on risk management:

The objective of the Risk Management system is to provide that the risks that are derived from the bank’s activities are defined, measured, monitored and controlled through policies, procedures and limits established.

Risk Management functions of the Parent Bank and all of its subsidiaries have been gathered under the Risk Management Group. Group Risk Management reports to the Boards of Directors of TEB through the Audit Committee within the Bank and is responsible for fulfilling its duties of general supervision, notification and recommendation on behalf of the Boards of Directors in line with the principles laid down in this Regulation.

Risk policies and the procedures related there to contain written standards set by the Board of Directors and the “Senior Management” consisting of General Manager, Assistant General Managers and Chief Risk Officer.

Risk policies and related procedures are prepared in compliance with the Banking Law, external legislation and general banking practices and presented to the Senior Management / Board of Directors for approval.

It is the principal duty of all managers of Parent Bank to provide compliance with risk policies containing the criteria required for each unit and to provide that TEB Group risk culture is adopted by all employees.

b) Risk management system’s structure and organization

Risk management operations consist of risk measurement, monitoring of risks, control of risks and reporting operations. Risk management operations are conducted by group risk management and personnel.

Group risk management head reports to the Board of Directors via Audit Committee.

c) Risk reporting and measurement systems’ scope and qualification,

In order to ensure that the results of risk measurement and monitoring are regularly and timely reported to the Board of Directors and to the Senior Management, realization of the following shall be monitored:

- The risks of the Parent Bank are reported in a detailed and reliable manner to the Board of Directors, to the Audit Committee, to the Senior Management, to the auditors, to the banking authorities, to the rating organizations and finally to the public; and more generally, to keep relations with legal authorities, supervisory and rating organizations in matters related to risk management.

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VII. Explanations Related to Consolidated Liquidity Risk (Continued)

Risk management objectives and policies: (Continued)

- The quantifiable risks are kept within prescribed limits; excesses are identified, stress tests and scenario analyses are performed to evaluate the effect of unexpected market conditions on basic activities and the results are reported to the Board of Directors or to the Senior Management timely and regularly.
- Data on positions and prices is followed up, risk balances are monitored, excesses are identified and monitored, various scenario analyses are performed, value at risk amounts are determined and reported, coordination with other activity fields and units is ensured,
- Daily reports from risk measurement models used by the Parent Bank are generated, these reports are analyzed, it's ensured that quantifiable risks comply with prescribed limits and the conformity with the limits is monitored,
- Limits defined for each risk on unit/organization basis are aggregated and monitored on a consolidated basis.

The Group Risk Management follows the consequences of the results of risk measurement and monitoring and submits them to the Board of Directors either directly or through the Audit Committee.

i) Credit Risk

Parent Bank has internal rating models for corporate and SME segments. Application and behavioral score cards are used for entity and individual segments.

ii) Market Risk

For FX position, limits in different breakdowns are determined by Board of Directors and option operations are considered with delta conjugates.

In regular analysis, net interest income effects originating from interest rates changes are calculated for all interest rates sensitive products and the results are followed up in limits determined by Board of Directors. The shocks which are given to interest rates are changes by each currencies and in linear scenario analysis, not only linear but also sudden shocks are evaluated. These analyses may be performed for both current and targeted financial figures.

According to economic cost approach, changes in market interest rates may affect Bank's assets, liabilities and off balance sheet items values. Bank's economic value's sensitivity to interest rate is an important issue for stockholders, management and auditors.

Economic value of a product is net present value that is calculated by discounting expected cash flow.

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INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE OF THE GROUP (Continued)

VII. Explanations Related to Liquidity Risk (Continued)

Risk management objectives and policies (Continued)

Economic value of the Parent Bank is the net present value of the cash flows that is subtracting expected cash flows of liabilities from net present value of assets and adding off balance sheet items expected cash flows. Economic value approach represents Bank’s value’s sensitivity to interest rate fluctuations.

Market value of equity is defined as the difference between the market value of assets and liabilities. The Board of Directors predefines a limit for market value of equity; shock method is applied to all items to be able to see equity’s influence on market value. Shocks applied may vary based on currencies.

As Economical Value approach considers effects of interest rate changes on all future cash flows, it enables to comprehensively understand effects of interest rate changes in the long run.

In addition to these analyses, Group Risk Management, based on current position, conducts stress testing to be able to predict possible losses as a consequence of exceptional fluctuations. Stress testings prepared by BNP Paribas and TEB Group Risk Management measure the sensitivity created as a result of market price changes based on scenarios. Scenario analysis both on historical and hypothetical basis are conducted

Scenario analysis is applied both to currency and interest rates to be able to understand the effects on current portfolio.

Other than scenario analysis, various stress testings are applied to current portfolio; motive behind which is to see the effects of prior events on current position.

Nominal amount limits defined for bond portfolio, VaR (value at risk) limit for trading portfolio, and PV01 limits set for tracking interest rate risk are calculated daily, tracked and reported to the management.

Both interest rate and liquidity gap calculations are made for each item of the balance sheet. For both calculations, as product based cash flows are formed, repricing, maturity and product based acceptances are also considered.

Monthly reports are prepared for Market and Liquidity Risk Committees. Reports include end of the day positions, monthly/annual cumulative profit/loss balances and some positions taken in that month.

All limit and risk positions are represented to Audit Committee and to The Board of Directors

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INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE OF THE GROUP (Continued)

VII. Explanations Related to Liquidity Risk (Continued)

Risk management objectives and policies (Continued)

- d) Procedures on risk management and risk mitigation policies with regular control of their effectiveness:

The Parent Bank maintains legal validations of collaterals are used for credit risk mitigation and complies with operational standards which are required for capital adequacy regulation. Market values of collaterals are regularly updated. All physical collaterals are insured. Collateral deficiency in amount or quality is determined by monitoring system and actions are taken by related groups.

VIII. Explanations Related to Presentation of Financial Assets and Liabilities at Fair Value

	Book Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Financial Assets	45,898,706	38,788,444	46,251,462	38,967,937
Money Market Placements	245	1,700,525	245	1,700,525
Banks	460,585	1,008,316	519,726	1,008,316
Available-For-Sale Financial Assets	4,408,885	4,308,832	4,408,886	4,308,832
Held-To-Maturity Investments	292,956	20,416	288,676	20,528
Loans(**)	40,736,035	31,750,355	41,033,929	31,929,736
Financial Liabilities	48,210,157	38,455,125	48,279,714	38,464,480
Bank Deposit	1,635,572	931,786	1,645,530	932,076
Other Deposit	33,897,574	29,028,148	33,948,265	29,035,959
Funds Borrowed From Other Financial (*)	10,844,023	7,112,615	10,872,508	7,112,720
Marketable Securities Issued	710,276	494,237	690,309	495,386
Sundry Creditors	1,122,712	888,339	1,123,102	888,339

(*) Funds provided under repo transactions and subordinated loans are included in funds borrowed from other financial institutions.

(**) Factoring receivables are included in loans

The table above shows the book value and the fair value of the financial assets and liabilities which are not disclosed at their fair value in the financial statements of the Bank.

Current period investment securities are comprised of interest-bearing assets held-to-maturity and interest-bearing assets available-for-sale. The fair value of the held to maturity assets is determined by market prices or quoted market prices of other marketable securities which are subject to redemption with same characteristics in terms of interest, maturity and other similar conditions when market prices cannot be determined.

The book value of demand deposits, money market placements with floating interest rate and overnight deposits represents their fair values due to their short-term nature. The estimated fair value of deposits and funds provided from other financial institutions with fixed interest rate is calculated by determining their cash flows discounted by the current interest rates used for other liabilities with similar characteristics and maturity structure. The fair value of loans is calculated by determining the cash flows discounted by the current interest rates used for receivables with similar characteristics and maturity structure. The book value of the sundry creditors reflects their fair values since they are short-term.

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INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE OF THE GROUP (Continued)

VIII. Explanations Related to Presentation of Financial Assets and Liabilities at Fair Value (Continued)

The fair values of financial assets and financial liabilities are determined as follows:

- Tier 1: The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;
- Tier 2: The fair value of other financial assets and financial liabilities are determined in accordance with inputs other than quoted prices included within Tier 1, that are observable either directly or indirectly in the market.
- Tier 3: The fair value of the financial assets and financial liabilities where there is no observable market data.

The following table shows an analysis of financial instruments recorded at fair value, between those whose fair value is recorded on quoted market prices, those involving valuation techniques where all model inputs are observable in the market and, those where the valuation techniques involves the use of non-observable inputs.

31 December 2013	Tier 1	Tier 2	Tier 3	Total
Financial Assets				
Financial assets at fair value through profit and loss	654,847	729,270	-	1,384,117
<i>Public sector debt securities</i>	654,847	-	-	654,847
<i>Derivative financial assets held for trading</i>	-	729,270	-	729,270
Derivative financial assets for hedging purposes	-	112,245	-	112,245
Available-for-sale financial assets	4,381,464	16,852	-	4,398,316
<i>Public sector debt securities</i>	4,358,860	7,626	-	4,366,486
<i>Other available-for-sale financial assets(*)</i>	22,604	9,226	-	31,830
	-	-	-	-
Financial Liabilities				
Derivative financial liabilities held for trading	-	482,831	-	482,831
Derivative financial liabilities for hedging purposes	-	69,438	-	69,438
31 December 2012	Tier 1	Tier 2	Tier 3	Total
Financial Assets				
Financial assets at fair value through profit and loss	472,295	166,710	-	639,005
<i>Public sector debt securities</i>	472,295	-	-	472,295
<i>Derivative financial assets held for trading</i>	-	166,710	-	166,710
Derivative financial assets for hedging purposes	-	16,883	-	16,883
Available-for-sale financial assets	4,286,049	14,099	-	4,300,148
<i>Public sector debt securities</i>	4,279,355	4,874	-	4,284,229
<i>Other available-for-sale financial assets(*)</i>	6,694	9,225	-	15,919
Financial Liabilities				
Derivative financial liabilities held for trading	-	234,815	-	234,815
Derivative financial liabilities for hedging purposes	-	168,507	-	168,507

(*) TL10,569 (31 December 2012: TL8,684) at cost not included.

There is no transition between Tier 1 and Tier 2 in the current year.

IX. Explanations Related to Transactions Carried out on Behalf of Other Parties and Fiduciary Assets

The Group performs trading transactions on behalf of customers, and gives custody, administration and consultancy services.

The Group does not deal with fiduciary transactions

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SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and Disclosures Related to the Consolidated Assets

1. a) Information on Cash and Balances with the Central Bank of Turkey:

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	307,324	366,380	321,742	269,293
Balances with the Central Bank of Turkey	324,975	5,792,967	447,116	3,360,901
Other	-	19,966	-	50,348
Total	632,299	6,179,313	768,858	3,680,542

b) Information related to the account of the Central Bank of Turkey:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposit	324,975	-	447,116	-
Unrestricted time deposit	-	527,994	-	30
Restricted time deposit	-	5,264,973	-	3,360,871
Total	324,975	5,792,967	447,116	3,360,901

TL527,994 (31 December 2012: TL30) foreign currency unrestricted deposit, TL5,264,973 (31 December 2012: TL3,360,871) foreign currency restricted deposit and TL324,975 (31 December 2012: TL447,116) unrestricted deposit balance comprises of reserve deposits. As of 31 December 2013, the Turkish lira required reserve ratios are determined to be within the range of 5% - 11.50% depending on the maturity structure of deposits denominated in Turkish Lira (31 December 2012: 5%-11% for all Turkish lira liabilities), and the required reserve ratios for foreign currency deposits and other liabilities within the range of 6% - 13% (31 December 2012: 6%-11% for all foreign currency liabilities).

2. Information on financial assets at fair value through profit and loss (net):

a.1) Information on financial assets at fair value through profit and loss given as collateral or blocked: None (31 December 2012: None).

a.2) Financial assets at fair value through profit and loss subject to repurchase agreements:

	Current Period		Prior Period	
	TL	FC	TL	FC
Government bonds	-	-	-	-
Treasury bills	-	-	-	-
Other public sector debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	-	-	-	-

Net book value of unrestricted financial assets at fair value through profit and loss is TL654,847 (31 December 2012: TL472,295).

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**EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS
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I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

2. Information on financial assets at fair value through profit and loss (net): (Continued)

a.3) Positive differences related to derivative financial assets held-for-trading:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	166,900	11,336	19,485	14,316
Swap Transactions	254,056	46,610	55,499	36,797
Futures Transactions	-	-	-	-
Options	235,910	14,458	23,338	17,275
Other	-	-	-	-
Total	656,866	72,404	98,322	68,388

3. a) Information on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	12,898	56,502	412,557	31,807
Foreign	67,717	323,468	31,904	532,048
Branches and head office abroad	-	-	-	-
Total	80,615	379,970	444,461	563,855

b) Information on foreign banks :

	Restricted Amount		Unrestricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	158,656	377,070	-	-
USA and Canada	75,000	92,649	-	-
OECD Countries(*)	3,597	2,000	-	-
Off-Shore Banking Regions	152,289	91,420	-	-
Other	1,643	813	-	-
Total	391,185	563,952	-	-

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

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

a.1) Information on financial assets available-for-sale given as collateral or blocked:

	Current Period		Prior Period	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bond, Treasury bill and similar investment securities	738,372	-	307,854	-
Other	-	-	-	-
Total	738,372	-	307,854	-

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I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

4. Information on financial assets available-for-sale: (Continued)

a.2) Financial assets available-for-sale subject to repurchase agreements:

	Current Period		Prior Period	
	TL	FC	TL	FC
Government bonds	1,097,509	-	42,596	-
Treasury bills	-	-	-	-
Other public sector debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	1,097,509	-	42,596	-

Net book value of debt securities and share certificates in unrestricted financial assets available-for-sale is TL2,573,004 (31 December 2012: TL3,958,382).

b) Information on financial assets available for sale portfolio:

	Current Period	Prior Period
Debt securities	4,387,870	4,284,229
Quoted on a stock exchange	4,387,870	4,284,229
Not quoted	-	-
Share certificates	21,015	24,603
Quoted on a stock exchange (*)	1,220	6,694
Not quoted	19,795	17,909
Impairment provision(-)	-	-
Total	4,408,885	4,308,832

(*) Includes TL1,220 (31 December 2012: TL1,172) of investment fund participation certificate.

All unquoted available for sale equities of the Group are recorded at fair value except for the investment of TL10,569 which is recorded at cost since its fair value cannot be reliably estimated (31 December 2012: TL8,684).

5. Information on loans:

a) Information on all types of loans and advances given to shareholders and employees of the Bank:

	Current Period		Prior Period	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct loans granted to shareholders	7,130	10	697	4
Corporate shareholders	6,540	-	245	-
Real person shareholders	590	10	452	4
Indirect loans granted to shareholders	-	-	-	-
Loans granted to employees	57,035	-	50,797	-
Total	64,165	10	51,494	4

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**EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

5. Information on loans: (Continued)

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

	Standard Loans and Other Receivables			Loans and Other Receivables Under Close Monitoring (*)		
	Loans and Other Receivables (Total)	Loans and other receivables with revised contract terms		Loans and Other Receivables (Total)	Loans and other receivables with revised contract terms	
		Restructured or Rescheduled	Other		Restructured or Rescheduled	Other
Cash Loans						
Non-specialized loans	37,739,805	783,456	-	1,561,670	270,178	-
Working capital loans	-	-	-	-	-	-
Export loans	4,768,563	74,768	-	23,032	10,414	-
Import loans	-	-	-	-	-	-
Loans given to financial sector	1,228,789	-	-	27	-	-
Consumer loans(**)	9,747,452	406,669	-	556,612	34,268	-
Credit cards	2,463,627	-	-	158,436	3,642	-
Other	19,531,374	302,019	-	823,563	221,854	-
Specialized loans	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-
Total	37,739,805	783,456	-	1,561,670	270,178	-

(*) The total principal amount of the loans under close monitoring in accordance with the requirements of the regulation on "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" amended on 6 February 2008.

(**) TL3,404 income accrual resulting from the fair value difference of the hedged item loans is included in the loan balance.

Number of extensions	Performing Loans and Other Receivables (*)	Loans and Other Receivables under Follow-up (*)
1 or 2 times	775,690	263,801
3,4 or 5 times	4,904	5,677
Over 5 times	2,862	700
Total	783,456	270,178

Extension Periods	Performing Loans and Other Receivables (*)	Loans and Other Receivables under Follow-up(*)
0-6 months	148,172	136,886
6-12 months	92,338	15,231
1-2 years	213,591	48,492
2-5 years	297,635	66,739
5 years and over	31,720	2,830
Total	783,456	270,178

(*) Amounts indicated in tables above was calculated based on criteria stated in "Specific and general allowances for loan and other receivables classified in accordance with the Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables" published on the Official Gazette no. 27947 dated 28 May 2011 5th paragraph of the provisional Article 4a.

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EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

5. Information on loans: (Continued)

c) Loans and other receivables according to their maturity structure:

Cash Loans	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Short-term loans and other receivables	19,381,962	132,576	667,798	90,519
Non-specialized loans	19,381,962	132,576	667,798	90,519
Specialized loans				
Other Receivables	-	-	-	-
Medium and long-term loans and other receivables	18,357,843	650,880	893,872	179,659
Non-specialized loans	18,357,843	650,880	893,872	179,659
Specialized loans	-	-	-	-
Other Receivables	-	-	-	-
Total	37,739,805	783,456	1,561,670	270,178

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(Continued)**

I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

5. Information on loans: (Continued)

d) Information on consumer loans, individual credit cards, personnel loans and credit cards given to personnel:

	Short Term	Medium and Long Term	Total
Consumer Loans-TL	167,555	9,638,379	9,805,934
Housing Loans	5,329	5,470,144	5,475,473
Vehicle Loans	8,957	719,568	728,525
General Purpose Loans	153,269	3,448,296	3,601,565
Other	-	371	371
Consumer Loans –Indexed to FC	-	71,657	71,657
Housing Loans	-	68,259	68,259
Vehicle Loans	-	-	-
General Purpose Loans	-	3,398	3,398
Other	-	-	-
Consumer Loans-FC (**)	9,025	33,844	42,869
Housing Loans	-	9,498	9,498
Vehicle Loans	-	17,079	17,079
General Purpose Loans	9,025	7,267	16,292
Other	-	-	-
Individual Credit Cards-TL	1,836,313	-	1,836,313
With Installments	916,313	-	916,313
Without Installments	920,000	-	920,000
Individual Credit Cards-FC	7,187	-	7,187
With Installments	790	-	790
Without Installments	6,397	-	6,397
Personnel Loans-TL	4,001	26,015	30,016
Housing Loans	-	103	103
Vehicle Loans	-	-	-
General Purpose Loans	4,001	25,912	29,913
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	23,250	-	23,250
With Installments	11,392	-	11,392
Without Installments	11,858	-	11,858
Personnel Credit Cards-FC	187	-	187
With Installments	-	-	-
Without Installments	187	-	187
Overdraft Accounts-TL(Real Persons) (*)	353,325	-	353,325
Overdraft Accounts-FC(Real Persons)	263	-	263
Total	2,401,106	9,769,895	12,171,001

(*) Overdraft accounts include personnel loans amounting to TL3,582.

