



**TEB**

**2014 Annual Report**



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## AGENDA OF THE ORDINARY GENERAL ASSEMBLY MEETING ON MARCH 30, 2015

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 2014,

4- Reading, discussion and approval of the 2014 financial statements,

5- Release of the Board Members from their transactions in 2014,

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 2015,

8- Determination of number and term of office of the Board Members and election of the same,

9- Determination of benefit such as fees and remunerations to be paid to the Board of Directors,

10- Providing information to the General Assembly on donations made by the Bank in the year 2014; and discussion and approval of the Board of Director's proposal on the highest amount of the donation to be made within 2015 or passing resolution on approval of the amended version or disapproval of the same,

11- Providing information to the General Assembly on the Remuneration Policy.

## SECTION 1 - PRESENTATION

### STATEMENT CONCERNING THE 2014 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 and “Regulation on Minimum Requirements for the Preparation of Annual Reports by Companies” published in the Official Journal numbered 28395, dated 28 August 2012 by the Ministry of Customs and Trade.

**Yavuz CANEVİ**  
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 Directors 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. 2014 ANNUAL REPORT**

<b>Reporting Period</b>	: 01.01.2014 – 31.12.2014
<b>Title of the Bank</b>	: Türk Ekonomi Bankası A.Ş.
<b>Headquarters</b>	: TEB Kampüs C ve D Blok Saray Mah. Sokullu Cad. No: 7A-7B Ümraniye 34768 İstanbul, Turkey
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<b>Web site</b>	: <a href="http://www.teb.com.tr">www.teb.com.tr</a>
<b>E-mail</b>	: <a href="mailto:yatirimciiliskileri@teb.com.tr">yatirimciiliskileri@teb.com.tr</a>
<b>Trade Registration Number</b>	: 189356
<b>Central Registry Number (Mersis)</b>	:876004342000105

## SHAREHOLDING STRUCTURE OF TEB

The distribution of the Bank's 2,204,390,000 TL paid-in-capital as of 31 December 2014

Shareholder's Name/Title	TRY 2,204,390,000.00	
	Amount	Percentage (%)
TEB HOLDING A.Ş.	1,212,414,500,00	55.00
BNP PARIBAS HOLDING A.Ş.	518,342,498,52	23.51
BNP PARIBAS FORTIS YATIRIMLAR HOLDING A.Ş.*	402,516,578,48	18.26
OTHER	71,116,423,00	3.23
<b>TOTAL (ISSUED CAPITAL)</b>	<b>2,204,390,000,00</b>	<b>100.00</b>

\* Pursuant to Communiqué of the Capital Markets Board (II-27.2), Squeeze-out Right and Right to Sell ("Communiqué"), has been exercised between November 14,2014-February 16, 2015, as a result BNP Paribas Fortis Yatırımlar Holding A.Ş.'s shares were 463,901,510.51TRY in total and has reached 21.04%.

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

Yavuz Canevi (Chairman)	TRY 28.83
Dr. Akın Akbaygil (Vice Chairman and Vice Chairman of the Audit Committee)	TRY 46.36
Ayşe Aşardağ (Board Member)	TRY 38.05

\*Yavuz Canevi and Dr. Akın Akbaygil sold their shares respectively on 10.02.2015 and 12.02.2015 .

### Information on Participation of Board Members and Committee Members into Respective Meetings.

As of 31.12.2014 the Board of Directors have accepted 176 resolutions.

The Board Members and Committee Members has participated into respective meetings at sufficient levels.

## TEB: PAST AND PRESENT

Starting out as Kocaeli Halk Bankası TAŞ in 1927, a small local bank based in İzmit. TEB was acquired by the Çolakoğlu Group in 1982. The same year its name was changed to “Türk Ekonomi Bankası A.Ş.” and its headquarters were relocated to İstanbul.

Having focused its attentions on the foreign trade finance and investment banking business lines beginning in the 1980s, TEB undertook an initial public offering in February 2000 after which its shares began trading on the İstanbul Stock Exchange’s national market and was simultaneously quoted on the London Stock Exchange’s depository receipt market.

On 10 February 2005, TEB entered into a partnership agreement with BNP Paribas, a leading Europe-based international financial services groups whose members had operations in 78 countries as of end-2013. By joining forces with the BNP Paribas Group, one of the most respected names in international markets, TEB further expanded the scope of its global vision.

In 2009 the BNP Paribas Group acquired majority stakes in Fortis Bank Belgium and Fortis Bank Luxembourg, as a result of which purchases the group also became the biggest shareholder in Fortis Bank’s Turkish subsidiary. Subsequently the BNP Paribas Group, which now indirectly controlled a majority stake in TEB, and the Çolakoğlu Group reached an agreement under which it was decided to merge Fortis Bank Turkey into TEB. This merger formally took place on 14 February 2011.

As a result of this merger, TEB Holding now controls a majority (55%) stake in TEB while the Çolakoğlu Group and BNP Paribas each controls an equal (50%) stake in TEB Holding.

At a time when TEB’s publicly-traded shares were being quoted on the İstanbul Stock Exchange National Market, on 14 November 2014 BNP Paribas Fortis Yatırımlar Holding AŞ, acting on behalf of shareholders controlling a sufficient majority in TEB, applied to exercise their squeeze-out rights as provided for under current capital market regulations, according to which the the minority shareholders have the right to sell out their shares to the controlling shareholder for a period of 3 months. After the mandatory three-month period had passed, the process of squeezing out the minority stakes in TEB began on 16 February 2015 and it is expected to be completed in the first half of the year.

Benefitting from the worldwide organization and expertise of the BNP Paribas Group, TEB provides its customers with a complete array of corporate, small-business, treasury, capital market, retail, and private banking financial products and services as well as an extensive lineup of investment, leasing, factoring, insurance, and portfolio management products and services through its subsidiaries.

As of year-end 2014 TEB was at the service of

- 5.5 million customers with
- 10,142 employees
- 551 branches
- 1,635 ATMs
- on online branch at [www.teb.com.tr](http://www.teb.com.tr)
- a call center on 444 0 666.

Supported by BNP Paribas’s strength and a presence in 78 countries, TEB gives its customers access to BNP Paribas’s global vision and operational capabilities. A synergetic collaboration with BNP Paribas also makes it possible for the bank to keep a close and constant watch on developments taking place in global markets as they unfold.

## CHAIRMAN'S MESSAGE

**Esteemed shareholders, customers, and employees:**

**Divergence increased in the global economy in 2014, with growth rates slowing especially among the emerging economies. Meanwhile a sharp drop in oil prices reset many of the world's economic balances while also revealing new dynamics for our own country.**

The US economy's relatively improved performance and growth rates set it apart from both the EU and Japan. Economic activity in the euro area in particular was in or close to recession throughout the year while in Japan, which formally entered recession in the third quarter, policies intended to combat deflation fell far short of achieving the results expected of them. Slackening growth rates in China are sending out signals about the global economy's future course that we cannot afford to ignore. We are also witnessing contractions in developing country growth rates to levels below those not just before the global crisis but after it as well.

Responding to clear and sustainable improvements in the US economy, the Federal Reserve Bank announced in October its decision to terminate the asset-buying program which it had been following for more than two years and which had played a huge role in restoring many economic parameters to good health, not least of them employment. In addition to this decision, the Fed also said that it would be keeping a close watch on economic developments and that its decisions to modify interest rates would be made accordingly.

As of this writing, the prevailing view is that the Fed will be increasing nominal interest rates in 2015 when and if developments in economic parameters warrant. However it is also thought that such hikes will remain within a narrow corridor and that real (that is above-inflation) interest rates will remain at or very close to zero for some time yet to come.

In Europe, inflation in the euro area slipped to such low levels in 2014 that the possibility of actual deflation was again being discussed seriously. To deal with this risk, the European Central Bank (ECB) cut its policy rate twice, reducing it close to zero. To support the financial sector, ECB also began supplying markets with liquidity through its long-term refinancing operations. Though taken as signals of impending monetary expansion, such measures proved incapable of making any visible improvement in the euro area's economy; thus at the beginning of 2015, ECB officially announced that it would be embarking upon an asset-buying program of its own.

Turning now to the world economy and global balances, other significant developments in 2014 included problems in the Middle East and tensions between Russia and Ukraine. Events in both regions worsened risk perceptions about the outlook for the global economy, especially in the case of the developing countries, whose economic growth prospects had already been dampened by weak economic activity in both the EU and Japan.

Arguably the most important development on the global economic front in 2014 was a sharp drop in oil prices, which fell by approximately 50% in a fairly short period of time. Several factors contributed to this decline but the two most fundamental ones were a contraction in demand observed in some developed economies and a surge in shale gas production in the United States and the introduction of new extraction technologies. Although oil prices appear to be on the rise again as of this writing, their movements are expected to be moderate in 2015.

**Exports made a significantly greater contribution to Turkey's economic growth in 2014.**

Responding in part to measures that were taken by authorities in 2014, domestic demand contracted significantly in Turkey. As private consumption expenditures declined



however, the country's growth acquired a rather more export-oriented cast.

Driven by the growth in exports, the foreign trade deficit was down year-to-year in 2014. So too was the current account deficit, though this was the outcome not just of improvements in the foreign trade balance but also of weak domestic demand. Turkey's exports to Europe also helped narrow the current account deficit. In our opinion it seems possible that the ongoing contraction in the current account deficit will continue into 2015 as well so long as there are no extraordinary changes in global conditions.

Despite weak domestic demand, year-end inflation ended up somewhat higher than had been targeted. This was due partly to the delayed effects of a depreciating Turkish Lira and partly to higher food prices. Although the one-month CPI change was a negative 0.44% in December 2014, consumer prices were 8.17% higher than they had been the previous December and, based on their twelve-month averages, they were 8.85% higher.

In 2014 the Turkish Central Bank (CBRT) sought to deal with potential market risks that might have an impact on price stability through proactive policies and approaches. During the first five months of the year, CBRT maintained a prudent stance in its monetary policy but, paralleling improvements in risk perceptions as summer began, (CBRT) lowered its policy rate to 8.25%. While holding that rate at the same level for the rest of the year, in October (CBRT) announced that it would begin paying interest on the Turkish lira components of financial institutions' reserve requirements, saying that it was doing so in order to encourage domestic saving. We are of the opinion that this decision is an important step in the direction of bolstering the average propensity to save in Turkey, which is rather low compared with what prevails in developed economies.

### **The Turkish banking sector's healthy development remained on course in 2014.**

Having undergone a radical transformation in the early 2000s and successfully emerged from the global financial crisis of 2008, the Turkish banking sector continues to grow soundly and sustainably.

While weak domestic demand was instrumental in depressing most banks' lending in 2014, measures taken by the Banking Regulation and Supervision Agency (BRSA) also had the effect of retarding credit growth, particularly in the retail segment.

According to BRSA-published figures, the Turkish banking sector had total assets worth TRY 1,994 billion at year-end 2014—15.1% higher than they were at year-end 2013. During the same twelve months, total bank lendings increased by 18.5% and reached TRY 1,240.7 billion. Deposits, which were up by about 11% or so, weighed in at TRY 1,052.7 billion at year-end. The sector reported an aggregate standard capital adequacy ratio of 16.3%.

### **The Turkish economy's growth outlook is likely to change in 2015, even if only by a little.**

We believe that the Turkish economy's prospects mean that growth in 2015 is going to be different than what it was in 2014. A growth composition in which domestic consumption and investment outlays play a greater role and exports make a relatively smaller contribution is what will shape the 2015 panorama. That said, it can also be expected that, in any case, exports' net contribution to growth will remain positive.

In 2015 the biggest issues on the global economy's agenda will be US Federal Reserve and European Central Bank monetary policies. The process of economic normalization in the United States will inform Fed decisions to begin raising interest rates whereas in Europe the ECB can be expected to pursue its efforts to restore economic activity. Such factors could bring about volatile surges in capital flows in the direction of emerging economies such as our own.

Owing to the income effects of lower energy prices and to developments in inflation, (CBRT) may have recourse to interest rate cuts that would most likely support economic growth in 2015.

Owing both to its own, unique growth dynamics and to moderate movements in oil and other commodity prices, Turkey will continue to enjoy a relatively more attractive position than is the case among other emerging economies.

The most serious risk to growth among the developing countries in 2015 will be persistently weak global growth everywhere but in the United States. In this scenario, a slowdown in growth in China will hit Far Eastern emerging economies the hardest while Middle European countries will be most affected by economic conditions in the European Union.

In light of everything said so far, we expect that Turkey will perform rather better than other developing countries in 2015 and that it will achieve a year-on growth rate on the order of 3%.

**TEB will continue to stand by those who contribute to Turkey's economy.**

One of the cornerstones of our country's banking industry, TEB completed 2014 with nearly TRY 63 billion worth of assets and TRY 45.4 billion worth of credit placements. Distinguishing itself with a solid lineup of products, services, and solutions in every aspect of modern banking, TEB has been contributing to Turkey's economic development and to its customers' wellbeing throughout the many decades since it was founded.

Today our bank engages with its strategic partner BNP Paribas in a collaborative effort that is rooted in mutual trust and respect. TEB stands constantly by its customers as it successfully manages even the most difficult economic conditions. By combining its tremendous understanding of Turkey's markets with the international service clout and vision of its global partner, TEB creates

value through business models and strategies that are based on specialized knowledge and experience. Similarly the synergies that we create through our subsidiaries play a role in our ability to reach an even broader audience and to enhance the value that we can offer.

It therefore gives me pleasure to say that 2014 was a very successful year not just for our bank but also for our subsidiaries as well. We have achieved significant progress in every parameter from customer numbers to transaction volumes.

**Esteemed shareholders, customers, and employees:**

Before concluding this message I want to briefly share with you a few remarks about the social dimensions of our bank's efforts to create value.

TEB provides multidimensional support to the small- and medium-sized businesses and to the entrepreneurs—women as well as men—that underpin every nation's economy. Our bank engages in exemplary efforts and invests in activities aimed at improving financial literacy and awareness throughout society. This is a matter which we see as being an essential element of our sense of social responsibility: we are and we will remain committed to involving ourselves in projects that are regarded as "best practices" not just in our own country but at the global level through our membership in the BNP Paribas Group.

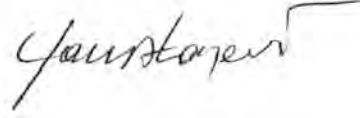
In this context there was a development last year that I believe to be of especially great importance. As a result of a project undertaken jointly by TEB and the Small and Medium Enterprises Development Organization, with which our bank has been collaborating for many a year, the results of the world's most comprehensive Entrepreneurship Index survey were announced in 2014. This survey, in which the Global Entrepreneurship Monitor polled more than 33,000 people, is certain to be a major reference point for the future development of Turkey's entrepreneurial ecosystem.

As a corporate citizen with a strong sense of social responsibility, TEB is encumbered by responsibilities towards many different stakeholders and it is mindful of balancing all their interests in the conduct of its activities. We believe that handing a healthier ecosystem to future generations as well as turning over a social structure capable of supporting growth and development are responsibilities in which everyone shares. We therefore make a special effort to create value in such areas in the conduct of every aspect of our business.

Competition tomorrow is going to be even more intense and the race is not just going to be faster but more global. As a deep-rooted and dynamic financial institution, TEB will continue to run in the very forefront of that race. And as it does so, our human resources will continue to be our most precious asset and source of energy.

In closing and speaking on behalf of the Board of Directors as well as personally, I take this

opportunity to thank you, our valued shareholders, team, customers, and business partners for accompanying and having confidence in us throughout our journey.



**Yavuz Canevi**  
**Chairman**

## MESSAGE FROM THE CEO

### Esteemed shareholders, customers, business partners, and colleagues:

We have just left behind a year in which the global economy's appearance was beset with uncertainties. In this process our country's economy registered growth on the order of 3% and our industry maintained its growth essentially through an expansion in credit placement.

Our bank completed its 87th operational year with an even more burnished domestic and international reputation and with a stronger market position while the financial and operational performance that it registered it once again demonstrated the strength of its contributions towards increasing shareholder value.