(**) Loans granted via branches abroad and TEB N.V.

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I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

5. Information on loans: (Continued)

e) Information on commercial loans with installments and corporate credit cards:

	Short Term	Medium and Long Term	Total
Commercial loans with installment facility-TL	1,688,602	3,493,955	5,182,557
Business Loans	56,475	140,533	197,008
Vehicle Loans	281,920	524,338	806,258
General Purpose Loans	1,350,207	2,829,084	4,179,291
Other	-	-	-
Commercial loans with installment facility - Indexed to FC	207,038	386,202	593,240
Business Loans	4,691	28,218	32,909
Vehicle Loans	37,195	119,541	156,736
General Purpose Loans	165,152	238,443	403,595
Other	-	-	-
Commercial loans with installment facility –FC	5,999	-	5,999
Business Loans	-	-	-
Vehicle Loans	1,017	-	1,017
General Purpose Loans	4,982	-	4,982
Other	-	-	-
Corporate Credit Cards-TL	752,768	-	752,768
With Installments	360,108	-	360,108
Without Installments	392,660	-	392,660
Corporate Credit Cards-FC	2,358	-	2,358
With Installments	-	-	-
Without Installments	2,358	-	2,358
Overdraft Accounts-TL(Legal Entities)	711,668	-	711,668
Overdraft Accounts-FC(Legal Entities)	142	-	142
Total	3,368,575	3,880,157	7,248,732

f) Allocation of loans by customers:

	Current Period	Prior Period
Public sector	477,256	189,294
Private sector	38,824,219	30,538,897
Total	39,301,475	30,728,191

g) Domestic and foreign loans:

	Current Period	Prior Period
Domestic Loans	38,569,042	30,003,673
Foreign Loans	732,433	724,518
Total	39,301,475	30,728,191

h) Loans granted to subsidiaries and associates:

Eliminated in consolidated financial statements.

i) Specific provisions provided against loans:

	Current Period	Prior Period
Loans and receivables with limited collectability	23,408	15,599
Loans and receivables with doubtful collectability	88,774	49,918
Uncollectible loans and receivables	486,659	381,983
Total	598,841	447,500

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**EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

5. Information on loans: (Continued)

j) Information on non-performing loans: (Net):

j.1) Information on loans and other receivables included in non-performing loans which are restructured or reschedule:

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectable loans and receivables
Current Period			
(Gross amount before specific provisions)	-	-	-
Non-performing loans and receivables which are restructured	12,775	7,985	4,612
Non-performing loans and receivables which are rescheduled			
Prior period			
(Gross amount before specific provisions)			
Non-performing loans and receivables which are restructured	-	-	-
Non-performing loans and receivables which are rescheduled	8,647	3,811	5,307

j.2) The movement of non-performing loans:

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectable loans and receivables
Prior period end balance	95,428	125,325	494,144
Additions (+)	688,509	15,016	30,764
Transfers from other categories of non-performing loans (+)	-	519,317	333,043
Transfers to other categories of non-performing loans (-)	519,317	333,043	-
Collections (-)	125,001	103,336	161,773
Write-offs (-) (*)	226	976	117,160
Corporate and commercial loans	161	769	66,664
Retail loans	35	119	25,508
Credit cards	30	88	24,988
Other	-	-	-
Current period end balance	139,393	222,303	579,018
Specific provision (-)	23,408	88,774	486,659
Net Balances on Balance Sheet	115,985	133,529	92,359

(*) Amounting to TL117,132 past due receivable portfolio for which TL114,247 provision had been allocated, is sold to LBT Varlık Yönetimi A.Ş. for TL9,310, and after all the sales procedures were completed at 28 June 2013 with the completion of the necessary procedures, and the related non-performing loans have been written off from the accounts.

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I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

5. Information on loans: (Continued)

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

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectable loans and receivables
31 December 2013 :			
Current period end balance	1,854	5,514	86,291
Specific provision (-)	299	1,503	81,649
Net Balance on Balance Sheet	1,555	4,011	4,642
31 December 2012 :			
Prior period end balance	1,438	1,379	88,253
Specific provision (-)	145	372	71,870
Net Balance on Balance Sheet	1,293	1,007	16,383

j.4) Information regarding gross and net amounts of non-performing loans with respect to user groups:

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectable loans and receivables
Current Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	139,393	222,303	579,018
Specific provision (-)	23,408	88,774	486,659
Loans to Real Persons and Legal Entities (Net)	115,985	133,529	92,359
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	95,428	125,325	494,144
Specific provision (-)	15,599	49,918	381,983
Loans to Real Persons and Legal Entities (Net)	79,829	75,407	112,161
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

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EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

5. Information on loans: (Continued)

k) Main principles of liquidating non-performing loans and receivables:

According to the “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves” published on Official Gazette No. 26333 dated 1 November 2006; loans and other receivables for which the collection is believed to be impossible are classified as nonperforming loans by complying with the requirements of the Tax Procedural Law in accordance with the decision of the upper management of the Bank.

l) Explanations on write-off policy:

Unrecoverable non-performing loans can be written off with the decision of the Board of Directors.

m) Other explanations and disclosures:

Current Period	Commercial	Consumer	Credit Cards	Other	Total
Neither past due nor impaired	25,454,682	9,747,452	2,463,627	74,044	37,739,805
Past due not impaired	846,622	556,612	158,436	-	1,561,670
Individually impaired	621,980	175,386	143,348	-	940,714
Total	26,923,284	10,479,450	2,765,411	74,044	40,242,189
Specific Provision	396,758	99,643	102,440	-	598,841
Total	396,758	99,643	102,440	-	598,841
Total allowance for impairment	26,526,526	10,379,807	2,662,971	74,044	39,643,348

Prior Period	Commercial	Consumer	Credit Cards	Other	Total
Neither past due nor impaired	20,110,717	7,616,269	1,591,411	88,238	29,406,635
Past due not impaired	739,175	335,010	247,371	-	1,321,556
Individually impaired	502,171	110,837	101,889	-	714,897
Total	21,352,063	8,062,116	1,940,671	88,238	31,443,088
Specific Provision	317,144	58,630	71,726	-	447,500
Total	317,144	58,630	71,726	-	447,500
Total allowance for impairment	21,034,919	8,003,486	1,868,945	88,238	30,995,588

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EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

5. Information on loans: (Continued)

Based on classification, movement of allowance for loan losses and other receivables is presented as follows;

	Commercial	Consumer	CreditCards	Total
1 January 2013	317,144	58,630	71,726	447,500
Change for the period	221,288	74,637	75,312	371,237
Recoveries	(68,936)	(20,379)	(20,887)	(110,202)
Amounts written-off(*)	(81,983)	(13,245)	(23,711)	(118,939)
Foreign Currency Differences	9,245	-	-	9,245
31 December 2012 Balance	396,758	99,643	102,440	598,841

	Commercial	Consumer	CreditCards	Total
1 January 2012	296,302	86,849	157,925	541,076
Change for the period	221,568	37,953	48,080	307,601
Recoveries	(60,966)	(16,067)	(17,347)	(94,380)
Amounts written-off(**)	(138,476)	(50,105)	(116,932)	(305,513)
Foreign Currency Differences	(1,284)	-	-	(1,284)
31 December 2012 Balance	317,144	58,630	71,726	447,500

(*) TL117,132 of the non-performing loans portfolio of the Bank with TL114,247 provision has been sold to LBT Varlık Yönetim A.Ş. for TL9,310 which has been collected as of 28 June 2013 with the completion of the necessary procedures, and the related non-performing loans have been written off from the records.

(**) TL124,050 of the non-performing loans portfolio of the Bank with TL124,050 provision has been sold to Girişim Varlık Yönetim A.Ş. for TL16,878 which has been collected as of 11 April 2012 with the completion of the necessary procedures, and the related non-performing loans have been written off from the records.

TL188,710 of the non-performing loans portfolio of the Bank with TL181,463 provision has been sold to LBT Varlık Yönetim A.Ş. for TL22,222 which has been collected as of 30 November 2012 with the completion of the necessary procedures, and the related non-performing loans have been written off from the records

The fair value of collaterals, capped with the respective outstanding loan balance, that the Bank holds relating to loans individually determined to be impaired at 31 December 2013 is TL226,038 (31 December 2012: TL210,582).

The fair value of collaterals, capped with the respective outstanding loan balance relating to loans individually determined to be impaired:

	Current Period	Prior Period
Mortgage	176,808	172,046
Vehicle	43,046	31,756
Cash	211	151
Other	5,973	6,629
Total	226,038	210,582

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EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

5. Information on loans: (Continued)

As of 31 December 2013 and 31 December 2012, detail of commodities and properties held for sale related to loan receivables of the Bank is as follows:

31 December 2013	Commercial	Consumer	Total
Residential, commercial or industrial property	75,541	7,516	83,057
Other	160	-	160
Total	75,701	7,516	83,217

31 December 2012	Commercial	Consumer	Total
Residential, commercial or industrial property	52,628	8,587	61,215
Other	375	-	375
Total	53,003	8,587	61,590

Aging analysis of past due but not impaired loans per classes of financial statements is as follows:

31 December 2013	Less than 30 Days	31-60 Days	61-90 Days	Total
Loans and Receivables				
Commercial Loans	554,192	166,470	125,960	846,622
Consumer Loans	285,354	209,690	61,568	556,612
Credit Cards	158,357	2	77	158,436
Total	997,903	376,162	187,605	1,561,670

31 December 2013	Less than 30 Days	31-60 Days	61-90 Days	Total
Loans and Receivables				
Commercial Loans	424,859	181,511	132,805	739,175
Consumer Loans	72,792	180,147	82,071	335,010
Credit Cards	244,220	32	3,119	247,371
Total	741,871	361,690	217,995	1,321,556

Total aggregate amount of gross past due but not yet impaired loans and advances to customers, the fair value of collaterals, capped with the respective outstanding total loan balance of the customer, that the Group held as at 31 December 2013 is TL1,049,199 (31 December 2012: TL849,145).

The fair value of collaterals, capped with the respective outstanding loan balance relating to those that are past due but not impaired:

	Current Period	Prior Period
Mortgage	775,253	613,921
Vehicle	179,319	126,438
Cash	11,439	12,788
Other	83,188	95,998
Total	1,049,199	849,145

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**EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS
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I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

6. Information on held-to-maturity investments:

a.1) Held-to-maturity investments subject to repurchase agreements:

	Current Period		Prior Period	
	TL	FC	TL	FC
Government bonds	-	-	-	-
Treasury bills	-	-	-	-
Other public sector debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	-	-	-	-

a.2) Information on held-to-maturity investments given as collateral or blocked:

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	-	-	-	-
Bond, Treasury bill and similar securities	197,274	-	-	-
Other	-	-	-	-
Total	197,274	-	-	-

Unrestricted financial assets held-to maturity amounting to TL95,682 (31 December 2012: None).

a.3) Information on held to maturity debt securities:

	Current Period	Prior Period
Government bonds	292,956	20,416
Treasury bills	-	-
Other public sector debt securities	-	-
Total	292,956	20,416

a.4) Information on held to maturity investments:

	Current Period	Prior Period
Debt securities	292,956	20,416
Quoted on a stock exchange	292,956	20,416
Unquoted	-	-
Impairment provision(-)	-	-
Total	292,956	20,416

Book value of the unrestricted financial assets held-to maturity amounting to TL292,956 (31 December 2012: TL20,416).

b) Movement of investments held-to-maturity:

	Current Period	Prior Period
Beginning balance	20,415	21,224
Foreign currency differences on monetary assets	5,727	(808)
Purchases during the year(*,**)	292,956	-
Disposals through sales and redemptions	(26,142)	-
Impairment provision (-)	-	-
Change in amortized cost income	-	-
Closing Balance	292,956	20,416

(*) Accruals are included in purchases during the year.

(**) Government debt securities with TL224,275 nominal value which had been accounted as financial assets available for sale, have been classified as held to maturity investments with their market value amounting to TL287,008 as of 25 September 2013. As of 25 September, accumulated valuation difference amounting to negative TL38,362 for reclassified available for sale securities are followed under shareholders' equity. This accumulated valuation difference is subjected to amortization according to the days to maturity and being transferred to profit/loss accounts in the related periods. As of 31 December 2013, total accumulated valuation difference of these securities followed under shareholders' equity is negative TL36,973.

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I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

7. Information on associates (Net):

- a) a.1) Information on consolidated associates according to Communiqué on Preparing Banks’ Consolidated Financial Statements and related Turkish Accounting Standard: None (31 December 2012: None).
- a.2) Information on the unconsolidated associates: None (31 December 2012: None).
- a.3) Information on the consolidated associates: None (31 December 2012: None).
- a.4) Valuation of consolidated associates: None (31 December 2012: None).
- a.5) Consolidated associates which are quoted on the stock exchange: None (31 December 2012: None).

8. Information on subsidiaries (Net):

- a) Information on shareholders’ equity of significant subsidiaries:
There is no necessity of capital that arises from subsidiaries included in parent bank’s consolidated capital adequacy standard ratio.
- b) If there is any unconsolidated subsidiary, total equity amount that is lack of subsection to the reasonable justifications of non-consolidate and minimum capital requirements: None. (31 December : None)
- c) Information on the unconsolidated subsidiaries: None (31 December 2012: None).
- d) Information on the consolidated subsidiaries:
d.1) Information on the consolidated subsidiaries:

Description	Address (City/ Country)	Group’s share percentage-If different voting percentage (%)	Other shareholders’ share percentage (%)
The Economy Bank N.V.(*)	Netherlands	100.00	-
TEB Faktoring A.Ş. (**)	İstanbul/Turkey	100.00	-
TEB Yatırım Menkul Değerler A.Ş.	İstanbul/Turkey	100.00	-
TEB Portföy Yönetimi A.Ş.	İstanbul/Turkey	54.74	45.26

Information on the consolidated subsidiaries with the order as presented in the table above:

Total Assets	Shareholders’ Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit / Loss	Prior Period Profit / Loss (***)	Fair Value
1,781,006	293,078	10,941	62,762	3,065	12,529	(11,558)	-
1,140,467	61,138	1,366	82,126	-	14,259	15,925	-
116,411	85,244	1,137	11,326	-	9,098	6,366	-
20,150	17,654	572	1,071	174	3,818	3,406	-

(*) Represents financial figures of foreign currency statutory financial statements translated at period end foreign exchange rates for balance sheet and nine months’ average rates for profit and loss as of 31 December 2013. The Economy Bank NV has two consolidated subsidiaries named Stichting Effecten Dienstverlening and Kronenburg Vastgoed B.V.

(**) The merger process of Fortis Faktoring A.Ş. and TEB Faktoring A.Ş., which is 100% owned the Bank, had been commenced and the Sale and Purchase Agreement signed on 31 January 2013 for the purpose of the completion of the share transfer prior to the merger. Pursuant to the Sale and Purchase Agreement, following the receipt of necessary legal approvals the share transfer completed and the Bank has become an indirect shareholder of 100% shares in Fortis Faktoring A.Ş. on 22 March 2013. Approval from Banking Regulation and Supervision Agency regarding merger of Fortis Faktoring with TEB Faktoring by way of acquisition, whereby all the assets and liabilities of Fortis Faktoring shall be transferred to TEB Faktoring as a whole, has been obtained on 20 June 2013. Merger of TEB Faktoring and Fortis Faktoring has been completed upon registration of the said merger to the Istanbul Trade Registry on 1 July 2013.

(***) Financial Statement figures as of 31 December 2012

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I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

8. Information on subsidiaries (Net): (Continued)

d.2) Information on consolidated subsidiaries:

	Current Period	Prior Period
Balance at the beginning of the period	173,922	173,935
Movements during the period	25,359	(13)
Purchases	25,275	-
Bonus shares obtained	-	-
Share in current year income	-	-
Sales	-	-
Revaluation increase	-	-
Provision for impairment	84	(13)
Balance at the end of the period	199,281	173,922
Capital commitments	-	-
Share percentage at the end of the period (%)	-	-

d.3) Sectoral information on the consolidated subsidiaries and the related carrying amounts:

		Current Period	Prior Period
Banks	/ The Economy Bank N.V.	61,254	61,254
Factoring Companies	/ TEB Faktoring A.Ş.	59,312	34,037
Other Financial Subsidiaries	/ TEB Yatırım Menkul Değerler A.Ş.	72,941	72,941
	TEB Portföy Yönetimi A.Ş.	5,354	5,354
	Stichting Effecten Dienstverlening (*)	367	294
	Kronenburg Vastgoed B.V. (*)	53	42
Total		199,281	173,922

(*) Fully consolidated to The Economy Bank NV.

The carrying amounts of the subsidiaries above have been eliminated in the consolidated financial statements.

d.4) Consolidated subsidiaries quoted on the stock exchange: None (31 December 2012: None).

9. Information on entities under common control (Joint Vent.):

a) Information on entities under common control (joint ventures):

Entities under common control (joint ventures)	Share of the Parent Bank (%)	Share of the Group (%)	Current Asset	Non-current asset	Long-term receivable	Profit	Loss
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş.	0.1	33.3	12,442	9,803	342	49,810	(46,792)

b) Accounting method of the reasonable justification of unconsolidated in Joint Ventures that booked on the unconsolidated parent bank's financial statements.

The Bank owns 0.1% but the Group owns 33.3% share of Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş, it is presented as joint venture in financial statements however, it is carried by cost value since necessary requirements for consolidation is not met.

10. Information on finance lease receivables (Net): None (31 December 2012: None).

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(Continued)**

I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

11. Information on derivative financial assets for hedging purposes:

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair value hedge	56,899	63	4,907	157
Cash flow hedge	55,283	-	11,819	-
Hedge of net investment in foreign operations	-	-	-	-
Total	112,182	63	16,726	157

12. Information on investment property:

	31 December 2012	Additions	Disposals	Other	31 December 2013
Cost:					
Land and buildings	116,968	-	-	2,354	119,322
Leased tangible assets	55,310	20	(12,211)	-	43,119
Other	729,278	145,932	(51,548)	1,874	825,536
Total Cost	901,556	145,952	(63,759)	4,228	987,977
		Period Charge	Disposals	Other	31 December 2013
Accumulated Depreciation:					
Land and buildings	33,973	3,130	-	487	37,590
Leased tangible assets	55,154	113	(12,211)	-	43,056
Other	556,156	67,034	(50,563)	1,747	574,374
Total Accumulated Depreciation	645,283	70,277	(62,774)	2,234	655,020
Net Book Value	256,273				332,957

- a) The impairment provision set or cancelled in the current period according to the asset groups not individually significant but materially affecting the overall financial statements, and the reason and conditions for this: None.
- b) Pledges, mortgages and other restrictions on the tangible fixed assets, expenses arising from the construction for tangible fixed assets, commitments given for the purchases of tangible fixed assets: None.

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I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

13. Information on intangible assets:

	31 December 2012	Additions	Disposals	Other	31 December 2013
Cost:					
Other intangible assets	129,041	45,596	(10)	2,718	177,345
Total Cost	129,041	45,596	(10)	2,718	177,345
	31 December 2012	Period Charge	Disposals	Other	31 December 2013
Accumulated Depreciation:					
Other intangible assets	104,029	15,164	(10)	2,462	121,645
Total Accumulated Depreciation	104,029	15,164	(10)	2,462	121,645
Net Book Value	25,012				55,700

- Disclosures for book value, description and remaining useful life for a specific intangible fixed asset that is material to the financial statements: None.
- Disclosure for intangible fixed assets acquired through government grants and accounted for at fair value at initial recognition: None.
- The method of subsequent measurement for intangible fixed assets that are acquired through government incentives and recorded at fair value at the initial recognition : None.
- The book value of intangible fixed assets that are pledged or restricted for use: None.
- Amount of purchase commitments for intangible fixed assets: None
- Information on revalued intangible assets according to their types: None..
- Amount of total research and development expenses recorded in income statement within the period if any: None.
- Positive or negative consolidation goodwill on entity basis: None

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**EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

13. Information on intangible assets: (Continued)

i) Beginning and ending balance of the goodwill and movements on goodwill in the current period:

After the publishing 10 February 2011 dated permission of BRSA in official gazette on 12 February 2011, with recording to Istanbul Trade Registration Office by means of the expire of Fortis Bank A.Ş legal entity, by assigning all rights, receivables, payables and obligations to Bank, the merging of Fortis Bank A.Ş. with TEB A.Ş. was occurred. Due to the merging, in exchange for every TL1 amounted dissolved share of Fortis Bank A.Ş. changed with 1.0518 unit nominative TEB shares. Due to that the Bank is not managed by the same person and persons before and after merging, this operation was evaluated in the scope of IFRS 3. In merging operation, Fortis Bank was decided as acquired management, 14 February 2011 dated fair value of shareholders equity subjected to merging was decided as transfer cost and the difference between this decided value and the fair value of acquired net identifiable assets of Fortis Bank A.Ş. was recorded as goodwill.

	Current Period	Prior Period
Gross value at the beginning of the period	421,124	421,124
Accumulated depreciation (-)	-	-
Impairment provision (-)	-	-
Movements within the period:		
Additional goodwill	-	-
Corrections arising from the changes in value of assets and liabilities	-	-
Goodwill written off due to discontinued operations in current period or complete /partial sale of an asset	-	-
Amortization (-)	-	-
Impairment provision (-)	-	-
Canceled decrease in value provision (-)	-	-
Reversal of impairment provision (-)	-	-
Gross value at the end of the period	421,124	421,124
Accumulated depreciation (-)	-	-
Impairment provision (-)	-	-
Other Changes in book value	421,124	421,124
Net book value at the end of the period	421,124	421,124

14. Information on investment property: None (31 December 2012: None).

15. Information on held deferred tax:

a) As of 31 December 2013, deferred tax asset computed on the temporary differences and reflected to the balance sheet is TL41,103(31 December 2012: TL131,878). There are no tax exemptions or deductions over which deferred tax asset is computed.

b) Temporary differences over which deferred tax asset is not computed and recorded in the balance sheet in prior periods: None.

c) Allowance for deferred tax and deferred tax assets from reversal of allowance: None.

d) Movement of deferred tax:

	Current Period	Prior Period
At January 1	132,396	73,575
Deferred tax benefit / (charge)	(103,658)	85,209
Deferred tax accounted for under equity	14,559	(26,799)
Other	(2,194)	(107)
Deferred Tax Asset	41,103	131,878

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EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

16. Information on held for sale fixed assets and discontinued operations:

	Current Period	Previous Period
Beginning of Period Cost	64,091	69,037
Beginning of Period Accumulated Depreciation (-)	2,501	1,988
Net Book Value	61,590	67,049
Opening Balance	61,590	67,049
Acquired	67,064	34,686
Disposed(-), net	37,801	36,611
Impairment (-)	5,463	1,858
Depreciation Value (-)	2,173	1,676
End of Period Cost	86,505	64,091
End of Period Accumulated Depreciation (-)	3,288	2,501
Closing Net Book Value	83,217	61,590

17. Information on other assets:

Other Assets item of the balance sheet amounting to TL1,061,877 (31 December 2012: TL1,066,082) does not exceed 10% of the total amount of balance sheet except for off-balance sheet commitments.

18. Information on factoring receivables of Group:

a) Maturity Analysis:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short term (*)	659,865	451,690	526,371	234,368
Medium and Long Term	-	-	-	-
Specific provisions(-)	18,027	841	5,272	700
Total	641,838	450,849	521,099	233,668

(*) Amounting to TL24,416 (31 December 2012: TL10,502) impaired factoring receivable included.

b) Other explanations and disclosures:

Current Period	Commercial	Consumer	Total
Neither past due nor impaired	1,068,857	-	1,068,857
Past due not impaired	18,282	-	18,282
Individually impaired	24,416	-	24,416
Total	1,111,555	-	1,111,555
Specific Provision	18,868	-	18,868
Total allowance for impairment	18,868	-	18,868
Net credit balance on balance sheet	1,092,687	-	1,092,687
Prior Period	Commercial	Consumer	Total
Neither past due nor impaired	739,883	-	739,883
Past due not impaired	10,354	-	10,354
Individually impaired	10,502	-	10,502
Total	760,739	-	760,739
Specific Provision	5,972	-	5,972
Total allowance for impairment	5,972	-	5,972
Net credit balance on balance sheet	754,767	-	754,767

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SECTION FIVE

**EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

II. Explanations and Disclosures Related to the Consolidated Liabilities

1. a) Information on maturity structure of deposits:

a.1) Current period:

	Demand	7 Days Call Accounts	Up to 1 month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulated Deposits	Total
Saving deposits	876,125	-	3,681,611	6,883,524	766,696	46,239	37,610	-	12,291,805
Foreign currency deposits	2,417,339	-	2,176,506	4,966,664	448,276	180,681	359,401	-	10,548,867
Residents in Turkey	1,703,968	-	2,073,287	4,692,133	388,203	76,418	217,931	-	9,151,940
Residents abroad	713,371	-	103,219	274,531	60,073	104,263	141,470	-	1,396,927
Public sector deposits	220,770	-	5,665	23,918	348,071	-	-	-	598,424
Commercial deposits	1,975,280	-	1,459,912	3,483,412	468,387	47,433	12,942	-	7,447,366
Other institutions deposits	39,641	-	35,709	1,282,074	965,682	352	16,294	-	2,339,752
Precious metals deposits	408,705	-	114,088	127,414	6,669	14,484	-	-	671,360
Interbank deposits	107,038	-	1,458,488	59,754	-	8,182	2,110	-	1,635,572
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	113	-	262,663	2,024	-	8,182	2,110	-	275,092
Foreign Banks	37,775	-	1,195,825	57,730	-	-	-	-	1,291,330
Special finance houses	69,150	-	-	-	-	-	-	-	69,150
Other	-	-	-	-	-	-	-	-	-
Total	6,044,898	-	8,931,979	16,826,760	3,003,781	297,371	428,357	-	35,533,146

a.2) Prior period:

	Demand	7 Days Call Accounts	Up to 1 month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulated Deposits	Total
Saving deposits	569,741	-	2,520,561	5,484,070	2,065,011	210,296	29,899	-	10,879,578
Foreign currency deposits	1,941,495	-	841,018	4,414,748	264,333	247,424	267,688	-	7,976,706
Residents in Turkey	1,407,939	-	744,582	4,036,397	234,059	73,731	116,449	-	6,613,157
Residents abroad	533,556	-	96,436	378,351	30,274	173,693	151,239	-	1,363,549
Public sector deposits	204,251	-	12,498	231,118	1,983	1,465	-	-	451,315
Commercial deposits	1,449,495	-	1,168,446	3,377,450	1,018,154	122,997	17,268	-	7,153,810
Other institutions deposits	30,226	-	32,306	871,266	805,831	29,076	23	-	1,768,728
Precious metals deposits	427,348	-	19,982	286,271	30,751	33,659	-	-	798,011
Interbank deposits	193,156	-	601,146	77,428	20,205	-	39,851	-	931,786
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	68	-	170,028	24,407	-	-	4,229	-	198,732
Foreign Banks	29,753	-	431,118	53,021	20,205	-	35,622	-	569,719
Special finance houses	163,335	-	-	-	-	-	-	-	163,335
Other	-	-	-	-	-	-	-	-	-
Total	4,815,712	-	5,195,957	14,742,351	4,206,268	644,917	354,729	-	29,959,934

b) Information on saving deposits under the guarantee of saving deposit insurance:

b.1) Saving deposits exceeding the limit of insurance:

**i) Information on saving deposits under the guarantee of saving deposit insurance
and exceeding the limit of saving deposit insurance:**

Saving Deposits	Under the Guarantee of Insurance(*)		Exceeding the limit of Insurance(*)	
	Current Period	Prior Period	Current Period	Prior Period
Saving deposits	5,759,987	3,757,130	6,148,459	6,951,578
Foreign currency saving deposits	1,097,403	689,586	4,162,071	3,208,096
Other deposits in the form of saving deposits	282,197	206,322	327,503	522,832
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore banking regions' deposits under foreign authorities' insurance	-	-	-	-
Total	7,139,587	4,653,038	10,638,033	10,682,506

(*) According to the BRSA's circular no 1584 dated on 23 February 2005, accruals are included in the saving deposit amounts.

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**EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)

ii) Deposit of real persons not under the guarantee of saving deposit insurance:

	Current Period	Prior Period
Deposits and accounts in branches abroad	208,053	145,967
Deposits of ultimate shareholders and their close families	766,595	229,879
Deposits of chairman and members of the Board of Directors and their close families	27,526	23,176
Deposits obtained through illegal acts defined in the 282 nd Article of the 5237 numbered Turkish Criminal Code dated September 26, 2004.	-	-
Saving deposits in banks established in Turkey exclusively for off shore banking activities	-	-

2. Information on derivative financial liabilities:

a) Negative differences table related to derivative financial liabilities held-for-trading:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	56,913	5,435	11,810	26,428
Swap Transactions	233,404	32,373	116,405	13,666
Futures Transactions	-	-	-	-
Options	147,561	7,145	48,198	18,308
Other	-	-	-	-
Total	437,878	44,953	176,413	58,402

3. a) Information on banks and other financial institutions:

	Current Period		Prior Period	
	TL	FC	TL	FC
Loans from Central Bank of Turkey	-	-	-	-
From Domestic Banks and Institutions	231,503	220,561	206,584	197,910
From Foreign Banks, Institutions and Funds	833,644	6,696,839	495,826	5,109,695
Total	1,065,147	6,917,400	702,410	5,307,605

As of 31 December 2013 the Group has borrowings from its related parties amounting to TL3,846,609 (31 December 2012: TL3,091,034).

b) Maturity analysis of borrowings:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term	754,335	6,435,764	525,586	4,435,376
Medium and long-term	310,812	481,636	176,824	872,229
Total	1,065,147	6,917,400	702,410	5,307,605

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**EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)

3. Maturity analysis of borrowings: (Continued)

c) Additional explanation related to the concentrations of the Parent Bank’s major liabilities:

The Parent Bank diversifies its funding sources through customer deposit and borrowings from abroad. As of 31 December 2013 foreign borrowings of the Bank includes syndication loan obtained with the agreement dated 22 August 2013 and 27 August 2014 maturity amounting to EUR 310,000,000 and USD 140,000,000.

The Parent Bank makes analysis of its customers that provide the maximum amount of funds within the branches and throughout the Bank, in consideration of profitability. Bank takes short and long term preventive measures to spread its customers on a wider spectrum on the basis of customer concentration in the branches.

d) Explanations on marketable securities issued :

	Current Period		Prior Period	
	TL	FC	TL	FC
From domestic transactions	1,062,443	-	40,916	-
Financial institutions and organizations	1,062,443	-	40,916	-
Other institutions and organizations	-	-	-	-
Real persons	-	-	-	-
From foreign transactions	-	-	-	-
Financial institutions and organizations	-	-	-	-
Other institutions and organizations	-	-	-	-
Real persons	-	-	-	-
Total	1,062,443	-	40,916	-

e) Explanations on debt securities issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bonds	507,046	-	333,689	-
Treasury Bills	203,230	-	160,548	-
Total	710,276	-	494,237	-

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EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)

3. Maturity analysis of borrowings: (Continued)

The bond issued by the Parent Bank on 4 March 2013 with a nominal value of TL99,711 maturity of 405 days, with due date of 14 April 2014, with an interest rate of 6.84908% and with an annual compound rate of 6.82406% has started to be publicly traded in bonds and bills markets with the ISIN code “TRSTEBK41416”.

The bond issued by the Parent Bank on 20 May 2013 with a nominal value of TL200,000 maturity of 386 days, with due date of 11 June 2014, with an interest rate of 5.81603% and with an annual compound rate of 5.80650% has started to be publicly traded in bonds and bill market with the ISIN code “TRSTEBK61414”.

The bond issued by the Parent Bank on 7 October 2013 with a nominal value of TL350,000 maturity of 148 days, with due date of 5 March 2014, with an interest rate of 7.84266% and with an annual compound rate of 8.02640% has started to be publicly traded in bonds and bills markets with the ISIN code “TRQTEBK31411”.

The bond issued by the Parent Bank on 9 December 2013 with a nominal value of TL250,000 maturity of 169 days, with due date of 28 May 2014, with an interest rate of 8.85178% and with an annual compound rate of 9.0626% has started to be publicly traded in bonds and bill market with the ISIN code “TRQTEBK51419”.

4. Other liabilities which exceed 10% of the balance sheet total (excluding off-balance sheet commitments) and the breakdown of these which constitute at least 20% of grand total:

None (31 December 2012: None).

5. Explanations on financial lease obligations (Net):

a) The general explanations on criteria used in determining installments of financial lease agreements, renewal and purchasing options and restrictions in the agreements that create significant obligations to the group:

In the financial lease agreements, installments are based on useful life, usage periods and provisions of the Tax Procedural Law.

b) The explanation on modifications in agreements and new obligations resulting from such modifications: None.

c) Explanation on finance lease payables:

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	-	-	-	-
Between 1-4 Years	-	-	-	-
More than 4 Years	-	-	-	-
Total	-	-	-	-

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EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)

5. Explanations on financial lease obligations (Net): (Continued)

d) Explanations regarding operational leases:

For the period ended 31 December 2013, operational lease expenses amounting to TL161,997 (31 December 2012: TL143,115) have been recorded in the profit and loss accounts. The lease periods vary between 1 and 10 years and lease agreements are cancelable subject to a certain period of notice.

e) Explanations on the lessor and lessee in sale and lease back transactions, agreement conditions, and major agreement terms: None.

6. Information on derivative financial liabilities for hedging purposes:

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair value hedge	15,616	-	47,695	1
Cash flow hedge	53,822	-	120,811	-
Hedge of net investment in foreign operations	-	-	-	-
Total	69,438	-	168,506	1

7. Information on provisions:

a) Information on general provisions:

	Current Period	Prior Period
Provisions for First Group Loans and Receivables	401,368	329,377
Additional Provision for Loans and Receivables with Extended Maturities	52,914	22,203
Provisions for Second Group Loans and Receivables	53,219	26,553
Additional Provision for Loans and Receivables with Extended Maturities	14,860	1,926
Provisions for Non-Cash Loans	29,212	30,108
Other	3,034	9,269
Total	554,607	419,436

b) Foreign exchange losses on the foreign currency indexed loans amounting to TL83,440 (31 December 2012: TL91,324) is offset from the loans on the balance sheet.

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II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)

c) The specific provisions provided for unindemnified non cash loans amount to TL34,791 (31 December 2012: TL22,512).

d) Liabilities on unused vacation, bonus and employee termination benefits:

As of 31 December 2013 TL26,725 (31 December 2012: TL28,144) unused vacation provision, TL89,348 (31 December 2012: TL93,125) employee termination benefit provision and TL72,177 (31 December 2012: TL66,630) bonus for the employee are presented under “Reserve for Employee Benefit” in financial statements.

d.1) Movement of employee termination benefits

	Current Period	Prior Period
As of January 1	93,125	60,277
Increase due to merger	64	-
Service cost	12,590	8,594
Interest cost	6,789	5,590
Settlement cost	1,745	6,164
Actuarial loss	(19,609)	24,466
Benefits paid	(5,356)	(11,966)
Total	89,348	93,125

(i) Retirement Benefits:

The employees who have joined the Bank as a consequence of the merger of TEB and Fortis Bank are members of the “Pension Fund Foundation” established in accordance with the Social Security Law No.506, Article No.20.

The liabilities described in the Retirement Fund Section 3 No. XV “Explanations on Liabilities related to Rights of Employees” which may arise during the transfer have been calculated by the actuary based on the principles of the related regulation, whereas the liabilities in connection with other social rights and benefits which will not be undertaken by the SSI after the transfer have been calculated by the actuary based on IAS 19 principles. The Parent Bank is not required to provide any provisions for any technical or actual deficit in the financial statements based on the actuarial report prepared as of 31 December 2013 and 31 December 2012. Since the Bank has no legal rights to carry the economic benefits arising from repayments of Pension Funds and/or decreases in future contributions at present value; no asset has been recognized in the balance sheet.