In the year now behind us, TEB's total assets increased by 18% and reached TRY 63 billion; during the same period its total deposits grew by 15%. As a result of this growth, whose rate was above the sectoral average, our total deposits reached TRY 39.4 billion, our shareholders' equity increased by 12% and rose to 5.9 billion, and our capital adequacy ratio stood at around the 14% level.

Our total lendings, which provide the evidence that we are properly carrying out the basic function of banking and which also reveal the dimensions of our ongoing support for the national economy, development, and employment, reached TRY 45.4 billion in 2014.

The total volume of our lending increased by 18%, which was also above the sectoral average, and accounted for 72% of our balance sheet. Looking at the details of our loan portfolio we discover two things that are especially gratifying: the first is the healthy structure of the portfolio; the second is a placement distribution that reveals our success in executing our SME-centric banking strategy. At 46%, our loans to customers in the SME segment made up the biggest part

while our non-performing loan ratio was a mere 2.43%.

Just as in all of our business lines, the year just past was also a successful one for our subsidiaries as well. TEB completed 2014 showing a pre-tax profit amounting to TRY 795 million. In a year in which our net profit was up by 16% and reached TRY 622.6 million, our net banking revenues were also up by 15% and weighed in at TRY 3,319 million.

As a result of our efforts to improve productivity and efficiency, the rises in our return on equity and return on assets ratios also continued in 2014. As of year-end, those ratios stood at 12% and 1.07% respectively.

Another aspect of our 2014 growth performance is to be observed in the developments that we registered in our service network and in our customer numbers. Last year we delivered service through 546 branches in 72 cities of Turkey' while we witnessed our customer base top 5 million. According to end-2014 figures, the number of customers using the TEB online branch exceeded 550 thousand while the number of those opting to use the bank's CEPTETEB mobile banking app was over 227 thousand.

As evidence of the great importance that our bank gives to innovation, our gains in the mobile service delivery channels are also noteworthy. We regard alternative service delivery channels as being very important from the standpoint of managing our cost base in the most effective way possible; thus it is gratifying to see the number of customers using them increase literally day by day.

Our 2014 performance as outlined above reveals the validity of our strategies and policies while also confirming that we are advancing confidently and unfalteringly along the path of long-term sustainable growth.

**Through our lending activities we continued to support economic growth.**

Developments in the global economy continued to have an impact on our national economy through such conduits as international capital flows and foreign trade. Having demonstrated a mostly positive performance during the global crisis, the Turkish economy nonetheless slowed down somewhat in 2014 in reaction to adverse worldwide developments. With regional political tensions and exchange rate volatilities dominating the agenda last year, the Turkish Central Bank's high-interest/tight-liquidity policies depressed consumption expenditures while economic policies aimed at covering the current account deficit helped rebalance internal/external demand and narrow both the current-account and foreign-trade deficits. From the business world's perspective, the conditions just summarized made it necessary for all economic actors— from industrial heavyweights to SMEs—to take a more attentive and hands-on approach in the conduct of their operations.

In 2014 TEB once again stood by its customers and demonstrated its support for them with a broad range of credit and other products, services, and solutions. As I noted at the beginning of my message, small- and medium-sized enterprises (SME) make up nearly one-half of our credit-customer portfolio. This is a direct outcome of a strategic choice that our bank has made.

Our bank's lendings to SMEs outpaced the sectoral average as measured both by actual numbers and total volumes. Through a large number of campaigns addressing different needs, we continued to provide SME customers with advantageously-termed solutions to their cash requirements. Last year TEB dispensed more than TRY 1.5 billion as commercial loans.

According to December 2014 figures published by the Banking Regulation and Supervision Agency (BRSA), the Turkish banking industry's total lendings to SMEs grew by 19% year-on: TEB's loans to this segment by contrast were up by nearly twice that rate at 37%.

According to the same BRSA report, TEB controlled 6.14% and 9.52% shares of the cash credit and non-cash credit markets respectively in the SME customer segment. Our bank also increased its market share of agricultural loans to 5% while it continued to dominate the sector with a 37.5% market share of gold-based lending.

Taking a broader view of the matter, when our bank's loans to SMEs and to its corporate and commercial customers are taken into account together, TEB's support to the national economy reaches TRY 31.2 billion, a figure that corresponds to 69% of its loan portfolio. TEB naturally also continued to support private individuals in 2014 as well: the total volume of our retail lending was up by 14% year-on and reached TRY 13,815 million.

2014 was a year in which we shared increasingly more of our initiative and expertise in foreign trade finance with our customers. According to figures dated 30 September 2014, the sector's export-finance lending accounted for about 7% of total loans when retail credit is excluded. In the case of our own bank, that percentage was 16%. TEB ranks 5th from the standpoint of its volume of export finance while its share of Turkey's total foreign trade topped 6.5% in 2014. Regarding foreign trade finance as a segment in which it will continue to support customers of every size from SMEs to corporate customers, our bank has both the experience and the ability to go on distinguishing itself in that business line.

Last year our bank lent out more than it took in as deposits: as of end-2014, the ratio of TEB's loans to its deposits stood at 115,1%.

#### **We continue to expand and diversify our sources of funding.**

Although our bank relies on its own fixed-term deposits to fund much of its lending, it also continued to expand and diversify its sources of funding by taking advantage of opportunities made possible by markets. In 2014 the total volume of our time deposits increased by 17.6% while total deposits accounted for 63% of our balance sheet.

Demand deposits, which are important to TEB because of their usefulness in cost-base management, also continued to grow and reached TRY 5.5 billion last year.

Our bank continues to make productive use of international markets as a source of low-cost, long-term funding. The syndicated loan that we obtained to support our exporter customers was renewed at the rate of 113% of its 2013 total. This loan, which provides our bank with a total of USD 625 million in resources, was renewed at Libor/Euribor + 0.90% making it one of the lowest-cost sources of funding for which an agreement was signed in the Turkish banking industry in 2014.

In line with our efforts to diversify our funding resources and to offer investors products other than deposits, TEB successfully carried out a bond issue with a total nominal value of TRY 991.6 million and range of maturity options. Our bank undertook bond issues in international markets as well in 2014. Under the Euro Medium Term Notes program, which makes it possible to issue debt instruments in a variety of currency units, we had secured USD 126.6 million in funding as of year-end.

In line with our goal of balancing our funding structure in the most cost-effective way possible, we will continue our efforts to develop our resources and to create new funding alternatives in 2015.

**We recognize the importance of women's participation in economic activity and we support it.**

TEB regards involving women in economic activity as an important objective from the standpoint of ensuring Turkey's sustainable growth and development. Focusing on opportunities to increase such involvement in its SME banking business line, in 2014 the bank began supporting female entrepreneurs with a specially-designed suite of products and services.

Foremost among the serious problems that female entrepreneurs face in business are insufficient access to financial products and

services and the difficulties they have in reaching international markets. Female entrepreneurs may suffer from inadequate education and/or from a lack of business management experience. This frustrates their growth and may eventually cause them to drop out of the formal system entirely. When considered from all its aspects however, there is potentially tremendous value in supporting women's involvement in economic activity.

In 2014 TEB was accepted as a member of the Global Banking Alliance for Women (GBA), which seeks to support women's involvement in the formal economy throughout the world. Working through 39 financial institutions in 135 countries, GBA is the biggest international network of banks that have focused on the growth of women in business.

TEB is one of only two banks in Turkey to have been admitted to GBA. Thanks to the momentum generated by this international initiative, our bank will not just be supporting but will also be authoring projects whose aim is to attract ever more of our country's women into business.

**We've succeeded in reaching out to nearly 40 thousand entrepreneurs.**

Having successfully made innovation integral to its corporate DNA, TEB continues to stand by our country's entrepreneurs through its startup business banking operations and to provide them with opportunities to bring their innovative business ideas to life. Our bank strives to support, on issues ranging from consultation to mentoring and from promotion to investor presentations, entrepreneurs who come up with innovative business ideas.

TEB originally launched Turkey's most comprehensive and ambitious startup business banking initiative with the goal of reaching 15 thousand entrepreneurs a year. In much less time than that the bank reached around 40 thousand entrepreneurs and TEB continued its effort to turn even more innovative business ideas into economic value in 2014.

In the wake of the TEB Enterprise House that we opened in İstanbul in 2013, we have begun extending this idea throughout the entire country in collaboration with the Turkish Exporters Assembly (TİM). The first TİM-TEB Enterprise House opened its doors in November 2014 in Gaziantep, where it also has the support of Gaziantep University's Teknopark and Technology Transfer Offices and will be encouraging innovative projects with export potential. Our goal is to expand into other parts of the country in 2015 with the intention of increasing the total number of TİM-TEB Enterprise House operations to ten.

As part of our mission to bring entrepreneurs and potential investors together with each other, in 2014 our bank found the business ideas submitted by 37 of 750 entrepreneurs worthy of further consideration and it introduced 14 of those to potential angel investors. It gives me pleasure to note here that five of the entrepreneurs whom we linked up in this way saw their dreams turned into reality. Another initiative that we think will be important to invigorating our country's entrepreneurial ecosystem is the TEB Private Banking Angel Investment Platform that we launched last year.

At a time when we are on the eve of adding an international dimension to the support that we give entrepreneurs, we have full faith and confidence both in the validity of our model and in the future in the context of our business partnerships. We believe that the innovative spirit and strengths of our country's entrepreneurs are an extremely important asset and we intend to continue providing this support in many different ways.

#### **TEB Family Academy racked up new successes in 2014.**

As of December 2014, 160 thousand people had been reached through TEB Family Academy, a TEB project where financial literacy and access initiative that we launched in order to help millions of families make a better future for themselves. The "Social and Financial Education through the Arts" project for schoolchildren, in which TEB employees take part voluntarily, has been

conducted jointly by the Ministry of Education and UNICEF with the support of TEB. Within the scope of the project, financial literacy has been made a module of the national curriculum studied by 11 million primary- and secondary-school pupils.

At the second round of the Financial Literacy and Access Summit held at Boğaziçi University on 27 October 2014, the results of the second "Financial Literacy and Access Index Survey", a joint undertaking of that university and TEB, were also announced.

In May 2014, a traveling children's theater company (TEB Çocuk Tiyatrosu) was formed to help foster basic financial knowledge among children under the TEB Family Academy. The theater's admission-free performances of *Rüzgar'ın Kumbarası* [*The Wind's Money-Box*] were attended by 15 thousand young spectators.

#### **We continue to transform technology into service.**

In 2014 we continued our investments in non-branch banking services in keeping with our "The Bank That Transforms Technology Into Service" slogan.

As of year-end, TEB had a network of 1,635 ATMs in operation all over Turkey through which a total of 65 million transactions were performed during the previous twelve months. In 2014 our customers handled 63% of their deposit, 85% of their withdrawal, 76% of their credit card payment, and 84% of their money transfer transactions through TEB's digital banking channels.

Regarding the integration of technology into all of its banking products and services as a fundamental goal, our bank continues to author many innovative practices that make customers' lives more convenient by taking up less of their time and to distinguish itself as a financial institution that is known for its many "firsts".

Among the many digital banking innovations that TEB has been responsible for, the first that come to mind are TEB Pratik Borsa, a mobile app developed for stock market and

futures & options trading; the world's first mobile banking app specially developed for the Samsung Gear 2 smartwatch; an app that employs iBeacon technology allowing online shopping payments to be made using QR codes. TEB digital platforms contributing to our bank's goal of making customers' lives more convenient received 41 awards and recognitions in 2014, a year in which there was an 81% increase in the number of customers using such platforms.

In 2015 TEB will continue its efforts to expand and improve its digital banking platforms not only to diversify the innovative solutions that add value to people's lives but also to share the value that we create ourselves others as much as possible.

**In 2015...**

With its deep-rooted past, corporate culture, and peerless experience, TEB is both confident and committed as it looks to the future.

Our strategic partnership with the globally-recognized brand that is BNP Paribas both motivates us and strengthens our ability to correctly interpret global market conditions and to quickly adapt our corporate strategies accordingly.

With its professional management team and employees and with its eye resolutely set on both the future and getting to top, TEB has all

the strength it needs to fulfill its mission as a premier financial institution.

**We thank all of our stakeholders for contributing to our success.**

Our team's 2014 performance is a source of pride indeed. Their success is as much the product of their teamwork as it is of individual effort in which each and every TEB employee diligently and completely fulfills the duties incumbent upon them as a member of this company and a participant in its corporate culture.

I believe that with the support and guidance of our shareholders and Board of Directors, it will be easy for our bank to achieve its goals in the future as well. In closing therefore I take this opportunity to thank our customers, our investors, and our employees for their valued contributions and for their confidence in our brand.



**Ümit Leblebici**  
**General Manager**



## 2014 ECONOMIC AND SECTORAL REVIEW

**Just as the US Federal Reserve Bank was bringing an end to its monetary expansion by phasing out its asset-buying program, international capital flows heading towards the developing countries also slowed down.**

In January 2014 the US Federal Reserve Bank, America's central bank, began "phasing out" its USD 85 billion asset-buying program, which it had been conducting for more than a year, at the rate of USD 10 billion a month and terminated it entirely in October. The Fed's decision to cut back its asset purchases now that the US economy appeared to be on the mend combined with worries over excessive credit growth in the Chinese economy curtailed the global appetite for risk.

**Meanwhile with markets here in Turkey apparently suffering from mounting uncertainties, the Central Bank (CBRT) responded with a strong policy reaction in the form of an interest rate hike that it announced at a Monetary Policy Committee meeting held in January.**

The effect of this was to bring exchange rate movements under control while also staving off further impairment in markets' expectations. Although markets nonetheless remained frothy for the rest of the year owing to global uncertainties, CBRT remained committed to its monetary policy stance and continued to take measures to calm exchange rate-related jitters.

**In the second half of the year, risk perceptions were informed by spreading violence in Iraq and by heightened tensions between Russia and Ukraine.**

CBRT made frequent use of its interest rate corridor in order to mitigate the impact of market developments on exchange rates.

**Turkey's 12-month cumulative current account deficit continued to shrink owing to**

**moderate growth, normalization in the gold trade, and a decline in oil prices after midyear.**

The most important factor contributing to this shrinkage was a slowdown in domestic demand and consequently in imports as well. Between June and the end of the year, oil prices fell by nearly a half and this decline had a beneficial effect on the current account deficit, whose ongoing contraction was also aided by a net decline in gold imports. Although Turkey's exports to Europe rose in the latter part of the year, its sales to Iraq and Russia fell owing to political developments unfolding in both countries. The opinion at this time is that the shrinkage in the current account deficit is likely to continue in 2015 as well.

**Relatively high—and volatile—rates of inflation are one of the underlying reasons why interest rates in Turkey are still higher than many other developing countries.**

If—and only if—inflation can be reduced to CBRT's targeted 5% level and made to stay there may we expect to see a real fall in interest rates. Failing that, for inflation to remain at its existing levels can only mean that interest rates are also going to remain high. That said, inflation can be expected to continue to subside during 2015 if only owing to a number of favorable base effects and to weak oil prices.

**There were also a number of conjunctural factors contributing to the slowdown in growth observed in the second quarter of the year.**

Economic activity was quite strong in the first quarter of 2014 and this generated a rather high growth rate, the most important cause of which was public-sector expenditures. By the second quarter the economy showed signs of impending slowdown in growth that was

brought on not just by CBRT's interest rate hikes but also by the constraints that a number of BRSA-implemented macroprudential measures imposed on credit growth. While there was something of a recovery in the last quarter, it proved to be less than had been expected.

**Growth will gain momentum in 2015.**

Two factors that should be supporting growth in 2015 are the income effects of cheaper energy on the one hand and CBRT interest rate cuts in parallel with the decline in inflation. Owing both to its own growth dynamics and to moderate movements in

global commodity prices, Turkey will continue to be a more attractive investment option than other developing countries in 2015. Developing countries' growth prospects are overshadowed by persistently weak global growth everywhere but in the United States. China's growth will most likely hit Far Eastern emerging economies the hardest while Middle European countries will suffer more from economic conditions in the European Union than Turkey does. For these reasons, the 3% or so rate of growth expected in 2015 suggests that Turkey will perform rather better on the growth front than will other countries in its category.