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EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)

7. Information on provisions: (Continued)

Based on the determined assumptions,

	31 December 2013	31 December 2012
Transferrable Retirement and Health Liabilities:		
Net Present Value of Transferrable Retirement Liabilities	(915,853)	(823,577)
Net Present Value of Transferrable Retirement and Health Contributions	525,943	534,823
General Administration Expenses	(9,159)	(8,235)
Present Value of Pension and Medical Benefits Transferable to SSF (1)	(399,069)	(296,989)
Fair Value of Plan Assets (2)	1,264,472	1,179,000
Asset Surplus over Transferable Benefits ((2)-(1)=(3))	865,403	882,011
Non-Transferable Benefits (4)	(219,301)	(183,383)
Asset Surplus over Total Benefits ((3)-(4))	646,102	698,628

Distribution of total assets of the Retirement Fund as of 31 December 2013 and 31 December 2012 is presented below:

	31 December 2013	31 December 2012
Bank placements	1,159,056	1,060,309
Government Bonds and Treasury Bill, Fund and Accrual Interest Income	35,742	43,563
Tangible assets	68,267	66,840
Other	1,407	8,288
Total	1,264,472	1,179,000

Actuarial assumptions used in valuation of liabilities except for transferrable liabilities based on IAS 19 are as follows:

	31 December 2013	31 December 2012
Discount Rate	10.10%	7.00%
Expected Inflation Rate	6.50%	4.61%

Medical inflation is expected more than 40% for two periods. General wage increases and Social Security Institution (the “SSI”) increase of ceiling rate is expected in parallel to inflation rate In order to represent the expected mortality rates before and after the retirement, CSO 2001 (31 December 2012: CSO 1980) Female/Male mortality table is used.

As of 31 December 2013, for all liabilities with the provision of TMS 19, the actuary open does not come as a result of the calculations made by independent actuaries

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(Continued)**

II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)

7. Information on provisions: (Continued)

e) Information on other provisions:

e.1) Provisions for possible losses: None (31 December 2012: None).

e.2) The breakdown of the subsidiary accounts if other provisions exceed 10% of the grand total of provisions:

	Current Period	Prior Period
Provision for legal cases	35,796	45,612
Provision for unindemnified non-cash loans	34,791	22,512
Provision for promotions of credit cards and banking services	12,204	12,093
Other	18,783	13,873
Total	101,574	94,090

8. Explanations on taxes payable:

a) Information on taxes payable:

	Current Period	Prior Period
Corporate Tax Payable	15,169	64,741
Taxation on Securities	26,948	23,567
Property Tax	1,804	1,637
Banking Insurance Transaction Tax (BITT)	29,518	25,543
Foreign Exchange Transaction Tax	15	10
Value Added Tax Payable	6,435	3,442
Other (*)	17,088	14,147
Total	96,977	133,087

(*) Others include income taxes deducted from wages amounting to TL12,436 (31 December 2012: TL11,232) and stamp taxes payable amounting to TL1,233 (31 December 2012: TL1,033).

b) Information on premiums:

	Current Period	Prior Period
Social Security Premiums-Employee	4,646	3,656
Social Security Premiums-Employer	5,410	4,049
Bank Social Aid Pension Fund Premium-Employee	-	-
Bank Social Aid Pension Fund Premium-Employer	-	-
Pension Fund Membership Fees and Provisions-Employee	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employee	430	362
Unemployment Insurance-Employer	652	508
Other	-	-
Total	11,138	8,575

c) Explanations on deferred tax liabilities, if any: None (31 December 2012: None).

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**EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)

9. Information on liabilities regarding assets held for sale and discontinued operations:

None (31 December 2012: None).

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

The Parent Bank has signed an agreement with the International Finance Corporation (IFC) on 27 June 2005, for a subordinated loan. The facility is a USD 50 million subordinated loan, with a maturity of 15 July 2015 and with an interest rate of LIBOR+3.18%.

The Parent Bank has obtained a primary subordinated loan by issuing a bond amounting to USD 100 million as of 31 July 2007. The investor of the bond is IFC. The maturity of the borrowing is indefinite with semi-annually interest payment. The interest rate is defined as LIBOR+3.5% until 31 July 2017. In case the borrowed amount is not repaid at that date, the interest rate will be revised as LIBOR + 5.25%. Notes are issued as perpetual

The Parent Bank has obtained secondary subordinated loans by issuing a bond amounting to EUR 75 million as of 4 November 2011 and a bond amounting to EUR 100 million as of 21 December 2011. The bond issue on 21 December 2011 amounting to EUR 100 million is added up with the first issue of EUR 75 million and together will be followed as EUR 175 million. Since the coupon rate of the issue amounting to EUR 100 million is semi-annual Euribor + 5.25% and two issues stated above will be merged and the merged issue will carry the coupon rate of the first issue (Euribor + 4.75% on an annual basis), the price of EUR 100 million issue has been determined as 96.026% (the price determined as the 12 month interest difference between two issues discounted by new issues semi-annual coupon rate of Euribor + 5.25%). As interest payment periods of the new issue will be same with the first one, 47-day interest accrual amounting to EUR 852,537.78 related to the period between 4 November 2011 and 21 December 2011 was paid to the Bank by the investor purchasing the second issue. On 21 December 2011, total net amount of EUR 96,878,527.78 is transferred to the bank accounts

The Parent Bank, during its Board of Directors’ meeting dated 8 May 2012 has resolved to issue a debt instrument as Secondary Subordinated debt instrument with a value of USD 65 million on 14 May 2012. The semi annually interest rate of the issuance is determined as USD Libor + %5.75. The due date of the debt instrument is determined as 14 May 2024 and for the first seven years there is no option to repay before its due date. The debt instrument can be amortized on 14 May 2019 with the decision of the Board of Directors and upon the approval of Banking Regulation and Supervision Agency (BRSA).

The Parent Bank has resolved to issue a Secondary Subordinated Debt in the amount of EURO 100 million on 20 July 2012. The interest rate of the issuance has been determined as semi-annually EURIBOR + 4.75%. The due date of the debt instrument is 20 July 2024 and there is no option to repay within the first seven years. The debt instrument can be amortized on 20 July 2019 with the resolution of the BoD and upon the approval of the BRSA.

The Parent Bank has resolved to issue a Secondary Subordinated Debt in the amount of EURO 125 million on 25 June 2013. The interest rate of the issuance has been determined as semi-annually EURIBOR + 2.1%. there is no option to repay within the first five years. The debt instrument can be amortized on 27 June 2018 with the resolution of the BoD and upon the approval of the BRSA

The Parent Bank has resolved to issue a Secondary Subordinated Debt in the amount of USD 65 million on 25 June 2013. The interest rate of the issuance has been determined as semi-annually EURIBOR + 3.40%. there is no option to repay within the first five years. The debt instrument can be amortized on 28 June 2018 with the resolution of the BoD and upon the approval of the BRSA

The above mentioned five subordinated loans are utilized in-line with the “loan capital” definition of BRSA) and will positively effect the capital adequacy ratio of the Parent Bank as well as utilizing long term fundings.

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**10. Explanations on the number of subordinated loans the Parent Bank used, maturity, interest rate, institution that the loan was borrowed from, and conversion option, if any:
(Continued)**

a) Information on subordinated loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	1,175,535	-	-
From Other Foreign Institutions	-	602,788	-	1,037,480
Total	-	1,778,323	-	1,037,480

11. Information on Shareholders’ Equity:

a) Presentation of Paid-in capital:

	Current Period	Prior Period
Common stock	2,204,390	2,204,390
Preferred stock	-	-

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

Capital System	Paid-in capital	Ceiling
Registered Capital System	2,204,390	-

c) Information on share capital increases and their sources; other information on increased capital shares in current period: None

d) Information on share capital increases from revaluation funds: None.

e) Capital commitments in the last fiscal year and at the end of the following interim period, the general purpose of these commitments and projected resources required to meet these commitments: None.

f) Indicators of the Parent Bank’s income, profitability and liquidity for the previous periods and possible effects of these future assumptions due to the uncertainty of these indicators on the Parent Bank’s equity:

Prior year income, profitability and liquidity of the Parent Bank is closely monitored and reported to Board of Directors, Asset and Liability Committee, and Risk Management by the Budget and Financial Control Group. This group tries to forecast the effects of interest, currency and maturity fluctuations that change these indicators with static and dynamic scenario analysis. Net asset value, which is defined as the difference of fair values of assets and liabilities, is measured. Expectations are made for the Parent Bank’s future interest income via simulations of net interest income and scenario analysis.

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III. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)

11. Information on Shareholders’ Equity: (Continued)

g) Information on preferred shares:

7% of the Parent Bank’s remaining net income after tax subsequent to deducting legal reserves and first dividends, corresponding to the Parent Bank’s 0,06 shares of TL30 (in full TL) is distributed to the founder shares.

h) Information on marketable securities valuation differences:

	Current Period		Prior Period	
	TL	FC	TL	FC
From Associates, Subsidiaries, and Entities				
Under Common Control (Joint Vent.)	-	-	-	-
Valuation Difference (*)	(100,521)	(2,126)	50,780	4,959
Foreign Exchange Difference	-	-	-	-
Total	(100,521)	(2,126)	50,780	4,959

(*) Government debt securities with TL224,275 nominal value which had been accounted as financial assets available for sale, have been classified as held to maturity investments with their market value amounting to TL287,008 as of 25 September 2013. As of 25 September, accumulated valuation difference amounting to negative TL38,362 for reclassified available for sale securities are followed under shareholders’ equity. This accumulated valuation difference is subjected to amortization according to the days to maturity and being transferred to profit/loss accounts in the related periods. As of 31 December 2013, total accumulated valuation difference of these securities followed under shareholders’ equity is negative TL36,973. Detail information for this classification was described at 5th chapter in 6-b note.

12. Information on minority shares: As of 31 December 2013, part of the group equity that belongs to minority shares is TL7,990 (31 December 2012: TL7,702).

13. Information on factoring liabilities: As of 31 December 2013 group has factoring debt of TL8,012 (31 December 2012: TL3,988).

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SECTION FIVE

**EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

III. Explanations and Disclosures Related to the Consolidated Off-Balance Sheet Contingencies and Commitments

1. Information on off-balance sheet liabilities:

a) Nature and amount of irrevocable loan commitments:

	Current Period	Prior Period
Loan granting commitments	3,853,759	2,942,424
Commitments for credit card expenditure limits	3,545,841	2,933,697
Payment commitment for checks	2,002,630	1,879,298
Forward asset purchase commitments	1,742,558	1,309,306
Forward deposit purchase commitments	101,194	614,094
Tax and fund liabilities from export commitments	12,503	11,709
Commitments for promotions related with credit cards and banking activities	4,451	5,978
Other irrevocable commitments	286,195	218,367
Total	11,549,131	9,914,873

b) Possible losses and commitments related to off-balance sheet items including items listed below:

The Group, within the context of banking activities, undertakes certain commitments, consisting of loan commitments, letters of guarantee, acceptance credits and letters of credit.

b.1) Non-cash loans including guarantees, acceptances, financial guarantee and other letters of credits:

	Current Period	Prior Period
Letters of Credit	1,688,889	1,532,317
Other Commitments	1,420,669	1,032,189
Bank Acceptances	271,178	903,219
Other Contingencies	419,412	292,651
Total	3,800,148	3,760,376

b.2) Guarantees, surety ships, and similar transactions:

	Current Period	Prior Period
Guarantee Letters	5,333,081	4,519,954
Advance Guarantee Letters	1,159,907	921,924
Temporary Guarantee Letters	477,487	462,831
Guarantee Letters Given for Customs	377,222	317,546
Other Guarantee Letters	548,101	507,807
Total	7,895,798	6,730,062

c) c.1) Total amount of non-cash loans:

	Current Period	Prior Period
Non-cash loans given against achieving cash loans	782,270	888,176
With maturity of 1 year or less than 1 year	7,209	210,995
With maturity of more than 1 year	775,061	677,181
Other non-cash loans	10,913,676	9,602,262
Total	11,695,946	10,490,438

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(Continued)**

III. Explanations and Disclosures Related to the Consolidated Off-Balance Sheet Contingencies and Commitments (Continued)

c.2) Information on sectoral risk breakdown of non-cash loans:

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	71,081	1.50	45,051	0.65	57,744	1.43	114,344	1.77
Farming and raising livestock	53,208	1.12	39,686	0.57	43,248	1.07	112,166	1.74
Forestry, Wood and Paper	16,956	0.36	5,365	0.08	13,531	0.34	2,081	0.03
Fishery	917	0.02	-	-	965	0.02	97	-
Manufacturing	2,165,556	45.56	3,733,586	53.78	1,897,967	47.07	3,752,317	58.11
Mining and Quarry	138,368	2.91	225,551	3.25	122,124	3.03	199,839	3.09
Production	1,972,506	41.50	3,423,583	49.31	1,696,182	42.06	3,517,196	54.47
Electricity, Gas and Water	54,682	1.15	84,452	1.22	79,661	1.98	35,282	0.55
Construction	1,107,734	23.31	1,291,228	18.60	969,447	24.04	1,217,275	18.85
Services	1,323,725	27.85	957,184	13.79	1,027,873	25.49	593,861	9.19
Wholesale and Retail Trade	601,981	12.67	187,905	2.71	460,398	11.42	89,222	1.38
Hotel, Tourism, Food and Beverage Services	43,405	0.91	29,905	0.43	37,753	0.94	23,750	0.37
Transportation and Communication	242,465	5.10	388,506	5.60	217,069	5.38	258,353	4.00
Financial Institutions	113,596	2.39	232,354	3.35	85,997	2.13	97,004	1.50
Real Estate and Renting	144,737	3.05	64,203	0.92	91,587	2.27	64,885	1.00
Self-employment Services	93,798	1.97	33,518	0.48	71,903	1.78	31,128	0.48
Education Services	5,886	0.12	4,269	0.06	2,863	0.07	1,361	0.02
Health and Social Services	77,857	1.64	16,524	0.24	60,303	1.50	28,158	0.44
Other	84,489	1.78	916,312	13.18	79,765	1.97	779,845	12.08
Total	4,752,585	100.00	6,943,361	100.00	4,032,796	100.00	6,457,642	100.00

c.3) Information on I st and II nd Group non-cash loans:

Non-cash loans	I st Group		II nd Group	
	TL	FC	TL	FC
Letters of guarantee	3,867,148	3,973,302	43,601	11,747
Bank acceptances	-	271,178	-	-
Letters of credit	381	1,688,125	-	383
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	838,980	998,626	2,475	-
Total	4,706,509	6,931,231	46,076	12,130

The Group provided a reserve of TL62,012 (31 December 2012: TL46,581) for non-cash loans not indemnified yet amounting to TL34,791 (31 December 2012: TL22,512) and reflected that in financial statements.

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III. Explanations and Disclosures Related to the Consolidated Off-Balance Sheet Contingencies and Commitments (Continued)

2. Information related to derivative financial instruments:

	Derivative transactions according to purposes			
	Trading		Hedging	
	Current Period	Prior Period	Current Period	Prior Period
Types of trading transactions				
Foreign currency related derivative transactions (I):	49,986,750	35,362,024	-	-
Forward transactions	8,907,614	6,285,148	-	-
Swap transactions	20,849,320	12,261,959	-	-
Futures transactions	-	-	-	-
Option transactions	20,229,816	16,814,917	-	-
Interest related derivative transactions (II):	7,571,274	2,635,988	-	-
Forward rate transactions	-	-	-	-
Interest rate swap transactions	7,295,012	2,325,340	-	-
Interest option transactions	276,262	310,648	-	-
Futures interest transactions	-	-	-	-
Marketable securities call-put options (III)	-	-	-	-
Other trading derivative transactions (IV)	-	-	-	-
A.Total trading derivative transactions (I+II+III+IV)	57,558,024	37,998,012	-	-
Types of hedging transactions	-	-	-	-
Fair value hedges	-	-	612,066	1,441,536
Cash flow hedges	-	-	3,916,034	3,153,677
Net investment hedges	-	-	-	-
B. Total hedging related derivatives	-	-	4,528,100	4,595,213
Total Derivative Transactions (A+B)	57,558,024	37,998,012	4,528,100	4,595,213

Related to agreements of forward transactions and options; the information based on the type of forward and options transactions are disclosed separately, specified with related amounts, type of agreement, purpose of transaction, nature of risk, strategy of risk management, hedging relationship, possible effects on the Bank’s financial position, timing of cash flows, reasons of unrealized transactions which previously projected to be realized, income and expenses that could not be linked to income statement in the current period because of the agreements:

Forward foreign exchange and swap transactions are based on protection from interest and currency fluctuations. According to TAS, they do not qualify as hedging instruments and are remeasured at fair value by the Parent Bank.

i) Derivative instruments for fair value hedging purposes:

As of 1 July 2008, the Parent Bank has started to apply fair value hedge accounting in order to avoid the effects of interest rate fluctuations in the market by matching its swap portfolio with its loan portfolio. As of 31 December 2013, nominal value of derivative instruments for hedging purposes is TL599,491 (31 December 2012: TL1,441,536) and net fair value is TL40,563 (31 December 2012: TL32,389 negative) while fair value of the hedged item loans is TL3,404 (31 December 2012: TL16,309). The Bank accounts TL78,670 income (31 December 2012: TL22,865 expense) for derivative instruments for hedging purposes and TL12,905 expense (31 December 2012: TL4,755 income) from hedged item loans in the financial statements. The group also has a financial protection accounting transaction as of 18 July 2013 whereby it swapped available for sale with a nominal value of TL12,700 with a cross money interest swap transaction amounting to TL12,575 in order to protect against changes in market values.

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EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and Disclosures Related to the Consolidated Off-Balance Sheet Contingencies and Commitments (Continued)

	Current Period			Prior Period		
	Nominal	Fair Value		Nominal	Fair Value	
		Asset	Liability		Asset	Liability
Cross Currency Swaps	612,066	56,962	15,616	1,441,536	5,064	47,696
	612,066	56,962	15,616	1,441,536	5,064	47,696

ii) Derivative instruments for cash flow hedge purposes:

The Group has adopted cash flow hedge accounting by matching its swap portfolio having total buy-sell nominal amounting to TL3,916,034 since 2011 with the deposit portfolio having maturity of up to 90 days. Effective portion of TL40,232 debit (31 December 2012: TL62,082 credit) accounted for under equity is presented after deduction of its deferred tax effect of TL8,046 credit (31 December 2012: TL12,614 debit) in the financial statements. In 2013, the ineffective portion of TL1,427 income (31 December 2012: TL3,455 expense) is accounted for under income statement.

	Current Period			Prior Period		
	Nominal	Fair Value		Nominal	Fair Value	
		Asset	Liability		Asset	Liability
Interest Rate Swaps	3,916,034	55,283	53,822	3,153,677	11,819	120,811

3. Explanations on contingent liabilities and assets:

- a.1) The Group's share in contingent liabilities arising from entities under common control (joint ventures) together with other venturer: None.
- a.2) Share of entity under common control (joint ventures) in its own contingent liabilities: None.
- a.3) The Group's contingent liabilities resulting from liabilities of other venturers in entities under common control (joint ventures): None.
- b) Accounting and presentation of contingent assets and liabilities in the financial statements:
 - b.1) Contingent assets are accounted for, if probability of realization is almost certain. If probability of realization is high, then it is explained in the footnotes: As of 31 December 2013, there are no contingent assets that need to be explained (31 December 2012: None).
 - b.2) A provision is made for contingent liabilities, if realization is probable and the amount can be reliably determined. If realization is remote or the amount cannot be determined reliably, then it is explained in the footnotes:

Following a resolution in favor of the Bank in 2003 for the case related to deduct accumulated losses from the corporate tax base for 2002 and for subsequent periods in accordance with Corporate Tax Law article 14/7; the Ministry of Finance appealed against the decision, however, the case was again concluded in favor of the Bank by Tax Supreme Court. In this context, the Bank acquired the right to deduct accumulated losses amounting to TL364,501 thousand from the corporate tax base. Related accumulated losses have been deducted from tax base by the Bank between the years 2003 and 2006.

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III. Explanations and Disclosures Related to the Consolidated Off-Balance Sheet Contingencies and Commitments (Continued)

On the other hand, the Tax Office has not taken into consideration the deduction amount of TL144,824 which is included in the 2003/4 temporary tax declaration based on the resolution of the Tax Supreme Court, and recalculated a temporary corporate tax liability of TL15,510 and levied a fine of TL16,131 to the Bank based on the declaration as of 20 April 2004. In that respect, the Bank has filed a counter case against the Tax Office, and 1st Tax Office decided in favor of the Bank with resolution no: K:2006/974 based on its decision related with 2002/I period explained above .

The Tax Office filed an appeal against the ruling; however, the 4th Administration of Council of State resolution no: K:2007/4747 ruled that the defendant’s claim on the Management’s double loss deduction should be initially reviewed and a new ruling should be made accordingly. Therefore the tax office’s resolution is overruled by the Council of State.

Although the 1st Tax Office of İstanbul had reviewed the related issues upon the Council of State’s overruling and conducted the litigation in favor of the Bank upon its resolution no: K:2010/2377, TL48,557 of loss amount is considered as undeductible in the basis of the resolution. Therefore, the Bank has filed an appeal on 4 October 2010 for the overruling of the related resolution basis and the outcome of the appeal is still in process. As the Bank management foresees no significant risk in relation to the related lawsuits, no provision is provided in the financial statements. The Bank has increased the tax base by TL2,863 in regards to the related lawsuit in accordance with the requirements of the Communiqué No:6111 “Restructuring of Specific Receivables and Social Insurance and General Health Insurance Law and Amendments to Some Other Laws and Requirements”.

4. Custodian and intermediary services:

The Group provides trading and safe keeping services in the name and account of third parties, which are presented in the consolidated statement of contingencies and commitments.

Investment fund participation certificates held in custody which belong to the customers and the portfolio are accounted for with their nominal values. As of 31 December 2013 the total nominal value and number of certificates are TL1,726,206 and 172,616,885 thousand (31 December 2012: TL2,673,746 and 267,368,509 thousand) and the total fair value is TL8,212,029 (31 December 2012: TL9,924,214)

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III. Explanations and Disclosures Related to the Consolidated Off-Balance Sheet Contingencies and Commitments (Continued)

5. The information on the Bank’s rating by the international rating introductions (*):

The results of the ratings performed by Moody’s Investor Services and Fitch Ratings are shown below:

Moody’s Investor Services: October 2013

View	Stable
Bank Financial Strength	D+
Foreign Currency Deposits	Baa3/NP

Fitch Ratings: April 2013

Foreign Currency Commitments

Long term	BBB
Short term	F3
View	Stable

Turkish Lira Commitments

Long term	BBB+
Short term	F2
View	Stable
National	AAA (tur)
View	Stable

Individual Rating	bbb-
Support Points	2

(*) Ratings above are not performed based on the “Communiqué for Authorization and Activities of Rating Institutions” published by the Capital Markets Board.

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IV. Explanations and Disclosures Related to the Consolidated Statement of Income

1. a) Information on interest on loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on loans (*)				
Short term loans	1,794,726	145,092	1,857,057	185,961
Medium and long term loans	1,548,431	181,595	1,312,272	165,346
Interest on non-performing loans	35,228	-	29,471	-
Premiums received from Resource Utilization Support Fund	-	-	-	-
Total	3,378,385	326,687	3,198,800	351,307

(*) Includes fees and commissions obtained from cash loans amounting to TL121,487 (31 December 2012: 127,655 TL).

b) Information on interest received from banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of Turkey	-	-	-	-
Domestic banks	3,519	279	5,949	198
Foreign banks	3,418	1,128	2,747	2,082
Branches and head office abroad	-	-	-	-
Total	6,937	1,407	8,696	2,280

c) Information on interest received from securities portfolio:

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets held for Trading	62,629	834	54,534	8,393
Financial Assets Valued at Fair Value through Profit or Loss	-	-	-	-
Financial Assets Available-for-Sale	291,201	1,146	332,950	8,204
Investments Held-to-Maturity	7,893	472	-	1,109
Total	361,723	2,452	387,484	17,706

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**EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

IV. Explanations and Disclosures Related to the Consolidated Statement of Income (Continued)

d) Information on interest received from associates and subsidiaries:

Interest income received from associates and subsidiaries are eliminated in the consolidated financial statements.

2. a) Information on interest on funds borrowed (*):

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
The Central Bank of Turkey	-	-	-	-
Domestic banks	9,214	5,806	15,072	5,910
Foreign banks	83,562	123,512	161,030	114,052
Branches and head office abroad	-	-	-	-
Other financial institutions	-	13,030	-	14,425
Total	92,776	142,348	176,102	134,387

(*) Includes fees and commission expenses of cash loans amounting to TL5,303 (31 December 2012: TL4,805).

b) Information on interest expenses to associates and subsidiaries:

Interest expenses to associates and subsidiaries are eliminated in the consolidated financial statements.

c) Information on interest expenses on securities issued:

d	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expense on securities issued	32,288	-	37,311	-
Total	32,288	-	37,311	-

d) Distribution of interest expense on deposits based on maturity of deposits:

Account Name	Time Deposits						Accumulated Deposit	Total
	Demand Deposit	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year		
TL								
Bank deposits	666	22,356	2,164	449	182	253	-	26,070
Saving deposits	515	259,587	498,567	132,083	17,525	4,661	-	912,938
Public sector deposits	1	2,095	10,412	14,184	68	-	-	26,760
Commercial deposits	159	84,140	273,304	46,893	4,805	70	-	409,371
Other deposits	-	5,271	88,404	46,965	30,401	1,645	-	172,686
7 days call accounts	-	-	-	-	-	-	-	-
Total	1,341	373,449	872,851	240,574	52,981	6,629	-	1,547,825
FC								
Foreign currency deposits	627	48,210	121,508	16,622	5,786	10,219	-	202,972
Bank deposits	46	434	956	84	-	136	-	1,656
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	1,573	2,518	292	322	-	-	4,705
Total	673	50,217	124,982	16,998	6,108	10,355	-	209,333
Grand Total	2,014	423,666	997,833	257,572	59,089	16,984	-	1,757,158

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**EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

IV. Explanations and Disclosures Related to the Consolidated Statement of Income (Continued)

3. Information on dividend income:

	Current Period	Prior Period
Trading Securities	-	-
Financial assets at fair value through profit and loss	-	-
Available-for-sale securities	1,761	909
Other	-	-
Total	1,761	909

4. Information on net trading income:

	Current Period	Prior Period
Income	8,914,952	5,160,472
Gains on capital market operations	138,179	66,515
Gains on derivative financial instruments (*)	3,075,979	1,528,943
Foreign exchange gains (**)	5,700,794	3,565,014
Losses (-)	8,848,432	5,243,261
Losses on capital market operations	97,348	34,635
Loss on derivative financial instruments (*)	2,623,893	2,013,004
Foreign exchange losses (**)	6,127,191	3,195,622

(*) Foreign exchange gains on hedging transactions are TL62,823 (31 December 2012: TL1,410) while foreign exchange losses on hedging transactions are TL3,338 (31 December 2012: TL15,229).

(**) Foreign exchange gains on derivative financial transactions are TL98,883 (31 December 2012: TL37,244 foreign exchange loss).

5. Information on other operating income:

There is no issue that includes new developments and can influence the Group’s income significantly.

6. Provision expenses of banks for loans and other receivables:

	Current Period	Prior Period
Specific provisions for loans and other receivables	265,903	171,361
III. Group Loans and Receivables	67,816	43,943
IV. Group Loans and Receivables	92,066	50,046
V. Group Loans and Receivables	106,021	77,372
General provision expenses	132,153	146,187
Provision expenses for possible losses	-	-
Marketable securities impairment losses	-	-
Financial assets at fair value through profit and loss	-	-
Investment securities available for sale	-	-
Impairment provision expense	-	-
Associates	-	-
Subsidiaries	-	-
Entities under common control (Joint Vent.)	-	-
Investments held to maturity	-	-
Other	9,273	7,981
Total	407,329	325,529

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**EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

IV. Explanations and Disclosures Related to the Consolidated Statement of Income (Continued)

7. Information on other operating expenses:

	Current Period	Prior Period
Personnel expenses(*)	771,042	674,717
Reserve for employee termination benefits (**,*****)	25,972	31,105
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Depreciation expenses of fixed assets	70,277	71,577
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	15,164	12,744
Impairment for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	5,463	1,858
Depreciation expenses of assets to be disposed	2,173	1,676
Impairment expenses of assets held for sale and discontinued operations	-	-
Other operating expenses	637,744	539,454
Rent expenses (***)	161,997	143,115
Maintenance expenses	28,178	17,857
Advertisement expenses(****)	80,420	67,573
Other expenses	367,149	310,909
Loss on sales of assets	1,266	3,364
Other(*****)	246,050	215,945
Total	1,775,151	1,552,440

(*) As of 31 December 2012, includes restructuring expenses amounting to TL11,943 (31 December 2013: None).

(**) As of 31 December 2012, includes restructuring expenses amounting to TL7.646 (31 December 2013: None).

(***) As of 31 December 2012, includes restructuring expenses amount to TL1.382 (31 December 2013: None).

(****) As of 31 December 2012, includes restructuring expenses amount to TL295 (31 December 2013: None).

(*****) Included .TL43,951 (31 December 2012: TL26,496) in other premiums paid to the Saving Deposit Insurance Fund, TL83,010 (31 December 2012: TL72,997) is other taxes and duties paid as of 31 December 2012 TL11,759 is merger and restructuring costs (31 December 2013: None).

(*****) The classification mentioned in the 3rd part XXIV numbered note has been done in prior year financial statement

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

Profit before tax of the Bank consists of net interest income and net fees and commission income amounting to TL2,064,461 (31 December 2012: TL1,940,075) and TL701,692 (31 December 2012: TL581,553), respectively; while operating expenses are TL1,775,151 (31 December 2012: TL1,522,440).

9. Information on tax provision for continued and discontinued operations:

- a) As of 31 December 2013, continuing operations' current tax charge is TL71,155 (31 December 2012: TL248,599 tax charge) and deferred tax charge is TL103,658 (31 December 2012: TL85,209 deferred tax benefit), there is no current tax charge and deferred tax benefit in the current period from discontinued operations (31 December 2012: None).
- b) Deferred tax charge on temporary differences resulted from discontinued operations is TL103,658 (31 December 2012: TL85,209 deferred tax benefit).

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**EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

IV. Explanations and Disclosures Related to the Consolidated Statement of Income (Continued)

9. Information on tax provision for continued and discontinued operations: (Continued)

c) Tax reconciliation:

	Current Period	Prior Period
Profit on continued and discontinued operations before taxes	745,357	652,329
Additions	165,957	171,963
Disallowables	29,924	17,745
General loan loss provision	131,548	156,361
Effect of different tax rate	4,311	(2,946)
Other	174	803
Deductions	(37,248)	(7,345)
Dividend Income	(1,673)	(841)
Other	(35,575)	(6,504)
Taxable Profit / (Loss)	874,066	816,947
Corporate tax rate	20%	20%
Tax calculated for continued and discontinued operations	174,813	163,390

As of 31 December 2013, current tax charge is TL71,155 (31 December 2012: TL248,599 tax charge) and deferred tax charge on temporary differences is TL103,658 (31 December 2012: TL85,209 deferred tax benefit). Net tax charge recognized in the financial statements is TL174,813 (31 December 2012: TL163,390 net tax charge).

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

The Group’s net profit from continued operations for the year ended 31December 2012 is TL570,544 (31 December 2012: TL488,397). The Group has not made net profit from discontinued operations (31 December 2012: None).

11. The explanations on net income / loss for the period:

- a) The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the complete understanding of the Parent Bank's performance for the period: None (31 December 2012: None).
- b) Effect of changes in accounting estimates on income statement for the current and, if any, for subsequent periods: None (31 December 2012: None).

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**EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

IV. Explanations and Disclosures Related to the Consolidated Statement of Income (Continued)

c) Profit or loss attributable to minority shares:

	Current Period	Prior Period
Profit or loss attributable to minority shares	1,728	1,542

12. If the other items in the income statement exceed 10% of the income statement total accounts amounting to at least 20% of these items:

Other interest income	Current Period	Prior Period
Interest income from factoring receivables	81,980	89,765
Other	530	7,498
Total	82,510	97,263

	Current Period	Prior Period
Credit cards commissions and fees	446,587	441,309
Intelligence fee and commissions	61,410	45,753
Insurance commissions received	52,091	40,233
Brokerage commissions	37,715	25,140
Funds management fees	36,315	28,393
Settlement expense provision, eft, swift, agency commissions	32,275	15,347
Transfer commissions	27,858	30,533
Commissions and fees earned from correspondent banks	5,726	14,880
Consultancy commissions	3,020	-
Other	211,769	178,689
Total	914,766	820,277

Other fees and commissions given	Current Period	Prior Period
Credit cards commissions and fees	226,183	258,824
Commissions and fees paid to correspondent banks	21,874	16,315
Settlement and swift commissions	11,280	8,891
Other	61,394	48,833
Total	320,731	332,863

V. Explanations and Disclosures Related to Consolidated Statement of Changes in Shareholders' Equity

- a) Increase resulting from revaluation of financial assets available for sale is TL198,239 (31 December 2012: TL201,566 decrease) and deferred tax effect of this change is TL39,853 (31 December 2012: TL40,340).

Gain or loss arising from measurement of financial assets available-for-sale included in shareholders' equity in the current period, excluding those related to hedging: TL108,114 expense (31 December 2012: TL205,086 expense).

The amount recycled from equity to net income/loss account if the loss or gain related with measurement at fair value is recorded to equity for the financial assets available-for-sale (excluding the assets related to hedging): TL90,125 profit (31 December 2012: TL3,520 profit).

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**EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

V. Explanations and Disclosures Related to Consolidated Statement of Changes in Shareholders' Equity (Continued)

b) Increase in cash flow risk hedging items:

The Parent Bank hedges itself against cash flow risk from Turkish Lira short term time deposits through its interest rate swaps. In this context, the effective portion is accounted for under equity in “Hedging Funds” account. The related amount as of 31 December 2013 is TL102,314 (31 December 2012: TL67,713 decrease) and deferred tax effect of this change is TL20,463 (31 December 2012: TL13,543).

c) The reconciliation related with foreign exchange amounts in the beginning and end of the period: None.

d) Dividends declared subsequent to the balance sheet date, but before the announcement of the financial statements: None.

e) Dividends per share proposed subsequent to the balance sheet date: Profit appropriation will be resolved in the General Assembly meeting which has not been conducted as of the date of the accompanying financial statements are authorized for issue.

f) Proposals to General Assembly for the payment dates of dividends and if it will not be appropriated the reasons for this: The Board of Directors has not decided for profit appropriation as of the date of the financial statements are authorized for issue.

g) Amounts transferred to legal reserves: Amount transferred to legal reserves is TL26,864 in 2013 (31 December 2012: TL13,522).

h) Information on shares issued:

The Group has not recorded any shares issued in “Share Premium” account in the current period.

VI. Explanations and Disclosures Related to Statement of Consolidated Cash Flows

1. The effects of the other items stated in the cash flow statement and the changes in foreign currency exchange rates on cash and cash equivalents:

“Other items” amounting to TL1,303,193 (31 December 2012: TL1,754,473) in “Operating profit before changes in operating assets and liabilities” consists of fees and commissions paid and other expenses except for leasing expenses, reserve for employee termination benefits, depreciation charges and taxes paid.

“Net increase/decrease in other liabilities” amounting to TL176,978 (31 December 2012: TL209,326) in “Changes in operating assets and liabilities” consists of changes in sundry creditors, other liabilities and interbank money market borrowings. “Net increase/decrease in other assets” with a total amount of TL2,226,953 (31 December 2012: TL1,996,572) consists of changes in sundry debtors and other assets.

“Other items” amounting to TL45,596 (31 December 2012: TL17,666) in “Net cash provided from investing activities” consists of cash paid for purchases of intangible assets.

Effect of change in foreign exchange rate on cash and cash equivalents includes the foreign exchange effect resulting from the translation of cash and cash equivalents in foreign currency by using the foreign exchange rates at the beginning and at the end of the period, and it is TL67,874 for the year 2013 (31 December 2012: TL24,885 negative).