**Turkish Banking Sector Key Indicators**

	<b>December 2013</b>	<b>December 2014</b>
Assets	TRY 1.73 trillion	TRY 1,99 trillion
Loans	TRY 1.05 trillion	TRY 1,24 trillion
Marketable Securities	TRY 286.7 billion	TRY 302 billion
Deposits	TRY 945.8 billion	TRY 1.05 trillion

## TÜRK EKONOMİ BANKASI'S PERFORMANCE IN 2014

### GENERAL

TEB secured a pre-tax profit of TRY 795 million and a net profit of TRY 622.6 million on its 2014 operations. On a year-on-year basis, the bank's net profit was up by 16%. Net banking revenues increased by 15% in 2014 and amounted to TRY 3,330 million. Improvements in TEB's profitability and productivity last year boosted both its return on equity and its return on assets ratios.

In the twelve months to end-2014, TEB's total assets grew by 18% and reached TRY 63 billion. Deposits during the same period were up by 15%, a performance that was above the sector average, and reached TRY 39.4 billion while shareholders' equity increased by 12% to TRY 5.9 billion. At year-end 2014, TEB's capital adequacy ratio stood at a healthy 13.96%.

Lendings, the most important measure of TEB's support for both its customers and the

economy, increased by 19% in 2014 and corresponded to 72% of the bank's total assets. At 46%, TEB loans to customers in the SME segment made up the biggest part of a portfolio whose total value amounted to TRY 45.4 billion. Owing to its steadfast attention to asset quality, TEB's non-performing loan ratio was a low 2.43%.

Continuing to methodically expand its service reach, TEB had 551 branches in its network at end-2014. The number of customers using the bank's online branch topped 550 thousand last year while the number using its CEPTETEB mobile banking app passed the 227 thousand mark. As of end-2014, TEB was supplying products, services, and solutions to more than 5 million customers through 551 branches in 72 cities, 10 thousand employees, more than 1,600 ATMs, more than 115 thousand POS nodes, and a rich array of alternative delivery channels.

**TEB'S POSITION IN THE SECTOR**

Presented below is a summary of TEB's shares of the banking industry's essential magnitudes as of 31 December 2013 and 31 December 2014 together with information about changes in those shares. Looking at the highlights of the bank's performance in 2014 as compared with that of 2013 we see that:

- Total assets increased by 18%
- Shareholders' equity reached TRY 5,903 million

- Total deposits accounted for a 63% share of the bank's balance-sheet bottom line
- The loan book grew by 19%, with total lendings corresponding to 72% of total assets
- The bank had a 2.4% NPL ratio reflecting its sound lending policies and prudent risk management approach
- Having lent out 115% of its deposits, the bank had a capital adequacy ratio of 14% and an 11.7% rate of return on equity.

These indicators are evidence that 2014 was a successful year for TEB.

(TRY million)	31.12.2014			31.12.2013		
	TEB	Sector	TEB'S SHARE (%)	TEB	Sector	TEB'S SHARE (%)
Assets	62.992	1.994.238	3,16	53.409	1.732.419	3,08
Loans	45.392	1.269.117	3,58	38.135	1.072.990	3,55
Deposits	39.439	1.124.316	3,51	34.288	1.006.348	3,41
Branches	551	12.210	4,51	544	11.986	4,54
Personel	10.142	216.880	4,68	10.001	214.263	4,67

Source: Sectoral figures taken from BRSA December 2014 monthly bulletin

## AWARDS & RECOGNITIONS

### Corporate banking

- Asian Banking & Finance Wholesale Banking Awards

“Turkey Domestic Cash Management Bank of the Year

- Banking Technology Judges’ Special Mention Awards

“Phone POS”

### Retail banking

- Internet Advertising Competition

“Best Mobile App: TEB Kids iPad”

- Internet Advertising Competition

“Best Investment Website: mekyatirimplatformu.com

- Internet Advertising Competition

“Best Social Media Campaign: “Time Traveling with TEB”

- Stevie 2014 International Business Awards

“Communication or Public Relations Program of the Year: Social Services – Europe – Silver Stevie”

- Global Banking & Finance Review Awards

“Most Innovative Retail Bank Turkey”

- Stevie Awards for Sales & Customer Service

“Innovation in Customer Service: Silver Stevie”

- Stevie Awards for Sales & Customer Service

“Outbound Marketing Program of the Year: Bronze Stevie”

- Stevie Awards for Sales & Customer Service

“Inbound Marketing Program of the Year: Bronze Stevie”

- BNP Paribas Group Innovation Awards

“Products & Services: TEB Enterprise House”

- BNP Paribas Group Innovation Awards

“Products & Services: TEB Angel Investment Platform”

- IRB Innovation Awards

“TEB Ağacım app”

#### **SME banking**

- Stevie Awards for Sales & Customer Service

“Innovation in Customer Service: Bronze Stevie”

- 2014 Best in Biz EMEA Awards

“Most Innovative Service of the Year: Gold”

- 2014 Best Business Awards

“Best Product or Service”

- Turkey Innovation Week

“Most Innovative SME/Startup Business Banking”

- Stevie Awards for Sales & Customer Service

“Innovation in Customer Services: Bronze Stevie”

- Stevie Awards for Sales & Customer Service

“Best Use of Technology in Customer Service: Bronze Stevie”

- 2014 Best in Biz EMEA Awards

“Most Innovative Product of the Year: Silver”

- Stevie Awards for Sales & Customer Service

“Best Use of Technology in Customer Service: Gold Stevie”

- 2014 Best in Biz EMEA Awards

“Small or Medium-Sized Business Product of the Year: Silver”

#### **Human resources**

- Top Employers Institute

“Best Employer in Turkey and Europe”

- IRB Innovation Awards

“Best Workplace Journey”

## TEB CORPORATE BANKING GROUP

### CORPORATE BANKING

TEB provides major domestic and international firms, corporate groups, and holding companies whose annual turnovers amount to at least TRY 50 million with products and services together with added-value-creating solutions that reflect both its own extensive product and service options and capabilities as a financial institution as well as those of its strategic partner, BNP Paribas.

In the corporate banking business line TEB serves customers in the areas of:

- Foreign trade finance
- Operations and investment finance
- Cash and risk management products
- Standard and derivative treasury products
- Corporate investment banking products
- Commodity finance
- Project finance.

TEB provides its corporate banking customers with superior made-to-order service through 15 corporate branches (7 in İstanbul alone), expert-staffed TEB Foreign Trade Centers, and a team specialized in dealing with the unique needs of multinational firms. TEB supports these services with the synergies arising from its own group companies and its partnership with BNP Paribas in 78 countries.

In 2014 TEB once again further strengthened the solid and trusted reputation it enjoys in the corporate banking business line while maintaining the highest level of customer satisfaction by addressing its customers' particular needs in the constantly changing and intensively competitive environment that is characteristic of financial markets.

TEB strives to be "the first bank that comes to mind of customers" whenever a customer is in need of any product or service in the corporate banking business line.

### A differentiated and specialized bank

Foreign trade is a business line to which TEB has been giving special attention since the 1980s. Benefiting also from the global service network of its strategic partner BNP Paribas, TEB enjoys an international reputation as a distinguished specialist in foreign trade finance.

In foreign trade finance BNP Paribas ranks first in Europe and third in the world. BNP Paribas's operations in 78 countries and Trade Centers active at more than 100 locations in 64 countries significantly contribute to TEB's competitive edge in the foreign trade finance business line.

TEB also has correspondent relationships with more than 1,500 banks located all over the world and it is constantly seeking to expand this network in line with customers' needs. In Boosting its market shares in a number of markets in 2014, TEB also developed products capable of addressing a variety of foreign trade finance needs.

As a well-established expert in foreign trade finance, TEB can also provide specialized operational solutions such as foreign trade legal framework consultancy and preparing letter of credit documentation.

### Cost-effective fund transfers

Whenever customers with investments in different countries need to transfer funds internationally, TEB is at their side with an extensive network of correspondent banks that make it easy to effect transfers in 135 different currency units to more than 180 countries. For customers who need to transfer euros or US dollars domestically, TEB offers same-day value-date solutions that are also very cost-effective.

### TEB handles Chinese yuan (renminbi) transactions for its customers.

Under an agreement between TEB and Bank of China, TEB is authorized to process renminbi (RMB) denominated foreign trade transactions for its customers. This means that TEB customers can transfer funds to RMB accounts in China and other countries, pay for

their imports in yuan, and have letters of credit issued in yuan. TEB is also the first bank in Turkey to issue yuan-denominated export letters of credit and letters of guarantee.

TEB also processes on-shore and off-shore RMB payments through Bank of China Ltd Beijing and Bank of China (Hong Kong).

As the internationalization of the renminbi continues apace, the currency is expected to come into increasingly greater use in the conduct and financing of international trade in 2015 and the years that follow. TEB is currently developing solutions to meet the needs of its customers in this area.

**113% of our syndicated loan was renewed.**

A one-year syndicated loan which TEB had obtained to support foreign trade finance and whose term expired in August 2014 was renewed at the rate of 113%.

This loan was renewed at Libor/Euribor + 0.90%, thus making it one of the lowest-cost sources of funding for which an agreement was signed in the Turkish banking industry in 2014. Thirty-two banks took part in the syndication, underwriting a two-component (EUR & USD) loan totaling USD 625 million. The 113% renewal once again confirmed the strong reputation that TEB enjoys in international markets.

**TEB has set up an EMTN program for its international bond issues**

Constantly on the lookout for ways to increase its international funding abilities and to expand its investor network, in 2014 TEB set up a Euro Medium Term Notes (EMTN) program, which makes it possible for the bank to issue debt instruments in a variety of currency units. Under this program, TEB had issued bonds worth a total of USD 126.6 million as of year-end.

**TEB Trade Centers**

Providing both foreign trade finance and foreign trade consultancy products and services, TEB's Trade Center network is the first of its kind in the Turkish banking industry. TEB Trade Centers are located in five cities

(Adana, Ankara, Bursa, İstanbul, and İzmir) which together account for some 70% of Turkey's total foreign trade.

Thanks to TEB's and BNP Paribas's foreign trade finance expertise and extensive correspondent networks, TEB Trade Centers are places where foreign trade finance models can be exactly tailored according to a customer's needs. These centers are also linked up with the international network of BNP Paribas Trade Centers in more than 100 localities around the world, thereby enabling them to quickly come up with appropriate and competitively-priced solutions.

**Strongly positioned in export finance**

TEB is one of Turkey's most prominent and experienced banks in the foreign trade finance business line. The bank's strong position in export finance is attested to by sectoral data. According to 30 September 2014 figures published by BRSA, the Turkish banking industry's export-finance lending accounted for about 7% of total loans when retail credit is excluded. In TEB's case, about 16% of the bank's performing loans excluding retail segment lendings were used to finance exports.

Ranking 5th from the standpoint of its volume of export finance, TEB's share of Turkey's total foreign trade was up to more than 6.5% in 2014.

The staffing of every TEB Trade Center includes a team whose members have expertise in structured trade and commodity finance. This team devises financing solutions that are specifically fashioned according to the goods involved and customer cashflows. In this way, firms can be offered made-to-order products that go beyond the sector's conventional financing methods.

Traditionally strong in hazelnut and tobacco export financing, TEB is also adept at coming up with financing solutions for other export commodities such as grain, edible oils, synthetic lubricants, synthetic rubber, plastic raw materials, chemicals, fruit concentrates, and mineral ores such as iron, copper, and



chromium. Supported by experts, TEB customers' financing needs in both domestic and international markets can be precisely addressed at every stage from initial procurement to final collection.

Having completed the legal infrastructure, TEB commenced its licensed warehouse operations in early 2013. Concurrently with this, TEB introduced yet another innovative product to the Turkish banking industry by becoming the first bank in the country to own a licensed warehouse and to offer structured commodity financing credit whose collateral is the goods that are being held in it.

### **Foreign trade training**

TEB provides its customers with specialized consultancy services related to their foreign trade and investment activities. In addition, TEB also works with sectoral and regional exporters' associations, chambers of commerce and industry, organized industrial zone directorates, and similar organizations to provide practical foreign trade training and seminars on foreign trade issues that are designed to meet the particular needs of firms in different parts of the country.

Foreign trade training was provided at to company representatives at 74 venues during 2014.

The most important of the foreign trade conferences held in 2014 was concerned with bank payment obligations (BPO), a new method of effecting payments in international trade.

Working in collaboration with the Turkish Exporters Assembly, TEB provided information about bank payment obligations to representatives of more than 350 exporters in February 2014. In the months that followed, meetings providing information about BPO were conducted jointly by TEB and regional exporters' associations and chambers of industry & commerce in Ankara, İzmir, Bursa, Adana, and Gaziantep. These meetings were attended by representatives of more than 1,000 firms.

### **Bank payment obligations**

Realizing that more than 70% of international trade was currently being financed through running accounts, in April 2013 the International Chamber of Commerce published a set of rules governing new form of foreign trade finance Designed to facilitate running-account trade settlements while making them more secure, the method is referred to as "BPO".

In Turkey, nearly 75% of whose exports are conducted through running accounts, concerns about collection risk have been driving a search for solutions to better manage it.

Keeping a close watch on this process, TEB began exploring the BPO option itself in 2013. Holding a series of seminars through which it provided customers with information about this new settlement solution while simultaneously completing the infrastructure required by it in 2014, the bank carried out its first BPO transactions in the last two months of the year.

As one of only two banks in Turkey with the ability to offer its customers this newest and most sophisticated payment solution, TEB's introduction of BPO makes it the 16th bank in the world to do so and the 5th in Europe, the Middle East, and Africa.

Employing an experienced team of foreign trade specialists, TEB will continue to keep its customers supplied with the most up-to-date foreign trade finance and risk management products and services in the future as well.

### **CASH MANAGEMENT**

TEB Cash Management continued to develop innovative customer-focused products and services in 2014.

TEB was granted the "Turkey Domestic Cash Management Bank of the Year" award by Asian Banking & Finance, a magazine that conducts one of the most prestigious international awards programs for retail

financial services. TEB received this award based on the opinions of judges from four of the world's top international consultancies: PwC, KPMG, Deloitte Consulting, and Ernst & Young Advisory.

In addition to its successes in mobile cash management products, TEB has also begun to provide its customers with new and distinctive financial services such as e-payments in its capacity as a "licensed private integrator" taking part in the electronic invoicing component of Turkey's e-Government transformation project.

### **Cash management services and solutions for multinationals**

TEB also develops international cash management solutions working in partnership with BNP Paribas. In 2014 TEB supplied BNP Paribas's global customers with many specially-designed products and solutions allowing them to achieve greater efficiency and control in the conduct of national and international payment and collection processes related to their existing or planned operations in Turkey.

TEB will continue to supply multinational customers who need to employ a single global solution for operations that may be scattered all over the world with products and services that are fully integrated into BNP Paribas's global cash management system.

### **TEB Multinationals Desk**

As the first bank in Turkey to set up a Multinationals Desk back in 2006, TEB understands such firms very well. The bank distinguishes itself through service competencies that address multinationals' unique needs.

Calling upon the resources of its own extensive network of domestic branches in Turkey as well as those of BNP Paribas's 185 thousand employees, 23 million customers, more than 7 thousand branches, and 90 trade centers all located in 78 countries, TEB provides multinationals as well as Turkish firms with international operations with advantages and convenience in keeping with

BNP Paribas's "One Bank For Corporates In Europe And Beyond" slogan.

Through the Turkey & Germany desks that it set up in 2014 to increase cooperation between the two countries, TEB is at the service of Turkish customers in Germany and of German customers in Turkey.

Through the Multinationals Desk of its corporate banking division, TEB seeks to be the main bank with which multinationals with operations in Turkey prefer to work.