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**EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

VI. Explanations and Disclosures Related to Statement of Consolidated Cash Flows (Continued)

2. Cash and cash equivalents at beginning and end of periods:

The reconciliation of the components of cash and cash equivalents, accounting policies used to determine these components, the effect of any change made in accounting principle in the current period, the recorded amounts of the cash and cash equivalent assets at the balance sheet and the recorded amounts in the cash flow statement:

Beginning of the period	Current Period	Prior Period
Cash	1,088,529	2,429,726
Cash in TL/Foreign Currency	591,035	487,810
Central Bank – Unrestricted amount	447,146	1,616,648
Other	50,348	325,268
Cash equivalents	2,493,245	1,082,908
Banks	793,015	559,663
Money market placements	1,700,230	523,245
Total cash and cash equivalents	3,581,774	3,512,634
End of the period	Current Period	Prior Period
Cash	1,546,639	1,088,529
Cash in TL/Foreign Currency	673,704	591,035
Central Bank – Unrestricted amount	852,969	447,146
Other	19,966	50,348
Cash equivalents	404,863	2,493,245
Banks	404,618	793,015
Money market placements	245	1,700,230
Total cash and cash equivalents	1,951,502	3,581,774

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SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS

VII. Explanations on the Risk Group of the Parent Bank

1. Volume of related party transactions, income and expense amounts involved and outstanding loan and deposit balances:

Prior period balances for balance sheet items are presented as of 31 December 2012, for income/expenses items presented as of 31 December 2012.

a) Current Period:

Related Parties	Subsidiaries, associates and entities under common control (Joint Vent.)		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
	Loans and other receivables					
Balance at beginning of period	-	-	2,815	4	54,057	396,822
Balance at end of period	-	-	20,666	10	52,230	376,434
Interest and commission income	-	-	2,730	32	1,173	626

Direct and indirect shareholders of the Bank balance above includes TL13,536 and other entities included in the risk group balance above includes TL40,726 placement in foreign banks.

b) Prior Period:

Related Parties	Subsidiaries, associates and entities under common control (Joint Vent.)		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
	Loans and other receivables					
Balance at beginning of period	-	-	76,412	4	130,321	231,970
Balance at end of period	-	-	2,815	4	54,057	396,822
Interest and commission income	-	-	3,684	23	16,163	95

Direct and indirect shareholders of the Bank balance above includes TL2,118 and other entities included in the risk group balance above includes TL11,590 placement in foreign banks.

c.1) Information on related party deposits balances:

Related parties	Subsidiaries, associates and entities under common control (Joint Vent.)		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Current Period	Prior Period	Current period	Prior period	Current Period	Prior Period
	Deposits					
Balance at end of period	-	-	471,343	430,246	307,130	403,147
Balance at end of period	-	-	1,221,029	471,343	672,711	307,130
Interest on deposits	-	-	27,851	32,042	12,706	26,415

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**EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

VII. Explanations on the Risk Group of the Parent Bank (Continued)

1. Volume of related party transactions, income and expense amounts involved and outstanding loan and deposit balances: (Continued)

c.2) Information on forward and option agreements and other similar agreements made with related parties:

Related Parties	Subsidiaries, associates and entities under common control (Joint Vent.)		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Financial Assets at Fair Value						
Through Profit and Loss						
Beginning of period	-	-	8,814,102	9,647,651	3,628	178,125
End of period	-	-	11,389,136	8,814,102	664,232	3,628
Total income/loss	-	-	(35,159)	12,945	1,563	792
Hedging transactions purposes						
Beginning of period	-	-	830,956	522,500	-	-
End of period	-	-	480,718	830,956	-	-
Total income/loss	-	-	24,388	(16,405)	-	-

d) As of 31 December 2013, the total amount of remuneration and fees provided for the senior management of the Group is TL34,710 (31 December 2012: TL35,762).

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**EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

VIII. Explanations on the Parent Bank’s Domestic, Abroad, Off-shore Branches or Subsidiaries, and Agencies Abroad

1. Explanations on the Parent Bank’s Domestic, Abroad, Off-shore Branches or Subsidiaries, and Agencies Abroad:

	Numbers	Employees		Total Assests	Capital
Domestic branches	539	9,935			
Rep-offices abroad	-	-	Country		
Branches abroad	4	63	Cyprus	485,440	20,000
Off-shore branches	1	3	Bahrain	889,687	-

2. Explanations on Branch and Agency Openings or Closings of the Parent Bank:

In the year 2013, the Parent Bank opened 36 branches , closed 1 branch.

IX. Explanations on Post Balance Sheet Events

None.

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SECTION SIX

OTHER EXPLANATIONS

I. Explanations on Other Activities of Bank

None.

SECTION SEVEN

INDEPENDENT AUDITOR’S REPORT

I. Explanations on the Independent Auditor’s Report

The consolidated financial statements of the Parent Bank were audited by Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and the independent auditor’s report dated 13 February 2014 is presented preceding the consolidated financial statements.

II. Other Footnotes and Explanations Prepared by Independent Auditors

None.

BRANCHES

NUMBER	BRANCH NAME	PHONE	FAX
1	Ankara Branch	+ 90 312 448 15 00	+ 90 216 636 34 62
2	İstanbul Kurumsal Branch	+ 90 212 356 21 51	+ 90 216 636 34 83
3	Osmanbey Branch	+ 90 212 234 12 16	+ 90 216 636 34 84
4	Bakırköy Branch	+ 90 212 543 51 07	+ 90 216 636 34 85
5	Suadiye Branch	+ 90 216 463 58 40	+ 90 216 636 34 86
6	Etiler Branch	+ 90 212 257 78 00	+ 90 216 636 34 87
7	Bursa Branch	+ 90 224 224 41 61	+ 90 216 636 34 88
8	Kozyatağı Kurumsal Branch	+ 90 216 445 08 38	+ 90 216 636 34 89
9	Denizli Branch	+ 90 258 241 28 01	+ 90 216 636 34 90
10	İzmit Branch	+ 90 262 322 36 00	+ 90 216 636 34 91
11	Bayrampaşa Branch	+ 90 212 565 28 50	+ 90 216 636 34 92
12	Kayseri Branch	+ 90 352 222 11 23	+ 90 216 636 34 93
13	Antalya Branch	+ 90 242 248 48 01	+ 90 216 636 34 94
14	Adana Branch	+ 90 322 363 17 74	+ 90 216 636 34 95
15	Gaziantep Branch	+ 90 342 215 41 00	+ 90 216 636 34 96
16	Eminönü Branch	+ 90 212 514 11 51	+ 90 216 636 34 97
17	Konya Branch	+ 90 332 236 10 67	+ 90 216 636 34 98
18	Kahramanmaraş Branch	+ 90 344 231 20 81	+ 90 216 636 34 99
19	Merter Branch	+ 90 212 641 15 05	+ 90 216 636 35 00
20	Ulus Ankara Branch	+ 90 312 309 03 08	+ 90 216 636 35 01
21	Gebze Branch	+ 90 262 643 02 65	+ 90 216 636 35 02
22	Pendik E-5 Branch	+ 90 216 379 93 93	+ 90 216 636 35 03
23	Mersin Branch	+ 90 324 238 68 40	+ 90 216 636 34 66
24	Güneşli Branch	+ 90 212 630 91 10	+ 90 216 636 35 04
25	İzmir Branch	+ 90 232 489 10 60	+ 90 216 636 34 78
26	Eskişehir Branch	+ 90 222 220 24 24	+ 90 216 636 35 05
27	Kalamış Branch	+ 90 216 302 29 49	+ 90 216 636 35 06
28	Ümraniye Branch	+ 90 216 461 60 71	+ 90 216 636 34 77
29	Maçka Branch	+ 90 212 219 38 70	+ 90 216 636 35 07
30	Beylikdüzü Branch	+ 90 212 875 64 60	+ 90 216 636 34 64
31	Bebek Branch	+ 90 212 287 79 31	+ 90 216 636 35 08
32	Levent Sanayi Branch	+ 90 212 325 90 98	+ 90 216 636 35 09
33	Pınarbaşı Branch	+ 90 232 478 45 34	+ 90 216 636 33 04
34	Kemalpaşa Branch	+ 90 232 877 06 60	+ 90 216 636 35 10
35	Karabağlar Branch	+ 90 232 254 53 43	+ 90 216 636 35 11
36	Yeşilköy Branch	+ 90 212 662 45 99	+ 90 216 636 35 12
37	Trakya Kurumsal Branch	+ 90 212 474 03 04	+ 90 216 636 34 67
38	Kozyatağı Branch	+ 90 216 355 07 37	+ 90 216 636 35 13
39	Orta Anadolu Kurumsal Branch	+ 90 312 468 67 00	+ 90 216 636 35 14
40	Marmara Kurumsal Branch	+ 90 224 224 91 21	+ 90 216 636 35 15
41	Gazipaşa Bulvarı Branch	+ 90 322 457 14 12	+ 90 216 636 35 16
42	İkitelli Branch	+ 90 212 549 17 05	+ 90 216 636 35 17
43	İmes Sanayi Sitesi Branch	+ 90 216 527 12 01	+ 90 216 636 35 18
44	Mecidiyeköy Branch	+ 90 212 274 53 44	+ 90 216 636 35 19
45	Bursa Serbest Bölge Branch	+ 90 224 524 86 26	+ 90 216 636 34 59
46	Çarşı İzmir Branch	+ 90 232 449 18 38	+ 90 216 636 34 72
47	A.O.S.B. İzmir Branch	+ 90 232 376 83 43	+ 90 216 636 35 20
48	Ege Kurumsal Branch	+ 90 232 483 55 55	+ 90 216 636 35 21
49	Gündoğdu Branch	+ 90 232 464 57 76	+ 90 216 636 35 22
50	Özel Bankacılık Merkezi Branch	+ 90 212 284 90 61	+ 90 216 636 33 00
51	Aksaray İstanbul Branch	+ 90 212 632 68 78	+ 90 216 636 35 23
52	Antakya Branch	+ 90 326 225 28 80	+ 90 216 636 35 24
53	Avcılar Branch	+ 90 212 690 21 90	+ 90 216 636 35 25
54	Aydın Branch	+ 90 256 213 67 80	+ 90 216 636 35 26
55	Bahçeşehir Branch	+ 90 212 669 23 00	+ 90 216 636 35 27
56	Balıkesir Branch	+ 90 266 244 01 30	+ 90 216 636 35 28
57	Beşiktaş Branch	+ 90 212 227 70 65	+ 90 216 636 35 29
58	Beşyüzevler Branch	+ 90 212 477 57 57	+ 90 216 636 35 30
59	İskenderun Branch	+ 90 326 614 19 19	+ 90 216 636 35 32
60	Girne Bulvarı Branch	+ 90 232 364 55 00	+ 90 216 636 35 33
61	Altıyol Branch	+ 90 216 414 85 84	+ 90 216 636 35 34
62	Karadeniz Ereğli Branch	+ 90 372 322 52 08	+ 90 216 636 35 35
63	Malatya Branch	+ 90 422 325 42 62	+ 90 216 636 35 36
64	Samsun Branch	+ 90 362 432 99 88	+ 90 216 636 35 37

65	Trabzon Branch	+ 90 462 323 08 70	+ 90 216 636 35 38
66	Uşak Branch	+ 90 276 224 51 64	+ 90 216 636 35 39
67	Zeytinburnu Branch	+ 90 212 679 20 75	+ 90 216 636 35 40
68	Altunizade Branch	+ 90 216 474 35 63	+ 90 216 636 34 63
69	Davutpaşa Branch	+ 90 212 501 82 14	+ 90 216 636 35 41
70	Şehitkamil Gaziantep Branch	+ 90 342 322 05 80	+ 90 216 636 35 42
71	Bayramyeri Branch	+ 90 258 264 94 64	+ 90 216 636 35 43
72	Bahreyn Branch	973 17 54 00 70	+ 90 216 636 34 58
73	Bornova Branch	+ 90 232 343 84 85	+ 90 216 636 35 44
74	Gaziosmanpaşa Ankara Branch	+ 90 312 447 74 40	+ 90 216 636 35 45
75	Marmaris Branch	+ 90 252 413 40 01	+ 90 216 636 35 46
76	Nilüfer Branch	+ 90 224 249 96 01	+ 90 216 636 35 47
77	Taksim Branch	+ 90 212 361 60 00	+ 90 216 636 34 69
78	Meşrutiyet Caddesi Branch	+ 90 312 425 63 00	+ 90 216 636 35 48
79	Bodrum Branch	+ 90 252 316 89 38	+ 90 216 636 34 71
80	Manavgat Branch	+ 90 242 743 29 80	+ 90 216 636 35 49
81	Alanya Branch	+ 90 242 511 05 14	+ 90 216 636 35 50
82	Çorlu Branch	+ 90 282 673 62 00	+ 90 216 636 35 51
83	Caddebostan Branch	+ 90 216 359 47 06	+ 90 216 636 35 52
84	Kazasker Branch	+ 90 216 380 88 40	+ 90 216 636 34 76
85	Levent Çarşı Branch	+ 90 212 283 70 50	+ 90 216 636 35 53
86	Adapazarı Branch	+ 90 264 282 37 80	+ 90 216 636 35 54
87	Manisa Branch	+ 90 236 237 36 36	+ 90 216 636 35 55
88	Lara Branch	+ 90 242 312 11 51	+ 90 216 636 35 56
89	Afyon Branch	+ 90 272 214 34 00	+ 90 216 636 35 57
90	Atatürk Caddesi Adana Branch	+ 90 322 457 80 28	+ 90 216 636 35 58
91	Büsan Sanayi Branch	+ 90 332 345 35 00	+ 90 216 636 35 59
92	Hadımköy Branch	+ 90 212 886 67 77	+ 90 216 636 35 60
93	Beşevler Sanayi Branch	+ 90 224 443 40 44	+ 90 216 636 35 61
94	Maltepe İstanbul Branch	+ 90 216 457 56 76	+ 90 216 636 35 62
95	Sefaköy Branch	+ 90 212 599 34 24	+ 90 216 636 35 63
96	Beyazıt Branch	+ 90 212 526 28 38	+ 90 216 636 35 64
97	Ostim Branch	+ 90 312 385 85 91	+ 90 216 636 35 65
98	Ortaklar Caddesi Branch	+ 90 212 288 38 00	+ 90 216 636 35 66
99	Güneşli Tahsilat Veznesi Branch	+ 90 212 515 52 46	+ 90 216 636 35 67
100	Perpa Branch	+ 90 212 222 12 40	+ 90 216 636 35 68
101	Diyarbakır Branch	+ 90 412 251 30 10	+ 90 216 636 35 69
102	Maslak Branch	+ 90 212 345 10 80	+ 90 216 636 35 70
103	Ortaköy Branch	+ 90 212 236 30 10	+ 90 216 636 35 71
104	Pendik Branch	+ 90 216 483 63 33	+ 90 216 636 35 72
105	Üsküdar Branch	+ 90 216 334 35 64	+ 90 216 636 35 73
106	Fethiye Branch	+ 90 252 612 99 45	+ 90 216 636 35 74
107	Çiftelavuzlar Branch	+ 90 216 467 51 11	+ 90 216 636 35 75
108	Şanlıurfa Branch	+ 90 414 315 41 65	+ 90 216 636 35 76
109	Necatibey Branch	+ 90 312 229 01 00	+ 90 216 636 35 77
110	Kadıköy Rihtim Branch	+ 90 216 550 87 27	+ 90 216 636 35 78
111	Kızılay Branch	+ 90 312 419 72 00	+ 90 216 636 35 79
112	Karaköy Branch	+ 90 212 245 33 35	+ 90 216 636 35 80
113	Kartal Çarşı Branch	+ 90 216 517 17 67	+ 90 216 636 35 81
114	Siteler Branch	+ 90 312 351 08 38	+ 90 216 636 35 82
115	Bolu Branch	+ 90 374 217 54 00	+ 90 216 636 35 83
116	Çekmeköy Branch	+ 90 216 420 62 00	+ 90 216 636 35 84
117	Çorum Branch	+ 90 364 225 00 88	+ 90 216 636 35 85
118	Körfez Kurumsal Branch	+ 90 262 751 43 43	+ 90 216 636 35 86
119	Göztepe İstanbul Branch	+ 90 216 385 05 33	+ 90 216 636 35 87
120	Tahtakale Branch	+ 90 212 527 30 31	+ 90 216 636 35 88
121	Erzurum Branch	+ 90 442 235 55 92	+ 90 216 636 35 89
122	Üçkapılar Branch	+ 90 242 247 12 60	+ 90 216 636 35 90
123	Balgat Branch	+ 90 312 285 35 00	+ 90 216 636 35 91
124	Heykel Branch	+ 90 224 223 76 46	+ 90 216 636 35 92
125	İçerenköy Branch	+ 90 216 469 59 35	+ 90 216 636 34 65
126	Fatsa Branch	+ 90 452 423 92 10	+ 90 216 636 35 93
127	Didim Branch	+ 90 256 813 85 84	+ 90 216 636 35 94
128	Kavacık Branch	+ 90 216680 30 24	+ 90 216 636 35 95
129	Yüreğir Branch	+ 90 322 322 36 00	+ 90 216 636 35 96
130	Çağlayan Branch	+ 90 212 296 61 62	+ 90 216 636 35 97
131	Çarşamba Branch	+ 90 362 832 27 67	+ 90 216 636 35 98
132	Ataköy Branch	+ 90 212 560 46 86	+ 90 216 636 35 99