### **Cross-sales and synergies**

In 2014 TEB sought to expand its cross-sales operations in an effort to provide its corporate customers with fast, superior-quality, and diversified products and services compatible with the sector's constantly changing competitive environment. The underlying reason for doing so was TEB's desire to make it easier to sell a broader range of products to corporate customers through a single unit responsible for spotting their different needs, having appropriate action taken, and making the services available for use as quickly as possible.

TEB's cross-sales and synergy operations are classified under three main headings:

#### **• In-house synergies and business development:**

The TEB Corporate Banking Group works closely with the bank's own SME Banking and Retail Banking groups in order to keep its customers quickly and efficiently supplied with a broad range of products and services. Under this heading customers are provided with specially-created products, services, and projects in the areas of:

- Consumer finance
- Salary payments
- Mortgages
- Agricultural finance
- Card payment systems
- POS services.

• **Collaboration with BNP Paribas:**

Making use of the global relationship network and services of its strategic partner BNP Paribas, TEB provides its corporate banking customers with joint financing and credit support for large-scale projects that they undertake in Turkey, gives them access to international trade resources, and offers corporate investment banking advisory services. TEB regards cross-sales management as a potent method for delivering international services quickly and conveniently through a variety of channels.

In this way, TEB gives its corporate banking customers privileged access to the integrated service that is available only through the TEB-BNP Paribas collaboration in the areas of:

- Project finance
- Export finance
- Procurements finance
- Corporate debentures.

• **Synergies with subsidiaries and affiliates**

TEB has set itself the goal of being a single source capable of satisfying all of its customers' financial product and service requirements. Another way in which it achieves this is by exploiting cross-sales opportunities through its own subsidiaries and the members of the BNP Paribas Group.

- TEB has entered into a synergetic collaboration with BNP Paribas Cardiff in private pensions, a business line that has recently gained additional importance in Turkey with the introduction of a state-funded contribution. This gives TEB corporate banking customers access to highly advantageous services in the formulation of group pension plans.
- TEB corporate customers have access to TEB Arval's extensive experience with fleet management and leasing services.
- Through TEB Asset Management A.Ş. and TEB Investment A.Ş., the bank provides its corporate banking

customers not only with traditional offerings but also with specially-designed portfolio/fund management services and brokerage services as well.

- Synergies with the international vendors with which BNP Paribas Leasing Solutions works as well as TEB's own extensive and strong domestic branch network make it possible to provide leasing services to a broad range of customers. A European leader in its sector, BNP Paribas Leasing Solutions has more than six decades of experience that is made accessible to TEB corporate banking customers in the conduct of their equipment and real estate property investments.
- Through TEB Factoring, which has been cited as "The Best Factoring Company" five times by the world's biggest chain of factoring companies Factors Chain International, TEB corporate banking customers are provided with a host of financing options ranging from assigning and collecting receivables arising from sales on credit to prepayments.

With the assistance of TEB's own business units and subsidiaries and that of BNP Paribas and the members of its group together with the synergies created among them, TEB Corporate Banking will continue to offer its customers distinctive and innovative products and services in the conduct of its cross-sales operations. TEB champions a "cross-sales" culture which it believes can contribute significantly to the sustainable growth of firms operating in today's highly competitive national and international markets.

## TEB SME BANKING GROUP

### Competitive advantages in the SME banking business line

The essential focus of the SME banking services that TEB has been providing since 2005 is informed by a “consultant bank” approach whose aim is to improve SMEs’ ability both to manage their own growth processes and to compete.

Research has repeatedly shown that although there are many different sources that SMEs may obtain their financing from, what these firms really have trouble with is effectively managing the resources they possess and that the most important reason for this is a lack of knowledge. The non-financial services that TEB has developed based on its understanding of the knowledge, training, and consultancy support that SMEs need to grow their businesses once again were what distinguished the bank’s SME banking service approach from that of all of its competitors.

### Structural support for SMEs’ developmental efforts

The TEB SME Banking Group seeks to support SMEs’ efforts by standing beside them with its innovative products and services at every stage of their growth and development. In 2014 the group successfully continued its operations by introducing new products and services and making them accessible to an even broader customer audience.

According to the December 2014 report published by BRSA, the total volume of credit extended by the Turkish banking industry to SMEs grew by 19% in the previous twelve months, whereas TEB’s lending to this segment was up by 37%. According to the same report, TEB controlled 6.14% and 9.52% shares respectively of the SME segment cash and non-cash credit markets, increased its market share of agricultural loans to 5%, and

continued to dominate the sector with a 37.5% market share of gold-based lending. TEB’s lending to the SME market increased above sectoral averages in terms both of the number of placements and of their total volume. Communication campaigns conducted throughout the year focused on addressing TEB customers’ cash needs on terms favorable to them. Under these campaigns, more than TRY 1.5 billion in affordably-priced commercial credit was extended on terms of up to 36 months to customers in the SME Banking and Startup Business Banking segments.

### A new branch concept: TEB Seed Branches

2014 was also a year in which TEB distinguished itself through innovations in its branch and field organizations. A new branch concept was created for the agricultural segment: the TEB Seed Branch. Staffed by field personnel consisting mainly of agricultural engineers trained in banking who are also familiar with farmers’ unique financial and non-financial needs, six of these branches have been opened so far in Manisa (Sarıgöl and Saruhanlı), İzmir (Bayındır), Bursa (Yenişehir), Çanakkale (Bayramiç), and Konya (Çumra).

Transferring knowledge and experience to banks in other developing countries

In 2014 the TEB SME Banking Group further strengthened its unique market position by also venturing into the international arena of SME banking. Having previously been recognized by the International Finance Corporation as one of the world’s top three banks engaged in the provision of non-financial services to small- and medium-sized enterprises in 2012, the TEB SME Banking Group related its experience in this aspect of the business to more than 25 foreign banks during 2014. TEB was invited to take part as a speaker in conferences on the subject held in

countries such as Brazil, Malaysia, Mexico, USA, Austria, UAE, Greece, Oman, and Ukraine. It also provided information about SME banking to financial institutions in such developing countries as Bangladesh, Zimbabwe, Tanzania, and Armenia.

### **Special services for women's labor**

Focusing on opportunities that it had spotted in helping women to get into business themselves in 2014, TEB began developing new and special services aimed at encouraging entrepreneurship among women. Women may have insufficient access to financial products and services; they may have difficulties finding information about and reaching international markets; they suffer from inadequate education and/or from a lack of business management experience. Such handicaps may frustrate their growth and cause them to drop out of the formal system entirely but they also create tremendous opportunities to support women who want to start up a business of their own. Taking this realization as its point of departure, TEB applied to and was accepted as a member of the Global Banking Alliance for Women (GBA).

Working through 39 financial institutions in 135 countries, GBA is the biggest international network of banks that have focused on the economic empowerment of women. One of only two banks in Turkey to have been admitted to GBA, TEB will be concentrating on efforts that will support women's involvement in entrepreneurial endeavors.

### **Clinton Global Initiative**

The worldwide recognition gained for the TEB SME Banking Group's non-financial services in the wake of joining GBA was given an additional boost with TEB's participation in the Clinton Global Initiative (CGI) in 2014. Founded in 2005 by Bill Clinton, the 42nd president of the United States, CGI's goal is to

bring global leaders from all over the world together to discuss and come up with innovative solutions to the world's most pressing problems.

CGI's annual meeting is held in September so as to coincide with the fall opening of the United Nations General Assembly. These CGI meetings are regularly attended by hundreds of heads of state, prominent CEOs, and other business leaders and a bevy of Nobel prize winners. The TEB SME Banking Group was on hand at the meetings to share its knowledge and experience.

### **Supporting entrepreneurship in Turkey**

The Small and Medium Enterprises Development Organization (KOSGEB) has been one of the strongest partners working with the TEB SME Banking Group in its efforts to support SMEs and other businesses in their efforts to grow. In 2014 the two further strengthened that collaboration by conducting a survey that will serve as a reference for supporting entrepreneurs in Turkey.

Having launched a comprehensive program of its own to support entrepreneurship in Turkey, the TEB SME Banking Group played a role in KOSGEB's announcement of the results of the world's most comprehensive Entrepreneurship Index survey in which the Global Entrepreneurship Monitor (GEM) polled more than 33,000 people in Turkey. According to GEM's findings, 32 out of every 100 people in Turkey in 2013 aspired to engage in some form of entrepreneurship within the next three years. Besides making it possible to identify regional results and trends, based on the survey's findings, Turkey ranks high in international entrepreneurship league tables. The results of the survey are certain to be a major reference point for TEB Startup Business Banking and others in the future development of Turkey's

entrepreneurial ecosystem. The GEM survey was conducted by GEM's Turkish representative and by academicians from Yeditepe University's Business Enterprise Department.

Last year the TEB SME Banking Group also worked with KOSGEB in the conduct of that organization's "Four Counties Loan Program", under which financial support was provided to Soma and other townships in the aftermath of the Soma mine disaster.

### **Credit Guarantee Fund**

The financial support that the TEB SME Banking Group provides to entrepreneurs was also bolstered by TEB's collaboration with the Credit Guarantee Fund (KGF), which selected the bank as the first (and currently the only) financial institution in Turkey called upon to play a role in supporting the country's entrepreneurial ecosystem. Before this collaboration, there was a TRY 150,000 limit on the amount that TEB Startup Business Banking could extend to an entrepreneur as an unsecured loan. Now with the KGF's backing, that limit has been raised to TRY 500,000.

Through the KGF Micro Loan Portfolio Guarantee System, it has also become faster and easier for microbusinesses based in some provinces to gain access to and benefit from KGF financial and other support.

### **TEB SME TV**

One of the focuses of TEB SME TV, TEB's online broadcasting service for small- and medium-sized businesses, in 2014 was increasing the technological competency of SMEs. Launched in collaboration with Vodafone Turkey, the TEB SME TV "Technological Solutions" channel explains in a straightforward and easy-to-understand way how to use technology effectively in business.

### **Mission: Be the bank of the future**

While changes in the regulatory framework in recent years have increased the share of loans to SMEs in total lending, they have also increased competition among financial institutions seeking to lend to this segment. TEB believes that the sector must make an effort to expand its deposit base in the period immediately ahead and that it should strive to finance its lending more from internal rather than external funding. TEB also anticipates that there will be a moderate rise in NPLs though this will depend on the course of economic activity. In 2015, the TEB SME Banking Group will be focusing on improving market conditions as much as possible through an approach that is beneficial to SMEs not just now but in the medium and long terms as well.

Seeking to create shared value for stakeholders while also achieving numerical growth, TEB will act in line with its mission of being the bank of the future by completely digitalizing its products and services for its customers' convenience via its alternative delivery channels.

### **TEB MICROBUSINESS BANKING**

#### **60% growth in microbusiness banking**

According to BRSA's December 2014 report, the total volume of the Turkish banking sector's lending in the microbusiness banking segment grew by 19% in the previous twelve months, whereas TEB's lending to such businesses was up by 56%.

TEB's "Operating Expenses Package" was redesigned in 2014 so as to allow customers to methodically keep track of the transaction charges they pay.

The "TEB Boss Card" that was introduced in 2014 is designed to allow tradesmen, artisans, and small businesses to quickly satisfy their basic credit needs using a single card and the

bank's alternative delivery channels. With this one card, customers have convenient access to commercial installment loans, seasonal repayment loans, overdraft accounts, and company credit card accounts and they can make charges against the card up to their individual limits. Using their TEB Boss Card, customers can satisfy their commercial credit needs taking advantage of repayment terms of up to 36 months at any time of the day or night seven days a week from any TEB ATM or by logging onto the TEB Corporate Banking online branch. Using the card's overdraft facility they can ensure that their own regular payments are made exactly on time.

Seasonal repayment loans are a product specially designed for TEB Boss Card users whose cashflows are highly seasonal such as businesses in the tourism industry. Repayments on these loans can be scheduled so that they coincide with the customer's high season.

The TEB Boss Card's company credit card feature allows users to pay for purchases confidently and securely both in Turkey and abroad. TEB Boss Card users take advantage of a 5% discount when they buy fuel from Total service stations. They also qualify for 10% Bonus points on restaurant expenditures of TRY 100 or more, a 50% discount on participating airport parking lot fees, and free airport lounge services at participating airport terminals.

## **TEB GOLD BANKING**

### **25% increase in gold credit customers**

TEB's vision in the gold banking business line is to be a benchmark bank that creates value for its customers. Steadily increasing the value that it generates for customers all over the country through its expertise, accessibility, and efficiency, TEB is successfully conducting its efforts to be the leading bank—the bank

whose name first comes to mind—in the gold banking business line.

Having served the needs of Turkey's jewelry industry for 19 years, TEB controls a 35.3% share of the market for gold-based credit. The bank successfully defended its leading position in this business line in 2014, a year in which it increased the number of its gold credit customers by 25%.

Regarding every manufacturer, wholesaler, retailer, and exporter whose business is in the jewelry industry as a potential TEB gold banking customer, the bank enters into protocol agreements with the sector's professional chambers and associations. It continued to do so in 2014, adding the İstanbul, İzmir, Ankara, Adana, Antalya, Bursa, Gaziantep, and Trabzon jewelers' chambers to the list of professional groups that it works with.

Abiding by its principle of taking a benchmark-bank approach in whatever it does, TEB is not content just to provide financial solutions in the gold banking business line but instead it also offers non-financial solutions that the jewelry industry may be in need of. TEB for example maintains close relationships with the industry as a prime sponsor and supporter of goldsmiths' and jewelers' trade fairs held all over the country. In 2014 the bank held meetings with leading industry practitioners in Trabzon, İzmir, Uşak, Adapazarı, Manisa, Denizli, Aydın, Adana, Diyarbakır, Kahramanmaraş, İzmit, Bolu, Nevşehir, Karabük, Antakya, Gaziantep, Malatya, and Bursa during which it provided participants with information about both the sector and international gold markets.

Over the years TEB has drawn on its gold banking knowledge and experience to develop solutions capable of addressing the jewelry industry's financing needs. Examples of such

products are gold-based loans, gold-based installment loans, the TEB Gold & Diamond Collection System, and a package insurance policy specially designed for jewelers.

TEB Gold Banking also offers a wide range of gold-based products for customers who are not professionally involved in the jewelry industry such as demand and time gold deposit accounts, silver deposit accounts, accumulating gold accounts, and a gold-based mutual fund. A particularly innovative TEB product in this business line is “Yeni Altın Çağı” (New Golden Age), by means of which the bank worked with more than 230 jewelers in 61 provinces to bring so-called “under-the-mattress” gold into the formal economy in 2014.

### **TEB PUBLIC SECTOR BANKING**

#### **Working with 348 municipalities and their agencies**

Set up to develop and offer specialized banking products and services that address the unique needs of local governments, TEB Public Sector Banking continued to be one of the leading players in this business line in 2014. Through its public sector banking approach, TEB makes it easier for local governments to locate the financing they need and also helps them complete their large-scale investment projects faster and more efficiently. TEB also provides a number of cash management solutions, such as Turkey’s first online and real-time collection service, which makes it possible for people to pay municipal taxes, fees, etc more quickly and conveniently.

In 2014 TEB Public Sector Banking’s portfolio included credit limits assigned to 348 municipalities and their agencies, the TRY 1.2 billion total value of which was to be used to finance investment projects. Last year TEB processed more than TRY 1 billion worth of real estate property tax and related

collections on behalf of public agencies and organizations.

Through its TEB SME TV and TEB SME Academy services, TEB helps local governments deal with budget-related and similar issues arising from lack of knowledge. During the series of “TEB Public Sector Gatherings” held in 2014, issues were discussed that touched upon the process of institutionalization in municipalities such as the future of municipal administration since the passage of a new Municipalities Act, revenue- and finance-management solutions for municipalities, effective budget management, and internal control.

### **TEB AGRICULTURAL BANKING**

#### **A new branch concept for farming**

TEB Agricultural Banking strengthened its farming-specific organizational structure in 2014 with 150 specialized agricultural portfolios and more than 30 personnel employed in headquarters and regional units.