133	İzmir Göztepe Branch	+90 232 224 19 06	+90 216 636 36 00
134	Elazığ Branch	+90 424 212 83 00	+90 216 636 36 01
135	Gazlılar Branch	+90 224 220 04 35	+90 216 636 36 02
136	Yıldız Branch	+90 312 438 85 00	+90 216 636 36 03
137	Barkal Branch	+90 322 432 62 00	+90 216 636 36 04
138	Garajlar Branch	+90 224 250 27 07	+90 216 636 36 05
139	Niğde Branch	+90 388 233 81 11	+90 216 636 36 06
140	İvedik Branch	+90 312 395 46 60	+90 216 636 36 07
141	Fethiye İnönü Bulvarı Branch	+90 252 614 74 03	+90 216 636 36 08
142	Bodrum Çarşı Branch	+90 252 313 35 40	+90 216 636 36 09
143	Kayseri Sanayi Branch	+90 352 336 00 01	+90 216 636 36 10
144	Konyaaltı Branch	+90 242 247 81 84	+90 216 636 34 68
145	Alanya Mahmutlar Branch	+90 242 528 74 70	+90 216 636 36 12
146	Kemer Branch	+90 242 814 75 25	+90 216 636 36 13
147	Gatem Branch	+90 342 238 42 72	+90 216 636 36 14
148	Bağcılar Branch	+90 212 433 19 33	+90 216 636 36 15
149	Akçaabat Branch	+90 462 228 14 11	+90 216 636 34 73
150	Topçular Branch	+90 212 493 47 24	+90 216 636 36 16
151	Des Sanayi Branch	+90 216 466 43 33	+90 216 636 36 17
152	Mega Center Branch	+90 212 437 35 85	+90 216 636 36 18
153	Samsun Sanayi Branch	+90 362 228 80 00	+90 216 636 36 19
154	Ordu Branch	+90 452 214 08 00	+90 216 636 36 20
155	Acıbadem Branch	+90 216 327 55 65	+90 216 636 36 21
156	Teksan Branch	+90 222 228 00 97	+90 216 636 36 22
157	Çanakkale Branch	+90 286 213 27 27	+90 216 636 36 23
158	Gaziosmanpaşa İstanbul Branch	+90 212 581 55 95	+90 216 636 36 24
159	Kurtköy Branch	+90 216 595 05 70	+90 216 636 36 25
160	Çallı Branch	+90 242 344 61 56	+90 216 636 36 26
161	Büyükkçekmece Branch	+90 212 881 11 15	+90 216 636 36 27
162	Edremit Branch	+90 266 374 15 00	+90 216 636 36 28
163	Sincan Branch	+90 312 269 37 87	+90 216 636 36 29
164	Salihli Branch	+90 236 715 11 81	+90 216 636 36 30
165	Gemlik Branch	+90 224 514 22 22	+90 216 636 36 31
166	Sultanbeyli Branch	+90 216 419 46 16	+90 216 636 36 32
167	Rize Branch	+90 464 213 39 90	+90 216 636 36 33
168	Suburcu Branch	+90 342 232 01 60	+90 216 636 36 34
169	İstoç Branch	+90 212 659 92 45	+90 216 636 36 35
170	Samsun Çiftlik Branch	+90 362 432 60 78	+90 216 636 34 57
171	Çınar Branch	+90 258 264 98 68	+90 216 636 34 79
172	İzmir Çankaya Branch	+90 232 445 85 40	+90 216 636 36 37
173	Sarıyer Branch	+90 212 218 59 29	+90 216 636 36 38
174	Florya Branch	+90 212 662 12 48	+90 216 636 36 39
175	Manisa Sanayi Branch	+90 236 233 31 36	+90 216 636 36 40
176	Akdeniz Sanayi Branch	+90 242 221 66 76	+90 216 636 36 41
177	Lüleburgaz Branch	+90 288 412 56 56	+90 216 636 36 42
178	Saydam Caddesi Branch	+90 322 359 72 07	+90 216 636 36 43
179	İncirli Branch	+90 212 543 66 36	+90 216 636 36 44
180	İzmir 1.Sanayi Branch	+90 232 458 55 99	+90 216 636 36 45
181	Kurtuluş Branch	+90 212 291 38 30	+90 216 636 36 46
182	Laleli Branch	+90 212 638 76 22	+90 216 636 36 47
183	Aliğa Branch	+90 232 616 43 44	+90 216 636 36 48
184	Bankalar Caddesi Branch	+90 212 293 22 42	+90 216 636 36 49
185	Edirne Branch	+90 284 214 93 23	+90 216 636 36 50
186	Gültepe Branch	+90 212 269 52 30	+90 216 636 36 51
187	Van Branch	+90 432 216 44 94	+90 216 636 36 52
188	Balçova Branch	+90 232 278 98 19	+90 216 636 34 70
189	Gölcük Branch	+90 262 414 71 51	+90 216 636 36 53
190	Tuzla OSB Branch	+90 216 593 27 07	+90 216 636 36 54
191	Valikonagi Branch	+90 212232 02 68	+90 216 636 36 55
192	İstanbul Ulus Branch	+90 212 269 52 80	+90 216 636 36 56
193	Demirciler Sitesi Branch	+90 212 665 26 76	+90 216 636 36 57
194	Avcılar Borusan Branch	+90 212 412 02 48	+90 216 636 36 58
195	Tümsan Sanayi Sitesi Branch	+90 212 485 48 80	+90 216 636 36 59
196	Tekirdağ Branch	+90 282 260 67 68	+90 216 636 36 60
197	Zafer Sanayi Branch	+90 332 249 72 72	+90 216 636 36 61
198	Ümitköy Branch	+90 312 236 35 30	+90 216 636 36 62
199	Sakarya Caddesi Branch	+90 222 220 10 63	+90 216 636 36 63
200	İmsan Branch	+90 212 472 53 10	+90 216 636 36 64

201	Menemen Branch	+ 90 232 831 00 50	+ 90 216 636 36 65
202	Gimat Branch	+ 90 312 397 23 53	+ 90 216 636 36 66
203	Bostanlı Branch	+ 90 232 330 66 63	+ 90 216 636 36 67
204	Maltepe Çarşı İstanbul Branch	+ 90 216459 50 67	+ 90 216 636 36 68
205	Şirinevler Branch	+ 90 212 503 43 00	+ 90 216 636 36 69
206	Bahçelievler İstanbul Branch	+ 90 212 556 39 29	+ 90 216 636 36 70
207	Cihangir Branch	+ 90 212 244 03 23	+ 90 216 636 36 71
208	Tuzla Branch	+ 90 216 493 63 23	+ 90 216 636 36 72
209	Tarsus Branch	+ 90 324 614 76 16	+ 90 216 636 36 73
210	Sivas Caddesi Branch	+ 90 352 235 53 40	+ 90 216 636 36 74
211	Şaşmaz Branch	+ 90 312 278 30 00	+ 90 216 636 36 75
212	Aksaz Branch	+ 90 252 421 06 26	+ 90 216 636 33 77
213	Avcılar Çarşı Branch	+ 90 212 591 95 99	+ 90 216 636 34 60
214	Değirmendere Trabzon Branch	+ 90 462 325 78 01	+ 90 216 636 36 77
215	Isparta Branch	+ 90 246 233 07 70	+ 90 216 636 36 78
216	Gebze E5 Branch	+ 90 262 643 88 60	+ 90 216 636 36 79
217	İnönü Caddesi Malatya Branch	+ 90 422 323 01 10	+ 90 216 636 36 80
218	Gül Sokak Branch	+ 90 232 463 00 02	+ 90 216 636 36 81
219	Sivas Branch	+ 90 346 222 16 06	+ 90 216 636 36 82
220	Çeşme Branch	+ 90 232 712 23 93	+ 90 216 636 36 83
221	Ödemiş Branch	+ 90 232 545 30 60	+ 90 216 636 36 84
222	Nizip Branch	+ 90 342 517 58 00	+ 90 216 636 36 85
223	Yeniköy Branch	+ 90 212 223 00 83	+ 90 216 636 34 74
224	Etimesgut Branch	+ 90 312 243 38 00	+ 90 216 636 36 86
225	Tire Branch	+ 90 232 512 56 46	+ 90 216 636 34 61
226	Nuruosmaniye Branch	+ 90 212 512 29 29	+ 90 216 636 36 87
227	Mezitli Branch	+ 90 324 357 58 63	+ 90 216 636 36 88
228	Güllük Branch	+ 90 242 243 83 10	+ 90 216 636 36 89
229	Mevlana Branch	+ 90 332 353 00 11	+ 90 216 636 36 90
230	Muğla Branch	+ 90 252 212 13 06	+ 90 216 636 36 91
231	Akhisar Branch	+ 90 236 414 80 79	+ 90 216 636 34 80
232	Konya Ereğli Branch	+ 90 332 713 40 30	+ 90 216 636 36 92
233	Silivri Branch	+ 90 212 727 88 11	+ 90 216 636 36 93
234	Viranşehir Branch	+ 90 414 511 99 19	+ 90 216 636 36 94
235	Lefkoşa Branch	+ 90 392 229 20 40	+ 90 392 229 07 62
236	Gazimağusa Branch	+ 90 392 365 59 20	+ 90 392 365 59 31
237	Girne Branch	+ 90 392 815 85 10	+ 90 392 815 48 14
238	İnegöl Branch	+ 90 224 713 73 79	+ 90 216 636 36 98
239	Altintepe Branch	+ 90 216 417 06 51	+ 90 216 636 36 99
240	Kastamonu Branch	+ 90 366 214 06 67	+ 90 216 636 34 00
241	Adana Mobilyacılar Branch	+ 90 322 346 47 01	+ 90 216 636 34 01
242	Giresun Branch	+ 90 454 216 01 61	+ 90 216 636 34 02
243	Kuyumcukent Branch	+ 90 212 603 13 63	+ 90 216 636 34 03
244	Bursa Oto Sanayi Sitesi Branch	+ 90 224 346 05 05	+ 90 216 636 34 04
245	Burdur Branch	+ 90 248 234 41 40	+ 90 216 636 34 05
246	Uncalı Branch	+ 90 242 229 73 31	+ 90 216 636 34 07
247	Şirinyer Branch	+ 90 232 452 12 12	+ 90 216 636 34 08
248	Biga Branch	+ 90 286 317 47 73	+ 90 216 636 34 09
249	Kaynarca Branch	+ 90 216 396 77 69	+ 90 216 636 34 10
250	Gaziemir Branch	+ 90 232 251 82 66	+ 90 216 636 34 11
251	Yıldırım Branch	+ 90 224 364 50 79	+ 90 216 636 34 12
252	Adıyaman Branch	+ 90 416 216 00 74	+ 90 216 636 34 13
253	Aspendos Kurumsal Branch	+ 90 242 321 94 50	+ 90 216 636 34 14
254	Karabük Branch	+ 90 370 415 43 32	+ 90 216 636 34 15
255	Çerkezköy Branch	+ 90 282 726 52 01	+ 90 216 636 34 16
256	Ankara 4.Kolordu Branch	+ 90 312 351 10 33	+ 90 216 636 34 17
257	Akşehir Branch	+ 90 332 812 13 43	+ 90 216 636 34 18
258	Düzce Branch	+ 90 380 514 72 62	+ 90 216 636 34 19
259	Erenler Sanayi Branch	+ 90 264 241 96 88	+ 90 216 636 34 20
260	Çorlu Çarşı Branch	+ 90 282 654 44 62	+ 90 216 636 34 21
261	Hopa Branch	+ 90 466 351 83 43	+ 90 216 636 34 22
262	Karacabey Branch	+ 90 224 676 47 57	+ 90 216 636 34 23
263	Turgutlu Branch	+ 90 236 312 17 87	+ 90 216 636 34 24
264	Fener Branch	+ 90 242 324 04 90	+ 90 216 636 34 25
265	Keşan Branch	+ 90 284 715 45 46	+ 90 216 636 34 26
266	Arnavutköy Branch	+ 90 216 681 00 99	+ 90 216 636 32 81
267	Konak Branch	+ 90 232 483 34 05	+ 90 216 636 34 28
268	Hürriyet Branch	+ 90 224 2402142	+ 90 216 636 34 29

269	Demirtaş Branch	+ 90 224 211 07 77	+ 90 216 636 34 30
270	Kuyubaşı Branch	+ 90 216 330 64 74	+ 90 216 636 33 06
271	Ofis Branch	+ 90 412 229 27 27	+ 90 216 636 34 32
272	Anamur Branch	+ 90 324 814 33 10	+ 90 216 636 33 07
273	İzmit Sanayi Sitesi Branch	+ 90 262 335 15 45	+ 90 216 636 33 02
274	Çankaya Ankara Branch	+ 90 312 440 00 73	+ 90 216 636 33 03
275	Keçiören Branch	+ 90 312 360 00 77	+ 90 216 636 33 08
276	Kazım Karabekir Branch	+ 90 312 310 32 02	+ 90 216 636 33 09
277	Yalova Branch	+ 90 226 811 42 22	+ 90 216 636 33 10
278	Tunalı Hilmi Branch	+ 90 312 468 80 13	+ 90 216 636 33 11
279	Sarıçam Branch	+ 90 322 321 01 58	+ 90 216 636 33 12
280	Bekirpaşa Branch	+ 90 262 324 21 88	+ 90 216 636 33 13
281	Bodrum Gümbet Branch	+ 90 252 317 22 02	+ 90 216 636 33 14
282	Kestel Branch	+ 90 224 372 56 69	+ 90 216 636 33 15
283	Erzincan Branch	+ 90 446 212 04 31	+ 90 216 636 33 16
284	Borusan İstinye Branch	+ 90 212 359 30 30	+ 90 216 636 33 17
285	Antalya Toptancı Hali Branch	+ 90 242 338 39 89	+ 90 216 636 33 18
286	Toptancılar Çarşısı İzmir Branch	+ 90 232 469 73 10	+ 90 216 636 33 19
287	Tuzla Deniz Harp Okulu Branch	+ 90 216 447 48 94	+ 90 216 636 33 20
288	Nazilli Branch	+ 90 256 315 51 21	+ 90 216 636 33 21
289	Hatay İzmir Branch	+ 90 232 228 06 01	+ 90 216 636 33 22
290	Merzifon Branch	+ 90 358 513 74 94	+ 90 216 636 33 23
291	Binevler Gaziantep Branch	+ 90 342 336 34 06	+ 90 216 636 33 24
292	Körfez Branch	+ 90 262 527 66 66	+ 90 216 636 33 34
293	Mardin Branch	+ 90 482 213 13 03	+ 90 216 636 33 26
294	Batman Branch	+ 90 488 214 00 76	+ 90 216 636 33 27
295	Yenibosna Branch	+ 90 212 653 73 10	+ 90 216 636 33 29
296	Serik Branch	+ 90 242 722 10 77	+ 90 216 636 33 30
297	Kumluca Branch	+ 90 242 889 01 11	+ 90 216 636 33 31
298	Zafer Branch	+ 90 332 351 74 34	+ 90 216 636 33 32
299	Bafra Branch	+ 90 362 543 15 20	+ 90 216 636 33 33
300	Fatih Branch	+ 90 212 533 16 66	+ 90 216 636 33 35
301	Esenyurt Branch	+ 90 212 699 24 10	+ 90 216 636 33 36
302	Şirehanı Branch	+ 90 342 231 78 08	+ 90 216 636 33 37
303	Ankara Zırhlı Birlikler Branch	+ 90 312 249 13 44	+ 90 216 636 33 38
304	Kırklareli Branch	+ 90 288 212 82 83	+ 90 216 636 33 39
305	Soma Branch	+ 90 236 613 57 50	+ 90 216 636 33 40
306	Çengelköy Branch	+ 90 216 557 93 00	+ 90 216 636 33 41
307	Çetin Emeç Branch	+ 90 312 473 34 90	+ 90 216 636 33 42
308	Sarıgazi Branch	+ 90 216 622 74 04	+ 90 216 636 33 43
309	Mithatpaşa Branch	+ 90 312 435 48 10	+ 90 216 636 33 44
310	4. Sanayi Branch	+ 90 232 375 77 57	+ 90 216 636 33 45
311	İstinye Branch	+ 90 212 229 18 09	+ 90 216 636 33 46
312	Bucak Branch	+ 90 248 325 01 21	+ 90 216 636 33 47
313	Alemdar Branch	+ 90 262 331 00 43	+ 90 216 636 33 48
314	Tuzla Piyade Okulu Branch	+ 90 216 447 53 70	+ 90 216 636 33 50
315	Bandırma Branch	+ 90 266 718 07 44	+ 90 216 636 33 51
316	Metropol Mersin Branch	+ 90 324 337 50 05	+ 90 216 636 33 52
317	Yeniköy Antalya Branch	+ 90 242 421 44 52	+ 90 216 636 33 53
318	Aksaray Branch	+ 90 382 213 16 16	+ 90 216 636 33 54
319	Torbalı Branch	+ 90 232 856 71 01	+ 90 216 636 33 56
320	Güneydoğu Anadolu Kurumsal Branch	+ 90 342 323 88 60	+ 90 216 636 33 58
321	Çukurova Kurumsal Branch	+ 90 322 453 68 62	+ 90 216 636 33 59
322	Altıparmak Branch	+ 90 224 224 54 15	+ 90 216 636 33 63
323	Orhangazi Branch	+ 90 224 572 32 22	+ 90 216 636 33 69
324	Zekeriyaköy Branch	+ 90 212 202 95 07	+ 90 216 636 33 70
325	Kenan Evren Adana Branch	+ 90 322 231 18 55	+ 90 216 636 33 74
326	Arkas Esentepe Tahsilat Veznesi Branch	+ 90 212 340 53 37	+ 90 216 636 33 75
327	MSC Gemi Zincirlikuyu Tahsilat Veznesi Branch	+ 90 212 318 83 00	+ 90 216 636 33 76
328	Fındıklı Branch	+ 90 212 252 74 00	+ 90 216 636 36 76
329	Kars Branch	+ 90 474 223 97 90	+ 90 216 636 33 78
330	Kırıkkale Branch	+ 90 318 218 08 68	+ 90 216 636 33 79
331	Harbiye Branch	+ 90 212 246 51 50 + 90 212 246 51 55	+ 90 216 636 34 52
332	Montrö Branch	+ 90 232 441 49 00	+ 90 216 636 32 97