In 2014 the bank began opening “TEB Seed Branches” staffed by field personnel consisting mainly of agricultural engineers trained in banking who are also familiar with farmers’ unique financial and non-financial needs. This brand-new, farmer-specific branch concept was introduced originally at three locations: two in Manisa (Sarigöl and Saruhanlı) and one in İzmir (Bayındır). These were soon followed by another three: Bursa (Yenişehir), Çanakkale (Bayramiç), and Konya (Çumra).

Based on the success of the TEB SME Consultants project and its benefits to customers, it was decided to create a similar program compatible with the particular dynamics and needs of the agricultural sector. The result was the TEB Agricultural Specialists Program, which was launched in 2014. Twenty people who qualified as agricultural specialists after attending a six-month Agricultural



Specialist Training Program have also begun providing consultancy and specialist services besides banking products to businesses engaged in the agricultural sector. The goal of the TEB Agricultural Specialists Program is to help producers transform themselves into agricultural enterprises.

Having already introduced “TEB Harman Kart” (TEB Harvest Card), a specialized credit card product that comes with advantageous payment terms that can be very useful when farmers procure essential inputs, TEB worked with a number of farmers’ associations and expanded its merchant partner network in order to enhance the card’s usefulness. Using their TEB Harvest Card farmers can easily purchase such necessities as diesel fuel, fertilizer, pesticides, seeds, seedlings, and livestock feed; repayments on purchases and even cash advances can be scheduled according to harvest times; and when purchases are made at participating merchants, farmers also benefit from interest-free periods as well.

Under its “Instant Harvest Card” program, customers who have been assigned a Harvest Card credit limit do not have to wait for the card to arrive in order to start taking advantage of its benefits: they can pick up an “Instant” card at any TEB branch and use it instead. In 2014 the “TEB Eagles” team of TEB Agricultural Banking direct sales specialists who traveled from village to village, engaged with farmers individually, explained the TEB Harvest Card’s benefits, and signed them up to take part in the program.

The “Interim Payment Agricultural Loan” is a TEB credit product especially intended for farmers who raise crops and livestock and whose earnings therefore tend to be seasonal. With this product, repayments can be scheduled according to the farmer’s cashflow. These loans are also available to producers

whose operations generate continuous revenue streams such as dairy farmers.

Throughout May 2014, farmers were given the opportunity to take advantage of up to 50% discounts on the interest charged on agricultural loans in conjunction with World Farmers Day celebrations.

TEB provides general-purpose loans to finance payments of fees in lieu of compulsory military service. Like the bank’s other agricultural banking credit products, the repayments on these loans can also be scheduled according to a farmer’s harvests and cashflows.

As made possible by a change in the law, in 2014 TEB entered into agreements with two regional power distribution companies—TOROSLAR EPSAŞ Elektrik (Çukurova) and YEPAŞ Yeşilirmak Elektrik (Black Sea)—to help farmers finance payments for the electricity the use in their irrigation-related operations. Under a pilot project launched in collaboration with MEPSAŞ, an electrical power distributor in Konya and its environs, TEB Harvest Card POS terminals have been installed at that company’s collection offices.

The network of participating Shell service stations covered by the agreement with Shell & Turcas that TEB entered into several years ago continued to be expanded with the addition of new locations in 2014. Under this agreement, TEB customers take advantage of a five-month interest-free period when they purchase fuel and lubricants using their TEB Harvest Card. Both the number of purchases and the total turnover generated by this program almost doubled last year.

## TEB STARTUP BUSINESS BANKING

### **The TEB Enterprise House has reached out to close to 40 thousand entrepreneurs.**

Having recognized startup business banking as a distinct segment in 2013, the TEB SME Banking Group had the financial and non-financial products and services that it provided to SMEs redesigned to better suit the needs of entrepreneurs while the bank's customer representatives were also given specialized training dealing with the startup business banking concept and approach.

Another noteworthy example of TEB innovation in customer relationship management in Turkey is to be seen in field personnel who are specially trained to deal only with technological entrepreneurs in order to provide them with more effective service under the heading of TEB Startup Business Banking. Techno-enterprise teams based primarily in İstanbul and Ankara have begun providing techno-entrepreneurs contacting the bank's branches to obtain TEB Startup Business Banking support with service appropriate to their needs.

The scope of startup business banking service introduced in 2013 was further broadened in 2014 through new collaborations that TEB entered into and as a result of the efforts that it made to enlarge the entrepreneurial ecosystem. As of end-2014, TEB Startup Business Banking had reached out to nearly 40 thousand entrepreneurs, strengthening the support it gives them in their efforts to transform innovative ideas into practical business. One of the most effective ways that it does this is through the TEB Enterprise House located in the Ataşehir district of İstanbul.

In 2014, a total of 823 hours of consultation service was provided to 630 entrepreneurs, 232 of them from İstanbul. TEB Enterprise

House consultants provided 2,011 hours of consultation to 1,367 entrepreneurs, 563 of them from İstanbul.

### **750 entrepreneurs contacted the TEB Incubation Center last year.**

A total of 750 entrepreneurs contacted the TEB Incubation Center in 2014. The business ideas submitted by 37 of them were deemed to be worthy of further consideration. Fourteen of those were introduced to potential angel investors and five succeeded in getting investment support.

Since its inception, the TEB Incubation Center has been contacted by 1,300 entrepreneurs, 75 of whom submitted ideas deemed to be worthy of further consideration. Of these, 21 were introduced to potential angel investors and 6 succeeded in getting investment support.

Functioning as a component of the TEB Enterprise House, the TEB Incubation Center has developed a "Commercial Acceleration Model" that is used to help entrepreneurs discover and improve their entrepreneurial abilities. This model has acquired a reputation as one of the most important of its kind in the field of entrepreneurship development.

The TEB Incubation Center Commercial Acceleration Model is already being used in nine of Turkey's most important technocities' incubation centers. Recognizing the proven success of this model, the Eastern Anatolia Development Agency has begun to use TEB Enterprise House consultants in the selection of entrepreneurs to whom it will give grants in order to speed up and ensure the sustainability of regional development in the provinces of Bitlis, Hakkâri, Muş, and Van.

Further strengthening their existing Innovation Week collaboration, the Turkish Exporters Assembly (TİM) and TEB have

decided to expand TEB's Enterprise House concept into other parts of the country in order to discover and support ideas and projects with significant export potential. The first TİM-TEB Enterprise House opened its doors in Gaziantep in November 2014. The goal is to open more of them other provinces in 2015.

TEB has entered into an agreement with the Scientific and Technological Research Council of Turkey (TÜBİTAK) to provide consultancy, training, and mentoring services to entrepreneurs selected to be the recipients of the council's TRY 100 thousand grants under its 1512 B Entrepreneurship Multi-phase Program. TEB is the first and only bank to have entered into such an agreement with TÜBİTAK.

#### **Women entrepreneurs grow their businesses with TEB support.**

Seeking to support the increasingly greater number of women entrepreneurs who have been coming forth in recent years, TEB not only provides them with advice but also helps them transform their business ideas into reality by bringing them together with potential investors.

TEB Enterprise House supports women entrepreneurs in several ways. As a consultant, it helps them formulate business plans and define their growth strategies. As a bank, it provides them with capital in the form of unsecured loans. Finally as a facilitator, it helps bring them together with potential investors, some of whom may be the bank's own customers.

TEB believes that both the number and the success of women entrepreneurs can be increased by showing them how to make effective use of financial products and services, by giving them access to information and international markets, and by helping

them to improve themselves educationally and to develop their business management skills. The bank is committed to increasing both the breadth and depth of its support in this area.

### **TEB RETAIL BANKING AND PRIVATE BANKING GROUP**

#### **RETAIL BANKING**

Continuing to make important progress in line with its vision of being the bank that customers most prefer, in 2014 TEB initiated and carried out many projects aimed at distinguishing itself in the areas of customer satisfaction and the customer experience and set up the "Customer Recommendation Score" system.

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.

TEB will be further developing the effectiveness of its NPS system in 2015.

#### **Superior service throughout the credit life cycle**

During 2014 TEB gave priority to both short- and long-term projects whose aim is to make it easier for customers to satisfy their financing needs and to serve them through all delivery channels.

TEB continued its efforts to ensure that its customers receive superior service not just during the loan application process but also at every stage of the credit life cycle.

In 2014 TEB initiated its first project to supply retail credit through channels other than its own. Under an agreement signed with PTT (Turkish Post & Telegraph Authority), TEB

extends general purpose loans to pensioners whose monthly pensions are paid through PTT.

### **Nearly 320,000 Ingenious Accounts**

TEB's basic savings account product is called "Ingenious Account". As of end-2014, there were nearly 320,000 of these accounts and they made up a substantial share of TEB's balance sheet.

"Opportunity Account", which is targeted at upper-segment customers, and "Binary Account", which is a hybrid deposit/investment product, are two new additions to the portfolio in 2014.

The third addition in 2014 was In addition, "Keep The Change Account", which was introduced in April in 2014. With a TEB Keep The Change Account, when customers use their TEB debit card to pay for purchases, the amount is rounded up to a designated whole multiple and the difference between the two is automatically added to their investment account.

### **TEB Family Academy**

TEB Family Academy is a financial literacy and access project launched with the vision of helping millions of families make a better future for themselves. Under this project, 160 thousand people had received financial literacy training as of December 2014, all of it provided by TEB employees serving as volunteers.

In collaboration with the Ministry of Education and UNICEF, TEB launched the "Social & Financial Education Through Art" project. Under this program, which has the potential to affect the futures of 11 million schoolchildren, financial literacy has been added to the national primary- and middle-school curriculums.

The second Financial Literacy & Access Summit was held at Boğaziçi University on 27 October 2014 in a project undertaken jointly by TEB and the Financial Literacy & Access Association. The results of the second TEB Financial Literacy & Access Index, a survey conducted in partnership with the university, were announced during the summit, which was attended by leading national and international experts and academicians on the subject of financial literacy. The purpose of the summit is to promote financial literacy through greater public awareness and discussion of its importance.

A traveling children's theater was formed as part of TEB Family Academy in May 2014 with the aim of fostering awareness of saving and thrift among youngsters. Admission-free performances of the theater's first offering Wind's Money-Box were attended by 15,000 children.

In the 2014 round of the Stevie Awards, a prestigious international recognition of the business world's top achievers and contributors, TEB Family Academy received a Silver Stevie in the "Innovation in Customer Service" category.

### **TEB Star Banking**

TEB Star Banking products and services are designed for medium- and upper-segment customers and are provided by personal customer representatives and through the TEB Customer Interaction Center and the segment's own website. In the twelve months to end-2014, the number of TEB Star Banking customers increased by 19% compare to 2013 year end.

Continuing to rapidly expand its service network throughout the entire country, TEB Star Banking units were opened at another 100 branches last year, thereby bringing the total number to 250. TEB registered a 47%

increase in this segment's operational dimensions compare to same period in 2013.

TEB Star Banking activities in 2014 are briefly summarized below.

- Customers in this segment are now being provided with daily market bulletins.
- In collaboration with BNP Paribas, TEB Star Banking customers may now open accounts abroad and use their debit cards to make no-charge cash withdrawals from the ATMs of BNP Paribas Group members and other participating financial institutions anywhere in the world.
- TEB Star Banking customers qualify for discounts at prestigious domestic and international hotels, restaurants, and other venues.
- TEB Star Priority Platinum cardholders continued to take advantage of many perks such as free dry cleaning and 10% Bonus points on their restaurant bills.
- Meetings etc concerning issues such as markets and taxation were conducted in cities around the country for TEB Star Banking customers during the year.
- TEB customers who are members of the professional segment continued to benefit from TEB Star Banking privileges at no extra cost.
- TEB continues to meet the professional and personal needs of medical professionals with the TEB Doctor Platinum Card.
- "Opportunity Account", a deposit product designed specifically for this segment, was introduced in December 2014.

### **Bancassurance**

TEB provides a wide range of insurance and private pension products and services through:

- BNP Paribas Cardiff Emeklilik AŞ: life insurance, payment protection insurance, unemployment insurance, private pension plans
- Zurich Sigorta AŞ: accident insurance, non-

life (elementary) insurance

- COFACE Sigorta AŞ: credit insurance

According to figures published by the Insurance Association of Turkey, the total volume of the Turkish banking industry's bancassurance life insurance premium production declined by 10.1% in the first eleven months of 2014 as compared with the first eleven months of 2013. TEB's life insurance premium production by contrast was up by 83.9%, making it the fastest growing bank in this business line. In the case of the non-life branches, where the bancassurance industry's overall premium production grew by 10.9%, TEB's 33.2% increase outperformed the average by a wide margin. TEB owes this superior performance in premium production to a customer-focused approach that concentrates on identifying and understanding customers' needs, coming up with creative solutions, and supplying them through the right channels.

In 2014 TEB Bancassurance continued to meet the insurance and pension product needs of the bank's customers both through TEB branches and through alternative delivery channels. New additions last year made it possible for customers to buy and review their policies through the TEB Customer Interaction Center and the TEB online branch. It is also now possible for them to purchase package products through the bank's ATM network.

A variety of communication and marketing campaigns were conducted last year to inform existing and potential customers about insurance and pension products and about changes in the Private Pension System (such as the introduction of a state contribution)S while also helping them to benefit more from the system.

TEB engages in an ongoing effort to improve and expand its bancassurance processes in

order both to comply with changes in regulations and to provide its customers with the very best insurance and pension products. Comprehensive projects that it initiated in 2014 for this purpose will be continued in 2015.

### **TEB Customer Interaction Center**

The TEB Customer Interaction Center's service delivery processes were subjected to a thorough review last year so as to make them focus more on customer-centric business management by giving attention to the criteria of streamlined simplicity, the essential importance of information, innovation, and proactive risk management. The TEB Customer Interaction Center is informed by two distinct models: one deals with ordinary transactions and requests for information that can be handled with straightforward processes through the deployment of new-generation technologies; the other is concerned with more complex issues that demand special treatment.

Recognizing the inescapable necessity of responding both to changing customer expectations as well as the demands of new digital technologies, the TEB Customer Interaction Center strives constantly to keep ahead of such issues. Guided by its awareness of customers' need for transaction speed and immediate accessibility and their expectation of a needs-based proactive approach, the center shapes its technology and its human resources profile and culture so as to be compatible with such requirements.

The TEB Customer Interaction Center's state-of-the-art voice prompt system was made operational last year. When customers call up the center on 0850 200 0666 they are greeted by the system and asked to say a few words indicating what they want to do. The system's

speech recognition module then quickly directs them to the appropriate menu.

The TEB Customer Interaction Center's voice prompt system has been designed to give customers an interactive voice response experience that is more straightforward and effective than is possible with other automated-attendant systems.

The 2014 Contact Center World Finals attended by more than 150 firms from 29 countries was a source of pride for TEB. With participants competing against one another for some of the world's most prestigious awards, the TEB Customer Interaction Center was awarded a gold medal in the "Best Technology Innovation / Best Use Of Self-Service Technology" category.

The TEB Customer Interaction Center was also the recipient of two gold, two silver, and four bronze medals in various Stevie and Contact Center World award categories in 2014.

### **PRIVATE BANKING SALES & MARKETING**

One of Turkey's oldest and most experienced banks, TEB has been providing private banking services since 1989, which it introduced that year under the heading of "Wealth Management". Blending BNP Paribas's global knowledge and experience with its own innovative approaches, TEB Private Banking supplies its customers with exceptional products and services.

Working through 12 private banking centers and 16 in-branch private banking points located all over the country, TEB Private Banking identifies the needs and expectations of customers for whom it creates tailored solutions that add value to their assets.

Consistently demonstrating solid, sustainable growth in its business line, TEB Private Banking performed successfully once again in

2014 having increased both the number of its customers and the volume of the assets under its management by 17% and 37% respectively during the year.

### **TEB's innovative and award-winning Private Banking Angel Investment Platform**

TEB's approach of acting as a consultant bank is both an important element of its corporate identity and its guiding principle in the TEB Private Banking products and services that it designs and offers. TEB Private Banking regards it as its mission not just to provide its customers with traditional products and services but also to proactively acquaint them with alternative ways of putting their assets to work. The TEB Private Banking Angel Investment Platform is one imaginative outcome of that attitude.