333	Başkent Branch	+ 90 312 442 43 00	+ 90 216 636 32 27
334	Şişli Meydan Branch	+ 90 212 231 33 97	+ 90 216 636 33 83
335	Bursa Organize Sanayi Branch	+ 90 224 241 99 10	+ 90 216 636 32 99
336	Mersin Çamlıbel Branch	+ 90 324 239 04 62	+ 90 216 636 31 08
337	Antalya Muratpaşa Branch	+ 90 242 243 49 50	+ 90 216 636 32 98
338	Denizli Saraylar Branch	+ 90 258 264 88 05	+ 90 216 636 31 11
339	Erenköy Branch	+ 90 216 411 33 47	+ 90 216 636 31 78
340	Sirkeci Branch	+ 90 212 522 80 50	+ 90 216 636 33 91
341	Yıldız Posta Branch	+ 90 212 272 61 70	+ 90 216 636 33 92
342	Bakırköy Meydan Branch	+ 90 212 543 63 08	+ 90 216 636 33 95
343	Karşıyaka Branch	+ 90 232 368 77 84	+ 90 216 636 32 32
344	Bornova Çarşı Branch	+ 90 232 373 15 32	+ 90 216 636 31 12
345	Beykent Üniversitesi Branch	+ 90 212 332 03 30	+ 90 216 636 52 71
346	Santral Ümraniye Branch	+ 90 216 443 98 75	+ 90 216 636 31 88
347	Anadolu Adliyesi Branch	+ 90 216 510 51 41	+ 90 216 636 33 49
348	Güneşli Çarşı Branch	+ 90 212 630 19 19	+ 90 216 636 31 37
349	Kayseri Çarşı Branch	+ 90 352 232 80 20	+ 90 216 636 31 22
350	Maslak Sanayi Branch	+ 90 212 346 21 31	+ 90 216 636 33 87
351	Beylikdüzü E-5 Branch	+ 90 212 852 39 49	+ 90 216 636 31 66
352	Keresteciler Sitesi Branch	+ 90 212 637 01 85	+ 90 216 636 31 41
353	Gaziantep İncilipınar Branch	+ 90 342 215 25 86	+ 90 216 636 31 23
354	Demetevler Branch	+ 90 312 335 71 00	+ 90 216 636 52 74
355	Gebze Çarşı Branch	+ 90 262 643 19 75	+ 90 216 636 31 89
356	Nalçacı Konya Branch	+ 90 332 237 72 00	+ 90 216 636 31 24
357	Eskişehir İki Eylül Caddesi Branch	+ 90 222 230 22 37	+ 90 216 636 31 42
358	Trabzon Gazipaşa Branch	+ 90 462 322 49 70	+ 90 216 636 31 25
359	Çarşı İzmit Branch	+ 90 262 323 23 03	+ 90 216 636 31 13
360	Narlıdere Branch	+ 90 232 239 69 33	+ 90 216 636 52 06
361	Sefaköy Halkalı Caddesi Branch	+ 90 212 425 08 90	+ 90 216 636 31 49
362	Karya Bodrum Branch	+ 90 252 313 67 80	+ 90 216 636 31 50
363	Şanlıurfa Sarayönü Caddesi Branch	+ 90 414 216 82 00	+ 90 216 636 31 52
364	Sanayi Mahallesi	+ 90 212 325 08 17	+ 90 216 636 33 88
365	İskenderun Şehit Pamir Caddesi Branch	+ 90 326 613 42 18	+ 90 216 636 31 67
366	Yenişehir Branch	+ 90 312 425 75 30	+ 90 216 636 32 96
367	Mecidiyeköy Çarşı Branch	+ 90 212 213 64 20	+ 90 216 636 34 55
368	Batı Ataşehir Branch	+ 90 216 470 66 99	+ 90 216 636 33 55
369	Fındıkzade Branch	+ 90 212 531 36 12	+ 90 216 636 33 96
370	Bostancı E5 Branch	+ 90 216 410 09 70	+ 90 216 636 52 54
371	Boğaziçi Kurumsal Branch	+ 90 212 347 07 67	+ 90 216 636 34 37
372	Haznedar Bahçelievler Branch	+ 90 212 677 96 54	+ 90 216 636 31 38
373	Ataşehir Branch	+ 90 216 455 70 92	+ 90 216 636 31 90
374	Kapalıçarşı Branch	+ 90 212 519 31 32	+ 90 216 636 33 80
375	Maltepe E-5 Branch	+ 90 216 399 10 99	+ 90 216 636 34 41
376	Mersin Çarşı Branch	+ 90 324 237 17 00	+ 90 216 636 31 43
377	Adana Çarşı Branch	+ 90 322 352 01 30	+ 90 216 636 32 95
378	Adana Toros Branch	+ 90 322 232 57 40	+ 90 216 636 31 91
379	Mercan Branch	+ 90 212 513 37 02	+ 90 216 636 33 82
380	Nişantaşı Branch	+ 90 212 219 84 73	+ 90 216 636 33 84
381	Beyoğlu Branch	+ 90 212 292 89 92	+ 90 216 636 33 81
382	Kadıköy Çarşı Branch	+ 90 216 418 42 10	+ 90 216 636 31 68
383	Ankara Ostim Branch	+ 90 312 385 12 89	+ 90 216 636 31 14
384	Ankara Çetin Emeç Branch	+ 90 312 284 26 44	+ 90 216 636 31 15
385	Alsancak Branch	+ 90 232 464 29 34	+ 90 216 636 32 94
386	Başkent Kurumsal Branch	+ 90 312 440 16 80	+ 90 216 636 32 20
387	Demirtaş Organize Sanayi Branch	+ 90 224 261 18 93	+ 90 216 636 31 09
388	İkitelli Organize Sanayi Branch	+ 90 212 549 89 80	+ 90 216 636 31 44
389	Efes Kurumsal Branch	+ 90 232 441 22 91	+ 90 216 636 34 40
390	Şirinyalı Branch	+ 90 242 313 18 40	+ 90 216 636 32 31
391	Aksaray Ordu Caddesi Branch	+ 90 212 512 45 64	+ 90 216 636 31 21
392	Bursa Çekirge Branch	+ 90 224 222 26 00	+ 90 216 636 31 16
393	Tarsus Makam Branch	+ 90 324 614 51 90	+ 90 216 636 32 58
394	Ihlamurkuyu Branch	+ 90 216 611 03 22	+ 90 216 636 31 92
395	Çemberlitaş Branch	+ 90 212 516 07 70	+ 90 216 636 33 97
396	Atrium Branch	+ 90 212 661 91 70	+ 90 216 636 31 20
397	İkincisite Branch	+ 90 312 349 00 48	+ 90 216 636 32 36
398	Kağıthane Branch	+ 90 212 321 20 62	+ 90 216 636 34 54
399	Kuşadası Branch	+ 90 256 612 42 46	+ 90 216 636 31 26

400	Manavgat Çarşı Branch	+ 90 242 743 04 74	+ 90 216 636 31 27
401	Diyarbakır Suriçi Branch	+ 90 412 223 08 40	+ 90 216 636 32 47
402	Tuzla Çarşı Branch	+ 90 216 446 06 55	+ 90 216 636 33 60
403	Yeşilyurt Branch	+ 90 212 662 17 90	+ 90 216 636 31 39
404	Kahramanmaraş Çarşı Branch	+ 90 344 221 15 41	+ 90 216 636 32 59
405	Şenesenevler Branch	+ 90 216 445 70 81	+ 90 216 636 31 69
406	Çorum İnönü Caddesi Branch	+ 90 364 225 40 60	+ 90 216 636 32 49
407	Kızıltoprak Branch	+ 90 216 414 46 89	+ 90 216 636 31 70
408	Antakya Sanayi Branch	+ 90 326 225 26 80	+ 90 216 636 32 48
409	Samsun Mecidiye Branch	+ 90 362 435 89 03	+ 90 216 636 31 28
410	Fethiye Likya Branch	+ 90 252 612 15 99	+ 90 216 636 32 74
411	Söğütözü Branch	+ 90 312 219 20 50	+ 90 216 636 33 25
412	Balıkesir Çarşı Branch	+ 90 266 239 03 03	+ 90 216 636 32 37
413	Ulucanlar Branch	+ 90 312 309 29 34	+ 90 216 636 32 50
414	Laleli Çarşı Branch	+ 90 212 458 48 70	+ 90 216 636 31 29
415	Tarabya Branch	+ 90 212 299 01 13	+ 90 216 636 33 89
416	Adapazarı Çarşı Branch	+ 90 264 277 77 60	+ 90 216 636 31 45
417	Şemikler Branch	+ 90 232 361 61 90	+ 90 216 636 33 57
418	Afyon Kadınana Branch	+ 90 272 213 01 53	+ 90 216 636 31 54
419	Aydın Çarşı Branch	+ 90 256 214 06 20	+ 90 216 636 31 53
420	Bergama Branch	+ 90 232 631 10 12	+ 90 216 636 31 33
421	Bakanlıklar Branch	+ 90 312 418 99 09	+ 90 216 636 31 56
422	Uşak Çarşı Branch	+ 90 276 224 51 11	+ 90 216 636 32 68
423	Zeytinburnu Bulvar Branch	+ 90 212 416 37 00	+ 90 216 636 31 31
424	Hasanpaşa Branch	+ 90 216 348 20 58	+ 90 216 636 31 71
425	Adana Çukurova Branch	+ 90 322 457 36 36	+ 90 216 636 32 34
426	Topkapı Maltepe Branch	+ 90 212 565 32 00	+ 90 216 636 31 46
427	Bursa Atatürk Caddesi Branch	+ 90 224 220 28 48	+ 90 216 636 32 21
428	Kemeraltı Branch	+ 90 232 483 67 75	+ 90 216 636 31 10
429	Çanakkale Anafartalar Branch	+ 90 286 212 39 90	+ 90 216 636 32 54
430	Adana Atikop Branch	+ 90 322 428 06 27	+ 90 216 636 31 30
431	İstanbul Anadolu Kurumsal Branch	+ 90 216 379 54 44	+ 90 216 636 34 45
432	Yeditepe Kurumsal Branch	+ 90 212 348 11 00	+ 90 216 636 34 42
433	Bakırköy Çarşı Branch	+ 90 212 660 34 24	+ 90 216 636 31 32
434	Beşiktaş Çarşı Branch	+ 90 212 327 24 56	+ 90 216 636 34 48
435	Cevahir AVM Branch	+ 90 212 380 00 90	+ 90 216 636 34 33
436	İvedik Organize Branch	+ 90 312 395 79 45	+ 90 216 636 32 63
437	Denizli Sanayi Branch	+ 90 258 241 45 75	+ 90 216 636 31 57
438	Kasımpaşa Branch	+ 90 212 238 36 56	+ 90 216 636 34 56
439	Çiğli Branch	+ 90 232 329 78 08	+ 90 216 636 31 18
440	Küçükbakkalköy Branch	+ 90 216 577 00 13	+ 90 216 636 31 79
441	Yalova İskele Branch	+ 90 226 813 06 46	+ 90 216 636 32 84
442	Antalya Sanayi Branch	+ 90 242 344 73 90	+ 90 216 636 32 70
443	Alibeyköy Branch	+ 90 212 427 68 68	+ 90 216 636 33 93
444	Cevizli Branch	+ 90 216 459 71 40	+ 90 216 636 31 80
445	Koşuyolu Branch	+ 90 216 340 87 70	+ 90 216 636 31 99
446	İmes Keyap Branch	+ 90 216 466 80 00	+ 90 216 636 32 18
447	Adana Küçüksaat Branch	+ 90 322 363 21 51	+ 90 216 636 31 47
448	Eskişehir Bağlar Branch	+ 90 222 231 30 74	+ 90 216 636 32 76
449	Kayseri Eski Sanayi Branch	+ 90 352 320 38 78	+ 90 216 636 31 60
450	Yeni Adana Branch	+ 90 322 232 06 62	+ 90 216 636 31 59
451	Yeldeğirmeni Branch	+ 90 216 337 00 04	+ 90 216 636 31 72
452	Antakya Çarşı Branch	+ 90 326 216 85 03	+ 90 216 636 31 19
453	Çamdibi Branch	+ 90 232 486 19 68	+ 90 216 636 31 58
454	Adana Cemalpaşa Branch	+ 90 322 225 48 00	+ 90 216 636 31 74
455	Özlüce Branch	+ 90 224 251 16 67	+ 90 216 636 32 22
456	Sincan Ankara Caddesi Branch	+ 90 312 268 63 63	+ 90 216 636 31 75
457	Mersin Pozcu Branch	+ 90 324 328 07 06	+ 90 216 636 31 81
458	Etilik Branch	+ 90 312 325 83 55	+ 90 216 636 52 72
459	Alaşehir Branch	+ 90 236 653 83 06	+ 90 216 636 32 69
460	Bursa Cumhuriyet Caddesi Branch	+ 90 224 225 03 27	+ 90 216 636 31 82
461	Göktürk Branch	+ 90 212 777 40 00	+ 90 216 636 52 03
462	Cennet Mahallesi Branch	+ 90 212 592 98 58	+ 90 216 636 31 61
463	Kayseri Kurumsal Branch	+ 90 352 232 80 25	+ 90 216 636 34 43
464	Soğanlık Branch	+ 90 216 377 56 56	+ 90 216 636 31 83
465	Avcılar E-5 Branch	+ 90 212 428 58 28	+ 90 216 636 32 65
466	Diyarbakır Kayapınar Branch	+ 90 412 251 13 33	+ 90 216 636 31 76
467	Elazığ Hürriyet Caddesi Branch	+ 90 424 212 19 19	+ 90 216 636 32 72

468	Alanya Sanayi Branch	+ 90 242 515 03 10	+ 90 216 636 31 84
469	Sultangazi Branch	+ 90 212 476 06 00	+ 90 216 636 31 62
470	Erzurum Cumhuriyet Branch	+ 90 442 235 65 90	+ 90 216 636 31 34
471	Polatlı Topçu ve Füzeler Okulu Komutanlığı Branch	+90 312 324 37 01	+90 216 636 31 01
472	Esenler Branch	+ 90 212 611 58 00	+ 90 216 636 31 63
473	Ümraniye Sanayi Branch	+ 90 216 329 17 21	+ 90 216 636 32 19
474	Sıracevizler Branch	+ 90 212 343 10 81	+ 90 216 636 33 86
475	Güngören Branch	+ 90 212 557 06 00	+ 90 216 636 31 40
476	Terazidere Branch	+ 90 212 613 98 00	+ 90 216 636 31 35
477	Yenibosna Çarşısı Branch	+ 90 212 654 95 54	+ 90 216 636 31 36
478	Ankara Maltepe Branch	+ 90 312 229 75 02	+ 90 216 636 31 93
479	Seyrantepe Branch	+ 90 212 280 51 68	+ 90 216 636 33 94
480	Batman Çarşısı Branch	+ 90 488 215 24 34	+ 90 216 636 31 48
481	Söke Branch	+ 90 256 512 75 73	+ 90 216 636 52 70
482	Buca Branch	+90 232 426 50 66	+ 90 216 636 52 02
483	Manavkuyu Branch	+ 90 232 462 10 63	+ 90 216 636 31 64
484	Dikmen Branch	+ 90 312 481 30 00	+ 90 216 636 31 94
485	Adatepe Branch	+ 90 216 442 97 87	+ 90 216 636 32 79
486	Zonguldak Branch	+ 90 372 253 40 18	+ 90 216 636 31 86
487	Rumeli Kurumsal Branch	+ 90 212 879 01 50	+ 90 216 636 34 47
488	Beykent Branch	+ 90 212 872 73 55	+ 90 216 636 31 65
489	Aspendos Bulvarı Branch	+ 90 242 321 97 47	+ 90 216 636 32 92
490	Osmaniye Branch	+ 90 328 814 11 19	+ 90 216 636 31 95
491	Kütahya Branch	+ 90 274 226 16 03	+ 90 216 636 31 96
492	Konya Karatay Branch	+ 90 332 236 31 50	+ 90 216 636 31 77
493	Polatlı Branch	+ 90 312 622 02 13	+ 90 216 636 32 44
494	Gezgin Branch	+ 90 533 373 32 61	+ 90 530 393 32 90
495	Cebeci Branch	+ 90 312 363 71 90	+ 90 216 636 32 29
496	Tokat Branch	+ 90 356 213 11 21	+90 216 636 52 64
497	Mersin Toptancılar Sitesi Branch	+ 90 324 235 11 30	+ 90 216 636 32 93
498	Libadiye Branch	+ 90 216 505 41 12	+ 90 216 636 52 63
499	Kıraç Branch	+90 212 886 41 70	+90 216 636 52 65
500	İstanbul Atatürk Havalimanı Branch	+90 212 465 20 43 - 45	+90 216 636 52 67
501	Ceyhan Branch	+ 90 322 613 87 37	+ 90 216 636 31 17
502	Gönen Branch	+ 90 266 762 62 33	+90 216 636 52 66
503	İncirlik 10. Tanker Üs Komutanlığı Branch	+90 322 332 96 19 +90 322 332 96 22	+90 216 636 52 68
504	Milas Branch	+ 90 252 513 16 27	+ 90 216 636 52 69
505	Kızıltepe Branch	+90 482 313 46 00	+90 216 636 32 25
506	Kırşehir Branch	+90 386 213 80 33	+90 216 636 52 73
507	Siirt Branch	+90 484 224 45 65	+90 216 636 52 75
508	Lefkoşa Sarayönü Branch	+90 392 228 02 55	+90 392 228 03 02
509	Denizli Çivril Branch	+90 258 713 30 03	+90 216 636 33 05
510	Çankırı Branch	+90 376 213 32 21	+90 216 636 52 76
511	Karaman Branch	+90 338 213 13 44	+90 216 636 31 51
512	Tekirdağ Köprübaşı Branch	+90 282 261 61 19	+90 216 636 33 62
513	İğdir Branch	+90 476 227 27 88	+90 216 636 33 28
514	Gebze Akse Sapağı Branch	+90 262 642 81 71	+90 216 636 33 65
515	Tatvan Branch	+90 434 827 20 88	+90 216 636 33 66
516	Bozüyük Branch	+90 228 314 04 15	+90 216 636 32 82
517	Bartın Branch	+ 90 378 210 00 20	+ 90 216 636 33 64
518	Silifke Branch	+ 90 324 714 10 22	+ 90 216 636 33 68
519	Kadirli Branch	+ 90 328 717 07 89	+ 90 216 636 33 71
520	Elbistan Branch	+ 90 344 415 20 72	+ 90 216 636 36 96
521	Nevşehir Branch	+ 90 384 213 03 69	+ 90 216 636 33 72
522	Yalıkavak Branch	+90 252 386 31 91	+90 216 636 36 97
523	Şanlıurfa Emniyet Caddesi Branch	+90 414 313 51 10	+90 216 636 36 95
524	Malatya Çarşısı Branch	+90 422 324 37 00	+90 216 636 33 67
525	Uzunköprü Branch	+90 284 514 01 90	+90 216 636 33 73
526	Amasya Branch	+90 358 212 33 20	+90 216 636 33 61
527	Sinop Branch	+90 368 261 05 75	+90 216 636 36 11
528	Ünye Branch	+90 452 310 00 01	+90 216 636 31 98
529	Yozgat Branch	+90 354 212 18 00	+90 216 636 32 33
530	Erdemli Branch	+ 90 324 515 55 80	+90 216 636 52 05
531	Kepez Branch	+ 90 242 337 07 22	+90 216 636 52 07
532	Dörtöyl Branch	+ 90 326 712 07 78	+90 216 636 32 61
533	Fethiye Seydikemer Branch	+90 252 656 12 66	+90 216 636 32 66

534	Konya Buğday Pazarı Branch	+90 332 342 68 77	+90 216 636 32 46
535	Van İpekyolu Branch	+90 432 217 71 14	+90 216 636 32 71
536	Toptancılar Sitesi Sivas Branch	+90 346 226 34 04	+90 216 636 32 60
537	Tokat Erbaa Branch	+90 356 716 39 00	+90 216 636 32 45
538	Kocasinan Kayseri Branch	+90 352 222 10 99	+90 216 636 32 51
539	Ayvalık Branch	+90 266 312 24 80	+90 216 636 32 52
540	Tavşanlı Branch	+90 274 614 21 71	+90 216 636 32 55
541	Konya Larende Branch	+90 332 350 77 41	+90 216 636 32 56
542	Bahçelievler Soğanlı Branch	+90 212 642 78 09	+90 216 636 34 44
543	Ağrı Branch	+90 472 215 11 71	+90 216 636 32 73
544	Dudullu Branch	+90 216 499 20 12	+90 216 636 33 98