TEB sees the recent introduction of a legal framework specifically addressing venture capital in Turkey together with an array of tax and other incentives designed to encourage angel investors and increase their number as an important step in the direction of bringing new energy to the country's entrepreneurial ecosystem. As soon as the requirement that potential angel investors obtain Private Participation Capital licenses was officially announced, the TEB Private Banking Angel Investment Platform was launched and TEB Private Banking began hosting and sponsoring activities that would bring potential investors and entrepreneurs together in cities around the country.

Because of the TEB Private Banking Angel Investment Platform, Turkey was chosen as a model among all the countries of BNP Paribas Wealth Management Group while the project itself was the simultaneous recipient of three separate awards within the BNP Paribas Group.

Besides opening up brand-new investment horizons for the bank's customers, the TEB Private Banking Angel Investment Platform also makes it possible for TEB to gain new entrepreneurs for the national economy by finding capital for projects that look like having a promising future.

### **TEB Private Banking iPad app: With you everywhere and always**

Constantly on the lookout for innovative ways to serve its customers, TEB Private Banking developed the TEB Private Banking iPad application, Turkey's first private banking-specific iPad application, and introduced it in late 2011. This app provides a digital platform by means of which TEB Private Banking customers may conveniently access current market news and comments, watch financial market commentary videos, and share their own messages and updates with other TEB Private Banking customers. The TEB Private Banking iPad application also inform its users know about invitations to free events and excursions.

### **The TEB Private Banking and BNP Paribas Wealth Management experience in consultancy services**

TEB Private Banking makes use of the same Financial Portfolio Management Tool system that BNP Paribas Wealth Management used in Europe. This tool makes it possible to systematically identify suitable investment products according to different risk and asset class preferences and to track their performance.

TEB Private Banking serves as a bridge between customers looking for advice on philanthropic donations etc and BNP Paribas specialists dealing with such matters. With decades of experience in assisting its own customers in their philanthropic endeavors, BNP Paribas Group deservedly enjoys an exceptional international reputation in this

area, which is one reason why The Banker awarded it that magazine's "Best Private Bank for Philanthropy Services" citation in 2012.

In the area of real estate, TEB Private Banking provides its customers with services addressing both their personal and their commercial property needs. TEB Private Banking works with GIZ High-End Estate to develop bespoke solutions for customers interested in luxury real estate in Turkey. In the area of commercial properties, which have become increasingly more important in Turkey in recent years, TEB Private Banking offers solutions and opportunities through Kuzeypati Real Estate Services, an alliance partner of BNP Paribas Real Estate in Turkey

**"Your assets have a story to tell. Come, let's write that story together..."**

In line with its "Your assets have a story to tell. Come, let's write that story together..." vision, TEB Private Banking seeks to stand by its customers not only when dealing with their financial needs but also in all aspects of their life. In this vein, it supports a wide range of outstanding activities and events in such areas as art and sport. TEB Private Banking customers receive personalized invitations to attend as its special guest prestigious exhibitions, concerts, and sporting events sponsored by TEB. It also gives them the benefit of many other outstanding privileges whenever it has an opportunity to do so.

**An extensive line of exclusive TEB Private Banking credit cards**

TEB Private Banking customers qualify both for the TEB Private Platinum Card and for the TEB Private World Elite Card, the most comprehensive and exclusive card offered in the MasterCard system. TEB Private Banking believes that the brand-new, boldly-designed TEB Private World Elite Card make a real splash in the world of credit cards when it is introduced in 2015.

Accompanying the TEB Private World Elite Card as an added bonus is free membership in the Priority Pass Card system, the world's largest independent airport lounge access program. Offering a 10% rebate on restaurant and hotel expenditures all over the world, the TEB Private World Elite Card is regarded as one of the world's most original credit cards in the sector.

**TEB Private Family Constitution**

Because it seeks to be a consultant bank that stands by its customers in every aspect of their life, TEB Private Banking also works with them on new undertakings that they may involved themselves in in the future as well. For this reason, it has created a system called "TEB Private Family Constitution", aims is to set out the relationships between a family-owned business and family members and to evolve as the family and its business move in the direction of increasingly greater institutionalization.

**CARD PRODUCTS MANAGEMENT**

**The sector's highest rate of active use**

Having introduced many uniquely-featured products that are cited as exemplars in the credit card market, TEB Card Products Management clinched its reputation in 2014 as the recipient of "most innovative card" citations from both MasterCard and the International Rugby Board. Generating a turnover worth TRY 14.1 billion in 2014, the degree of customer satisfaction with TEB-issued credit cards is confirmed by their having the highest rate of active use in the sector.

Just as its products command a steadily more important position in Turkey's credit card market, so too does TEB Card Products Management make an increasingly bigger contribution to the bank's bottom line. In a year in which the sector saw its credit card shopping turnover increased by 11%, TEB's



22% rate made it one of the fastest growing banks in the credit card market. The same is true in the case of cash-advance turnovers, cash transactions which were up by 22% and 27% respectively.

Having successfully worked with prestigious business partners such as Total and Avon for years, in 2014 TEB added two globally potent brands to the lineup: PayPal and PayU. The PayPal Cash Card that the bank began issuing in February last year quickly reached 75,000 cards in use as its network expanded to embrace such strong national brands as Migros (supermarkets), TeknoSA (technology retailing), and D&R (bookshops).

TEB's nearly 3 million debit card customers can use their cards to make immediate, no-fee cash withdrawals from 50,000 members of the Global ATM Alliance on six continents. The weekend cinema/theater ticket discount introduced on TEB credit cards in 2013 was expanded to include the bank's debit cards too last year and this move drew much attention from TEB customers.

The first bank in Turkey to issue cards in both the Bonus and the World loyalty brands, in 2014 TEB was one of only a few banks to work with nine different payment systems.

### **2nd in POS turnover per unit**

In December 2014, TEB ranked 5th among 25 banks in Turkey with a 6.4% market share (worth TRY 2.6 billion) of total POS turnover that month and ranked second in terms of turnover per POS unit.

Having entered the POS business line in 2006, TEB quickly rose to 5th place in sectoral rankings. In 2014 the bank succeeded in reducing its POS costs by 29% year-on. With an annual transaction volume worth TRY 27.5 billion, TEB POS serves customers through about 115,000 units nationwide.

Some of the highlights of the TEB POS system in 2014 are summarized below.

- TEB POS now works with nine different payment systems: BKM, Visa, MC, Amex, PayPal, PayU, Garanti, Diners, and Union Pay.

- TEB POS units are fixed-priced and come in four model/function options.

- In May TEB began working with PayU, an online payments system with a presence in thirteen countries. Between its introduction and the end of the year, the bank booked a turnover amounting to TRY 16.5 million through more than 5,000 subdealers.

- In the year since TEB began working with Amex, the number of the bank's merchant partners in the system has grown by 52% while its turnover is up by 71%.

## **ALTERNATIVE DELIVERY CHANNELS**

### **Transforming technology into service**

Having identified them as a business line of strategic importance, in 2014 TEB continued its investments in non-branch banking services in keeping with its "The Bank That Transforms Technology Into Service" slogan.

During 2014, a total of 65 million transactions were performed through TEB's nationwide ATM network, the number of whose units reached 1,635. Last year the functionality of the network was expanded with the addition of new cash-recycling units that can immediately dispense cash that has been deposited by customers without the need for it to be manually checked or recounted.

### **Digital channels are being used by 81% of TEB customers.**

No fewer than 81% of TEB's customers made use of one or more of the bank's digital banking channels in 2014. In the twelve months to year-end, the number of online banking users grew by 10% and topped 550 thousand while the number of customers making active use of the bank's CEPTETEB mobile banking app increased by 90% and passed the 227 thousand mark.

### **Digital banking accounted for an 80% share of all banking transactions.**

In 2014 TEB customers handled 63% of their deposit, 85% of their withdrawal, 76% of their credit card payment, 76% of their bill payment, and 84% of their money transfer transactions through TEB's digital banking channels.

**We continue to invest increasingly more in mobile and wearable technologies.**

Having previously launched iPhone and Android-based mobile phone versions of TEB Pratik Borsa, a mobile app for stock market and futures & options trading, versions running on the iPad and Android tablet platforms were also released on the App Store and Google Play. Continuing to invest in wearable technology, in 2014 TEB introduced the world's first banking app specifically designed for the Samsung Gear 2 smartwatch.

Seeking to be a bank that keeps its customers supplied with the most practical solutions through the use of new technologies, TEB has integrated iBeacon capability into its CEPTETEB mobile banking app. Through this enhancement, CEPTETEB customers passing near an iBeacon device are notified immediately of promotional and other campaigns by a message sent to their phone. This is the first time that iBeacon technology has been used for marketing communication in Turkey.

**QRWallet**

CEPTETEB's mobile wallet feature was the first in the world to allow users to withdraw cash from an ATM without having to present a card. In 2014 TEB introduced the ability to pay for online shopping purchases using CEPTETEB and QR codes. The bank plans to add QR-based payment capability to its POS units as well soon.

**Renewed digital banking channels**

In 2014 TEB made changes both in the corporate banking branch used by its SME and corporate banking customers and in its main website at [teb.com.tr](http://teb.com.tr). As a result of these changes, these channels have been streamlined and made easier to use through the deployment of the latest in online banking technologies. Newly-added features and

enriched transaction sets on the corporate banking branch allow users to display and track their financial positions more clearly and also to manage their cashflows more effectively. Changes at the [teb.com.tr](http://teb.com.tr) website make it possible to provide users with service and solutions more exactly customized to their needs.

**41 digital banking channel awards**

In 2014 TEB's digital banking channels continued to rake in prestigious national and international awards and recognitions. Last year they were the recipients of 41. In 2014 TEB Çocuk, a website designed to teach kids about banking and financial literacy, took first place in the "Educational" category of the Golden Spider Web Awards for the second time. TEB Çocuk has reached 812 thousand children so far. Its website located at [www.tebcocuk.com](http://www.tebcocuk.com) has been visited by 692 thousand visitors while the project's TEB Çocuk iPad app has been downloaded 42 thousand times.

TEB's "Cana Geleceğine Mala Gelsin" project was the recipient of MediaCat Felis's "Best Branded Game" award and it also received a silver medal in the Kristal Elma series of awards. The "TEB Ağacım" project placed first in the BNP Paribas Innovation Talent Awards.

**TEB and social media**

According to Socialbakers, a social media analysis and publishing firm, TEB is a "socially devoted" brand based on its superior performance in responding to questions put to it through social media.

Known for establishing one-on-one communication with customers through Facebook and other social media with more than a million followers and a 90% response rate, TEB ranked 6th among Turkey's strongest social brands in all sectors according to a poll conducted by The Economist.

## TEB ASSET & LIABILITY MANAGEMENT AND TREASURY GROUP

The TEB Asset & Liability Management and Treasury Group was set up so as to ensure the robust balance sheet management of the active and diversified sources of funding in its charge. As one of the first banks in Turkey to adopt the “asset & liability management” approach, the analytical management methodology which it had therefore successfully developed through its own experienced and proficient staff was subsequently enhanced by the infusion of BNP Paribas know-how in such matters and was made even more useful through various information technology projects.

### **A successful year in terms of financial results**

The TEB Asset & Liability Management and Treasury Group successfully managed the spread and interest rate risks arising from market volatilities in 2014. Last year the group managed its balance sheet in line with budget targets by taking existing and expected market conditions into account and pricing deposits and lendings in a manner compatible with market dynamics. Through correct and reliable strategies and active market tracking it properly timed its market actions and thereby ensured that its balance sheet was protected against potential risks.

The TEB Asset & Liability Management and Treasury Group had a successful year in 2014 thanks to its properly-timed pricing, portfolio composition, and hedging performance. Through liquidity management that was conducted with a sensitivity for compliance with statutory and bank-internal liquidity ratios, the group contributed to the maintenance of the bank’s liquidity.

The Turkish Treasury’s keeping its back-borrowing rates low despite its redemption of government debt securities from the market

spurred significant development in the market for private-sector bonds and bills, It was in this context that TEB initiated seven separate issues of bank bonds during 2014 and endeavored to lengthen the maturity structure of its liabilities.

The Euro Medium Term Notes (EMTN) program creates substantial scope for issuing FX-denominated debentures as a way of diversifying available short-term FX borrowing resources. Having taken the necessary steps to tap this potential in 2014, TEB is now poised to increase the amounts that it borrows from this source over time.

TEB continued to lead the market in precious metal and banknote operations in 2014 as well.

### **Continued synergetic collaboration with BNP Paribas**

The TEB Asset & Liability Management and Treasury Group continued to collaborate with BNP Paribas in 2014. Current developments were examined and future expectations were discussed at regularly-held meetings. In this relationship, TEB benefits from its strategic partner’s know-how in such matters as borrowing alternatives and particularly in the matter of modeling balance-sheet products for which there is a need while BNP Paribas benefits from TEB’a authoritative market knowledge and experience.

TEB integrates its own operations into BNP Paribas’s business processes through ongoing information technology projects, thanks to which its own business processes have been made more robust from the standpoints of identifying potential operational risks and taking measures to deal with them while the effectiveness of financial risk monitoring and reporting has been improved.

In the area of subsidiary balance-sheet management, TEB Asset & Liability

Management's advice based on its strong market insights contributes both to the management of balance-sheet risks arising from subsidiaries and to the conduct of well-timed reviews of product pricing strategies. Modeling is also performed for products that subsidiaries may be in need of.

Seven issues of bank bonds undertaken in 2014 made TEB debentures popular products with customers. Thanks to these successful issues, the bank was able to secure funding whose pricing and maturity terms were more favorable than its average deposit costs.

The "Ingenious Account" product that was introduced to TEB customers in 2012 continued to be very popular among them in 2014. Support was also given for the TEB "Opportunity Account" and for the CEPTETEB mobile banking app. Appropriate technical changes were made in the bank's pricing methodology in order to support product development in this area.

Under the EMTN program initiated to diversify the bank's short-term FX borrowing instruments, five issues worth a total of USD 250 million were carried out through BNP Paribas.

Support was provided for the special rates charged on the lendings from a EUR 500 million line of import credit.

Among the dynamics that influenced global markets in 2014 particular mention should be made of the Fed's termination of bond purchases and subsequent market speculation about when it would begin raising interest rates; news of impending expansionist monetary policies in developed economies suffering from problems with growth such as Japan and in Europe; and a surge in fund flows towards some developing countries towards the end of the year that had been prompted by increasingly greater lower oil prices.

In the first quarter of 2014, the Turkish lira performed rather badly, losing about 8.2% of its value against a EUR 1 + USD 1 basket. It subsequently regained strength by the same measure until the end of July. Short-term volatilities in August and September combined with a rapid decline in oil prices in the latter month led to net fund inflows into the developing countries. In Russia, massive market upheavals were triggered by violence in Ukraine as well as by lower oil prices with the result that the ruble suffered serious losses.

The Turkish Central Bank (CBRT) strove to keep its monetary policy as flexible as possible both in order to reduce the Turkish lira's volatility and to improve its stability in the face of such momentous external events. Having previously lowered its one-week policy rate from 10.00 to 9.50 at its May 22nd meeting, CBRT subsequently set about reducing it to the 8.25 level in three steps. The effect of this was to stifle excessive appreciation in the lira. By constraining its overnight lending rate to the 7.5–11.25 corridor, the bank also reduced the impact of relatively volatile international markets on the lira as much as it could. Deposit rates, which remain very high compared with those in swap and bond markets, are causing banks serious headaches with their liability costs but they too are expected to head downwards in the first quarter of 2015.

#### **CORPORATE INVESTMENT BANKING GROUP**

TEB Corporate and Investment Banking was set up in 2011 in order to offer the bank's customers a new range of products. While offering new risk hedging solutions to customers particularly in the fields of foreign exchange- and rates, the group has also developed new products to hedge against commodity market price volatilities.

**Structured to create competitive advantages**

The TEB Corporate and Investment Banking Group combines TEB's local market strengths with BNP Paribas's expertise in the areas of capital markets, specialized financing, and advisory. Integrated into TEB's customer portfolio and BNP Paribas's product lines, the group benefits both from TEB steadily expanding customer network and from the strengths of BNP Paribas's own product specialists. In 2014 the group continued to generate new synergies in the areas of financial markets, structured finance, and corporate finance.

The strong cooperation between TEB and BNP Paribas not only gives companies more effective market access but also enables them to benefit from BNP Paribas's ideal pricing and structuring mechanisms and to compete in the international arena.

In May 2014 TEB and BNP Paribas jointly hosted "Financial Risk Management: Solutions for Corporates", a conference attended by Turkey's corporate companies. During the conference presentations about financial and commodity market derivatives were held while the economic outlook and markets' expectations were discussed. TEB intends to remain a major player in such endeavors and to continue contributing to the Turkish economy by maintaining its leading position in the country's capital markets.

**Developments in fixed income**

In 2014 TEB once again continued to develop its business model so as to better offer its customers products and services that best suit their needs. New information technology systems being deployed provided more tailor made solutions to clients in a secure environment.

In a highly responsible manner, internal procedures for client suitability and

appropriateness have been set up in order to ensure clients meet the right fixed income products according to their business needs and risk appetite.

In 2014 TEB continued to contribute to the national economy by successfully pursuing its mission of Primary Dealer of Turkish Treasury auctions.

**TEB SECURITIES SERVICES****An innovative approach in securities services**

Since 2007, TEB Securities Services has been responsible for conducting the international settlement and custody services that BNP Paribas originally inaugurated in Turkey back in the 1990s.

TEB Securities Services employs a team of specialists to structure securities services solutions out of TEB Head Office. In cooperation with BNP Paribas Securities Services, Europe's biggest custodian bank, TEB Securities Services provides local and international client with custody and clearing services. The division also comes up with innovative and painstakingly-crafted capital market instruments related solutions to the post-trade and post-financing requirements of:

- Financial institutions
- Institutional investors
- Issuers.

TEB Securities Services provides:

- Settlement and custody services for cash equities, government bonds and bills, and other capital market instruments
- Collateral and cash management services for listed derivatives
- Securities borrowing/lending transactions
- Outsourcing services for brokers
- Escrow and collateral management services

- Debt instrument, certificate, and warrant issue-related operations and payment services
- Account operating services for issuers' Central Registry Agency accounts

### 2014: A year of innovations

Under the new Capital Markets Law passed in 2012 and related sub-regulation published in 2013, the settlement and custody services hitherto provided by TEB Securities Services were defined as “general custody services” and became subject to Capital Markets Board authorization. Application was completed and formally submitted to authorities in 2014.

Having carefully assessed the other advances introduced by the new legal framework, the bank decided to add individual and collective portfolio custody services to the lineup of securities services being provided at the bank. At the same time, the target client profile was also broadened to include portfolio management companies that are residents of Turkey.

Developments taking place in the wake of the İstanbul Finance Center Project and Borsa İstanbul's strategic partnership with NASDAQ OMX, the designation of Takasbank as the central clearing agency and central counterparty, and technological changes at Borsa İstanbul should create additional opportunities for TEB. A close watch will be kept on these and all related developments as they unfold.

In 2014, TEB Securities Services continued its success of previous years, by taking on new clients, and effectively managing the increased transaction volumes of its existing ones. The division performed particularly well in expanding its assets under custody and trading volumes last year.

Drawing on the strengths of its global outlook and its trailblazing, client-focused approach,

TEB will continue to be the bank that clients asking more than just a bank providing custodial services will choose for their securities services needs.

### TEB HUMAN RESOURCES GROUP

**In its efforts to achieve its strategic objectives, human resources are TEB's most important asset.**

#### Human resources policy

The TEB Human Resources Group strives to:

- Ensure that the organizational structure remains dynamic and readies the bank for change in line with the TEB Group's strategic plans and objectives
- Recruit for and retain in the TEB Group employees who are highly educated and well trained; who are amenable to innovation and change; who possess entrepreneurial skills; who are energetic and dynamic and have job-progression potential; who are capable of teamwork; and who identify with and accept responsibility for the group's shared values
- Support, through training programs that have been determined according to career-progression roadmaps, both the personal and the professional development of TEB employees so as to ensure that human resources are put to the most productive use in line with the bank's objectives and strategies; create both a professional workplace environment and career-progression opportunities, including by means of beneficial access to the training programs of BNP Paribas
- Create a workplace environment that employees most want to work in; be the bank that employees in the industry most want to work for
- Contribute to the development of bank employees in line with the TEB Group's objectives and strategies within the

framework of the TEB Formation Academy and a “continuous learning and development” approach that recognizes training and development as investments in human resources

- Insofar as is possible, recruit and train bank management personnel from within TEB itself and make use of the group’s own human resources when filling position vacancies
- Operate and develop a performance evaluation system as well as merit systems and processes that will enhance both individual and team performance
- Provide every person with equal opportunities and means for advancement in line with their career paths.

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 & hiring

In its recruitment and hiring practices, the TEB Human Resources Group abides by policies that:

- Ensure that the organizational structure remains dynamic and ready the bank for change in line with TEB’s strategic plans and objectives
- Seek out and attract, without regard for any distinctions whatsoever with respect to race, language, religion, sex, or age, people who are highly educated, who are well-trained, who love banking as a profession, who are amenable to innovation and change, who are energetic and dynamic and have job-progression potential, who are capable of teamwork, who can identify with and accept responsibility for the group’s shared values, and who have vision
- Recruit and train bank management personnel from within TEB itself and make use

of the group’s own human resources when filling position vacancies

- Provide every person with equal opportunities and means for advancement in line with their career paths
- Create employment opportunities for the inexperienced and/or newly-graduated as well as for those who have both experience and untapped potential.

TEB’s recruitment & hiring policies seek, through accurate selection and placement systems and tools, to attract to the bank people who have high potential and promise and who are creative, innovative, and capable of generating added value.

### TEB Human Resources in 2014

- As of year-end, TEB had 10,142 people on its payroll at two headquarters locations and in 551 branches.
- 63% of TEB personnel have at least one university degree, 5.6% have advanced-level degrees, and 0.1% have doctorates.
- In 2014 TEB further strengthened its human resources by hiring 1,725 new personnel, 69% of them for employment in field operations.

In TEB’s ongoing efforts to give the utmost attention to training and employing talented young people:

- 33 people were recruited through the bank’s MT/ST programs; 18 were hired through its assistant bank inspector exams.
- 35 students interested in embarking upon careers while still at school were given positions at TEB’s call center.
- Traineeship positions were provided to 546 university and 393 lycee students.

### Recruitment through social media

- Career opportunities at TEB are now being announced through LinkedIn, the world’s leading business-oriented social networking service. More than 8,000 potentially suitable candidates were evaluated thanks to the

direct and quick access made possible by this service.

- Seeking to reach young people through social media, “TEB HR Q&A Sessions” are conducted through the TEB Human Resources Twitter account. This creates opportunities for TEB Human Resources to interact with users and to rapidly reply to their career-related questions.
- Online video-based interviews are held as part of an effort to give everyone equal access to hiring processes and mechanisms from wherever they may be through the use of digital technologies.

### Career progression

Because particular attention is given to opportunities for TEB employees to advance in their careers, most appointments to management positions take the form of in-house assignments. In 2014, 61 successful TEB employees were promoted to management positions.

Information about current position vacancies in both the BNP Paribas and the TEB groups is provided through the E-Jobs system, which gives all employees an equal chance to learn about new career opportunities and to apply for vacant positions.

Branch operational promotions and transfers to sales positions continue to be based on examinations. A more objective basis for making transfer decisions is achieved by taking both exam and personal interview results into account.

A specialist team of Human Resources Work Partners provide all TEB personnel with career-related guidance and ensure that people are employed in positions that are the most compatible with their current competencies and past performance.

All TEB employees have access to all TEB job descriptions and career roadmaps through the intraTEB platform.

### TEB Mentors

The goal of the TEB Mentors program is to give all TEB personnel the benefit of the know-how of TEB employees who are more experienced than themselves so that they may improve their own personal competencies and job skills. Under this program, which embraces the entire TEB Group, more than 650 employees have received mentoring support from 315 mentors.

A total of 245 TEB employees received mentoring support under the TEB Mentors program during 2014.

In 2014 a “reverse mentoring” program was also introduced for the first time. Called “We’re listening to the new generation!”, “Generation Y” TEB employees have begun acting as mentors to more senior executives, giving them the benefit of their own knowledge and experience of such issues as current trends, technology, and digital platforms.

### Talent Management and Talent Development Plans in 2014

Under the heading of Talent Management processes, in 2014 individuals who have demonstrated high potential and performance were identified and their development was monitored by the Talent Management team working together with the individuals’ superiors.

### Talent Development Plans

Through online talent development forms, the strengths and weaknesses of about a thousand TEB employees who have demonstrated high potential and performance are identified and advice is provided to them about how best to pursue their future career paths. Individually-tailored 18-month progress



plans formulated so as to advance their careers are further enriched by means of rotation, e-learning, classroom training, interactive workshops, and experience-sharing meetings.

Through our Management Trainee programs, talented young people who join the bank are mentored by experienced managers and work on projects dealing with a variety of subjects.

In 2014 TEB continued to provide its employees with international career opportunities as a member of the “Mobility Community”, which gives BNP Paribas Group employees a chance to change jobs within the group’s operations in France, Belgium, Italy, UK, Turkey, and Luxembourg.

The “Breakfast Chats with Talents” program, which gives TEB employees who have demonstrated high potential and performance a chance to meet with senior executives in an open and informal environment, continued all year long in 2014.

### **This year’s traditional TEB Talent Day took place on 9 May 2014.**

TEB Talent Day is an occasion for TEB employees who have demonstrated high potential and performance to get together with TEB senior executives and share their views about the bank’s vision and common goals. The theme of this year’s gathering was “Keep It Simple & Think Outside The Box”. After opening remarks in which senior executives talked about their vision and goals, Semih Saygıner’s presentation on the importance of hard work as well as talent attracted great attention. A “Help Us Help You” coffee break held on stage in which young people asked TEB senior executives questions once again demonstrated the importance that TEB gives to open, transparent communication.

### **Remuneration and fringe benefits**

Salaries at TEB are paid monthly in a net amount after all legally-mandated deductions have been taken out of base pay. In addition to this monthly salary, all TEB employees may also be paid performance-based success/sales percentages or performance bonuses. The performance-based payments made by the bank in 2014 in total corresponded to 1.8 times the average monthly base pay of the personnel receiving them.

Depending on their job duties and positions, TEB employees may also be provided with company-owned vehicles and/or mobile phones for their use. All TEB employees are covered by the company’s private health and life insurance plans. The non-employed spouses and children of TEB employees also benefit from this health insurance coverage. TEB may, at their option, joint the employer-contributing private pension system that the bank runs.

Headquarters unit personnel take advantage of the restaurant and cafeteria services provided on TEB campuses. Regional and branch unit personnel are provided with meal tickets. Transportation services are provided for headquarters unit personnel. Statutorily-mandated rules and procedures apply to annual paid leave. Company-supplied social amenities are available for the use of all TEB employees and their families.

### **TEB Saklıköy Formation Academy**

Located at Saklıköy in the Beykoz district of İstanbul, the TEB Formation Academy is not just a training center but also a place where employees and their families can take advantage of the academy’s sport, art, workshop, and restaurant facilities and activities.

TEB Formation Academy also serves as a venue for the important meetings of

headquarters groups, business lines, TEB Group companies, and BNP Paribas.

### HR Solution Center

Set up to be the first point of contact for the submission of questions and requests from internal and external customers about TEB's human resources practices and to respond quickly and correctly to queries and thereby to increase satisfaction and serve as a communication platform concerning such matters, the Human Resources Solution Center continued to perform its functions in 2014.

In 2014 the HR Solution Center also began using Whatsapp, an instant messaging app for smartphones, as a way of receiving and responding to HR-related queries and views.

### A Great Place to Work

The TEB Human Resources Group serves as a Change Management leader on strategic projects undertaken at the bank.

The TEB Great Place to Work (GPTW) Project, whose goal is to create a workplace that people most want to work in and to make TEB the banking industry's most preferred employer, has racked up many successes since it was launched in 2012.

One of the most important contributors to that success is the fact that TEB's management engages in sincere and open communication on such issues because making TEB a great place to work is a goal that every TEB executive believes in and identifies with.

TEB has set up The Employee's Voice Platform. Consisting of 600 representatives from all organizational groups at the bank, this platform is the first undertaking of its kind in the Turkish banking industry. The Employee's Voice Platform supports employees' efforts to involve themselves in decision-making

processes on issues that affect them. It does this by enabling employees to convey their feelings and thoughts about TEB's journey towards becoming A Great Place to Work to the Human Resources Department and to management and to keep everyone informed about action taken in response to such feedback. As such, The Employee's Voice Platform is pointed to as a successful model in the sector.

In the GPTW Trust Index survey, TEB jumped by 15 percentage points in two years to a 70% Trust Index. During the same two years, the percentage of employees agreeing with the statement "Overall I would say that this is a very good workplace", which serves as the basis for the "General Perception Score" in the survey, jumped by 21 points to 73%.

As in the year before, bank-wide action plans were formulated under six main headings and put into effect under HR oversight.

HR Work Partners representing each group at HR meet with HR regional managers serving as HR representatives in each region, with bank group heads, and with departmental and regional managers to review the progress of action plans.

HR Work Partners and HR regional managers also meet with their colleagues in the group/region for which they are responsible to hear complaints and receive feedback.

Last year a Best Practices Forum was also conducted during which group and regional managers' practices were reviewed and evaluated and the best practices within the TEB Group were identified and congratulated.

In the area of "Career & Development", one of the six main headings of the bank-wide action plan, "Personal Development Plan" training was provided during 2014.

In the area of “Healthy Working Conditions”, another of the six main headings of the bank-wide action plan, rules were introduced concerning working hours, which were also systematically monitored in order to help employees better manage their work/life balance.

### **The only financial institution to receive “Top Employer Turkey 2014” and “Top Employer Europe 2014” citations**

As a result of its efforts to be a Great Place to Work in line with its “Value The Employee” management principle, Top Employers Institute, an internationally-respected corporate research foundation, cited TEB as one of the best employers in Turkey and Europe. In 2014 TEB was awarded both the institute’s “Top Employer Turkey” and its “Top Employer Europe” citations.

### **TEB internal communication activities**

#### **TEB Passport**

TEB Passport is a handbook that deals with a number of priority issues and has been prepared to make it easier for newly-hired TEB employees get up to speed faster during their first days at the bank. It is published on IntraTEB.

#### **TEB employee gatherings**

Enjoyable activities such as “Inspirational Talks” and the annual New Year’s party are gatherings that bring TEB employees together and spend some time with one another.

#### **TEB bulletins**

NevarNeyok [WhatsUp] is a weekly in-house e-bulletin that keeps employees informed about TEB-related news and current events.

#### **Special day celebrations**

Many different activities are organized with the aim of enhancing employee solidarity and company loyalty. Celebrations are held to commemorate special days such as Teachers’

Day, New Year’s Day, and the bayrams. On such occasions employees are sent gifts and letters and congratulatory messages are posted.

#### **Managers Summit**

As usual, a Managers Summit was held in 2014 in order both to inform lower-management echelons and to convey senior management messages about a variety of issues.

#### **TEB Sports Academy**

Intramural sports meets and other events are organized as ways of protecting employee health, strengthening team spirit and an “Us” awareness, increasing employees’ company loyalty, and creating social and communal benefit as an expression of social responsibility. For much the same reason, employees are also encouraged to take part in extramural sports and to represent the company as members of bank-sponsored teams.

The highlights of TEB Sports Academy activities in 2014 are briefly summarized below.

- Intramural Football Tournament and Intercompany Football Tournament
- Corporate Basketball League Tournament
- Intercompany Volleyball Tournament & Matches
- Eurasia and Runatolia marathons
- Intercompany Tennis Tournament Tennis Cup
- Pilates classes

#### **TEB Club**

TEB Club organizes activities in areas of interest to company employees that are intended to bring them together outside the workplace as well. Among the most popular TEB Club activities are its music and dance groups specializing in different styles.

### HR Help Us Help You

In 2014 the TEB Human Resources Group organized 29 “HR Help Us Help You” meetings for headquarters and regional unit personnel that were attended by more than 4,000 TEB employees. During these meetings:

- The results of “Global People Survey 2014” conducted by BNP Paribas were discussed.
- The results of the “Great Place to Work” employee survey were discussed.
- Action to be taken throughout the bank based on the results of these two surveys was explained.
- Employees’ feedback on these and other issues was solicited and all questions were clearly responded to.

### Breakfast meetings for newly-hired employees

Breakfast meetings are organized at regular intervals to solicit newly-hired employees’ first impressions.

### BNP Paribas Communication Tools

Ambition, an in-house magazine published for BNP Paribas’s 190,000 employees in 78 countries and “Starlight”, the group’s internet TV broadcasts were made available in Turkish last year. TEB-related news items appeared on Echonet, the BNP Paribas corporate intranet.

### Innovation at TEB

Having been cited as an exemplar of innovation by Gartner, a world-famous research company that has been studying the subject continuously since 2007, in 2013 TEB became the recipient of the European Financial Management Association’s “Most Successful Bank in Innovation Management” for the fourth year in a row.

In 2014, TEB continued to provide its customers with innovative products and services while also fostering innovation culture by encouraging its own customers and employees as well as university students and

technology entrepreneurs through innovation-related activities.

Taking its efforts on behalf of innovation one step further, TEB launched an in-house Entrepreneurship Program, the first of its kind in the Turkish banking industry, in order to initiate an ecosystem that would encourage entrepreneurial-spirited employees to discover and demonstrate their innovative creativity and performance abilities.

### TEB In-House Entrepreneurship Program

By fostering an entrepreneurial corporate culture through its In-House Entrepreneurship Program, TEB continues to transform its employees into entrepreneurial-spirited human resources who play an active role in the evolution of products, services, and processes, who dedicate themselves to their work and display initiative as a business-owner would, and who have a strong sense of responsibility and loyalty to the company. In this way, TEB encourages “In-House Entrepreneurs” who are capable of coming up with and carrying out innovative projects that have the power to shape the bank’s future.

The TEB In-House Entrepreneurship Hackathon that the bank organizes is intended to provide a marathon environment in which innovative, creative, and entrepreneurial employees come together and develop projects by sharing ideas with one another. TEB continues to back employees in their efforts to transform innovative ideas into profitable business activities through training and mentoring support.

The TEB In-House Entrepreneurship Program is an important undertaking in that it nourishes both the Startup Banking business line and the TEB Private Banking Angel Investment Platform that TEB created to support the entrepreneurial ecosystem.

### Annual TEB Innovation Competition

In 2014 the eighth TEB Innovation Competition was held. One of the most outstanding examples of the bank's efforts to promote innovation among the public at large, the competition is an annual event that is now much looked forward to.

Making life easier for its customers through the innovative and creative products and services that it offers them, TEB regards innovation as an important element of its brand-differentiation strategy.

In 2014 alone, some 13,400 projects were submitted to TEB for consideration as entries in the year's competition. The bank's [www.icatcikar.com](http://www.icatcikar.com) website, through which submissions are made, received 175,000 visitors from 102 countries last year.

TEB transforms innovative ideas received from customers, university students, and newly-graduated young professionals into products and services for TEB customers.

The more than 1,700 contest submissions in the "Technological Entrepreneur" category served as an importance resource for TEB Startup Business Banking.

Along with their prizes, the competition's finalists are also presented with career opportunities at TEB. To date, eight TEB Innovation Competition finalists have joined the TEB family.

### TEB Spark Portal

TEB employees share their innovative product and service ideas among one another through the bank's in-house innovation portal "Spark". Ideas submitted through the portal are considered for possible practical use.

TEB's "Idea of the Week" program, which is conducted all year long, is a chance for TEB employees to submit ideas about how to deal

with a different bank-related issue every week.

The in-house "Be Inventive" competition, which is also conducted every year to increase TEB employees' awareness of innovation and creativity-related issues, encourages TEB personnel from different units to join up as a team and come up with ideas. The innovative projects that they develop then go head-to-head with each other in a spirit of friendly competition that is intended to promote teamwork and team spirit.

To date, 372 of the innovation and improvement ideas submitted by TEB employees through the TEB Spark Portal have been put into effect; work is currently in progress on another 53 projects.

### Annual TEB Innovation Conference

The seventh round of the TEB Innovation Conference, which is held every year and attended by TEB employees, customers, and internationally renowned speakers, was held in 2014. Each year's conference focuses on a particular theme.

TEB Innovation Conference themes

2014: Keep It Simple & Think Outside The Box

2013: Innovation for Changing Consumer Trends

2012: New Generation Banking in a Digital World

2011: Innovation in the Customer Experience

2010: Tomorrow's Innovation Today

2009: Overcoming Tough Times through Innovation

2008: Open Innovation

During the 2014 TEB Innovation Conference, whose theme was "Keep It Simple & Think Outside The Box", leading sectoral pundits took the podium and spoke on the importance of coming up with innovative solutions by thinking simply about how to develop products and services capable of satisfying

customers' expectations. The conference also provided an occasion for employees who submitted the most creative ideas through the TEB Spark Portal and in in-house innovation competitions and for the winning customers, university students, recent graduates, and technology entrepreneurs in the TEB Innovation Competition to receive their prizes.

#### **University activities, TEB Innovation Campus**

In 2014 the TEB Human Resources Group continued to reach out to talented young people through its university campus activities that sought to introduce them both to TEB and to its career possibilities. Last year these events were conducted on the Koç, Galatasaray, Boğaziçi, ODTÜ, İTÜ, Sabancı, Bilkent, YTÜ, İstanbul, Marmara, Bahçeşehir, Hacettepe, 9 Eylül, and Ege university campuses.

TEB Innovation Campus is a program designed to acquaint junior- and senior-year university students with innovation through unconventional training activities, to provide a work environment in which innovation and creativity are supported and rewarded, and to engage in enjoyable chats with TEB senior executives. Four events were conducted in this program during 2014. They were attended by a total of sixty students, to the most successful of whom traineeship and job offers were made.

#### **TEB Innovation Awards**

At İnovaLİG 2014, an annual competition held to identify Turkey's innovation leaders, TEB received the "Turkey Innovation Champion" award in the "Innovation Resources" category.

Both the TEB Startup Business Banking and TEB Enterprise House programs that TEB conducts and the TEB Angel Investment Platform that it launched in 2014 were the recipients of BNP Paribas Innovation Awards.

In the area of human resources, the efforts that TEB initiated to be a Great Place to Work in line with its "Value The Employee" principle continued in 2014 and earned the bank an IRB Innovation Award.

#### **Quality activities at TEB**

TEB's operational processes are all subject to ISO 9001:2008 Quality Management System, ISO 14001 Environmental Management System, and ISO 10002 Customer Satisfaction Management System certification.

The operations and management of all three systems are integrated. The systems are audited annually by Bureau Veritas, with the results of each year's audit being used as input for further improvements. TEB is the first deposit-taking bank in Turkey to have been awarded ISO 14001 certification.

#### **Training at TEB**

Recognizing that qualified and well-trained human resources are the most critical distinguishing factor in the financial services industry, TEB seeks to support the personal and professional development of its employees in the most effective way possible. Training conducted with this approach in mind is concerned with development and change projects undertaken with the benefit of both internal and external resources, with internal customer service standardization in conjunction with training centers, and with similar issues.

In 2014 TEB expanded its in-house training staff. The bank also worked on projects to make more effective use of internal resources and to make digital platforms incorporating the latest training technology an essential element of all of its training programs.

Average training time per person at TEB in 2014 was 74 hours, which corresponds to a 4% year-on increase in training time. A total of 10,671 TEB employees took part in classroom

training, which made up 59% of total training time, with the remainder consisting of e-learning (38%) and on-the-job training (3%). TEB's own instructor personnel provided 66% of all in-house training.

In line with TEB's training & development strategies and objectives in 2014:

- Newly-hired personnel were provided with orientation, basic, and OJT training.
- A "personalized development plan" was written up for each employee.
- More comprehensive (18-month) personalized development plans were formulated for bank employees who had been singled out as having high potential and/or for demonstrating superior performance.
- Training for management personnel at the Leadership Academy consisted of the Executive Leadership Program, performance management and coaching skills training, the Management Skills Development Program, 360° Feedback Reporting, Generation-Y training, and training on different ways to cope with stress.
- Extramural (in-country, international, BNP Paribas) training was provided to employees in line with their job descriptions and/or based on their particular needs.
- TEB's catalogue of focused programs (SME Guidance, Specialist, Business Counseling, Individual Family Counseling) was enlarged with the addition of "Corporate Banking Academy", a program newly introduced with the aim of creating the banking industry's best corporate banking team.
- Another new addition to the same catalogue was "Agricultural Specialist Training", which teaches bank employees how to advise agricultural loan customers on such issues as business strategies and processes, business plans, production strategies, and cashflow.
- Training was provided and examinations were conducted on such issues as: performing mandatory essential checks of the validity and

regulatory compliance of information and documents before using them as the basis for banking transactions; avoiding any losses to the bank in the conduct of customer services; ensuring customer satisfaction.

- English-language classroom training was provided to personnel.
- Employees' English-language skills were tested.
- Basic occupational health & safety training was provided to personnel as required by the Occupational Health & Safety Act (Statute 28339 dated 30 June 2012) and by "Regulation 28648 dated 15 May 2013 concerning procedures and principles applicable to occupational health & safety training for employees".
- Bank employees took part in mandatory Capital Markets Board, Private Pension System, and Insurance Training Center training programs and examinations as required by their job descriptions.
- Under the heading of Change Management, comprehensive change management programs were designed to help TEB employees better adapt to the changes resulting from such new projects as MOSAIC, KREDİJET, and CEPTETEB. Kick-off meetings attended by all employees were held during which senior management explained the essential goals and benefits of these projects; e-learning programs were prepared concerning the systemic changes they involved; individuals selected to be "project ambassadors" were provided with more detailed knowledge about the project; role-specific behavioral training was prepared. Employees who would be serving as team leaders were trained to be coaches capable of helping others adapt to the new ways they would be doing their jobs.

In addition to the foregoing classroom training programs:

- A "Mobile Learning Platform" was added to

the TEB Digital Campus.

- A hybrid learning approach was adopted that gives trainees access to instructional videos supporting training programs, virtual training associated with classroom training, and a variety of reading materials throughout the entire learning process.
- Work was carried out in order to further enrich TEB's existing e-learning catalogue with the addition of virtual training and game-based training programs dealing with a variety of subjects.



## TEB FINANCIAL SERVICES GROUP

### TEB FACTORING

One of the three biggest firms in its sector, TEB Factoring supplies corporate and commercial firms and SMEs with export, import, and domestic factoring products and services.

In a year in which economic growth lost momentum, TEB Factoring nonetheless boosted its business volume from TRY 8.5 billion in 2013 to TRY 9.0 billion in 2014 while its total assets increased by 19%. Despite the low interest rate environment in Turkey last year, the company succeeded in maintaining its net profit performance and posted a 22.93% rate of return on equity and a 1.27% rate of return on assets.

A comparison between TEB Factoring and other factoring firms shows that it enjoys one of the highest rates of operational productivity in the industry.

In 2014 TEB Factoring increased the total number of customers in its portfolio to 19,861. As of year-end, the company had 2,757 active customers which it was serving with 131 employees working through 18 branches.

A member of Factors Chain International (FCI), the world's biggest and most important international factoring organization with 275 members in 76 countries, TEB Factoring was voted "Best Factoring Company" by the FCI membership five times, receiving the accolade consecutively for four years in a row between 2009 and 2014. Last year TEB Factoring maintained its standing as the firm whose international factoring business ranked second only to that of Bank of China throughout the world.

2014 was a year in which Turkey's economic growth slowed down despite it being an election year. Although the demand for credit insurance products increased last year, they have still not reached the stage of widespread use.

TEB Factoring believes however that credit insurance, especially products catering to the needs of the domestic market, will be seeing

greater use in 2015 and the years that follow. Those factoring companies that are moving forward rapidly in this direction can be expected to develop products capable of changing the sector's league table rankings in the near future. Having itself installed the infrastructure needed for these products, TEB Factoring will be devoting more attention to guaranteed factoring operations in an effort to expand its own market share in this business line.

In 2015 TEB Factoring also plans to make greater progress in the sale of products developed jointly with BNP Paribas companies around the world. While doing so, it will also maintain its standing as the Turkish factoring company that is the most widely recognized in the international trade arena.

## TEB ASSET MANAGEMENT A.Ş.

**With more than TRY 3.7 billion worth of assets under its management, TEB Asset Management A.Ş. is the sixth biggest company in Turkey's asset management and investment advisory industry. TEB Asset Management A.Ş. seeks to ensure that its individual and corporate customers' portfolios are managed in the most effective way possible by determining an optimal mix of financial instruments that is the most compatible with the customer's risk appetite.**

Thanks to its extensive domestic and international delivery channel reach, as of December 2014, TEB Asset Management A.Ş. had:

- A 4.59% market share of mutual funds worth a total of TRY 1.6 billion
- An 8.23% market share of actively managed mutual funds
- TRY 214 million worth of funds under management in discretionary portfolios
- TRY 146 million worth of funds under management through its Corporate Asset Management A.Ş. Service
- A 3.06% market share of mutual funds worth a total of TRY 1.16 billion
- TRY 758 million worth of international funds under management.

Founded in 1999, TEB Asset Management A.Ş. introduced asset management services in June 2004 and has been providing corporate asset management services since the end of 2005. The latter business line, which was launched in order to manage the assets of foundations, associations, institutions, and similar corporate entities, involves investing customers' assets in three different Turkish lira and foreign currency denominated classes consisting of bonds, absolute-yield instruments, and equities.

The synergies arising from TEB Asset Management A.Ş.'s collaboration with BNP

Paribas Investment Partners, a leading player in euro-zone asset management, are speeding up our company's progress towards becoming a global force in its own right. This collaboration gives TEB Asset Management A.Ş. the ability to enter into increasingly more strategic partnerships with multinationals, a process that is furthered by roadshows promoting the company and its services to potential investors in Europe (Austria, Switzerland, France, UK) and the Far East (Japan, Singapore).

TEB Asset Management A.Ş. was given responsibility for the management of the Turkish Equity Mother Fund, a Japan-based fund whose EUR 128 million in assets make it one of the largest equity funds to invest in Turkish equities, and of the Parvest Turkey Fund (EUR 108 million). As a consultant for a number of other international funds (total EUR 33 million) investing in Turkish equities, TEB Asset Management A.Ş. is Turkey's biggest asset management company active in this business line.

### **TEB Asset Management A.Ş. gives great importance to the design and issue of new products.**

In keeping with its culture of innovation, TEB Asset Management A.Ş. is a company that has expanded Turkey's investment horizons with its Eurobond Fund, its BRIC Fund, Absolute-Yield Targeting Fund, and Tactical Allocation Fund.

The three TEB Asset Management A.Ş. products which were the most popular with investors and which drove the company's business in 2014 were the TEB Private Sector Bond & Bill Fund, the TEB Eurobond Fund, and the Absolute-Yield Targeting Fund.

### **The overall performance of the funds managed by TEB Asset Management A.Ş. in 2014 was high.**

As of end-2014, most of the primary mutual funds managed by TEB Asset Management A.Ş. generated above-benchmark returns while the performance of its international funds and equity-weighted pension funds ranked among the highest in their respective categories. The TEB Private Sector Bond & Bill Fund has been in first place ever since its launch in May 2013.

**2015 is expected to be an even more difficult year for capital markets than 2014 was.**

With Turkish parliamentary elections due in June 2015 making the political horizon even cloudier than usual, the US Federal Reserve having ended its asset-buying program with the US economy on the mend and even hinting that it might start raising interest rates, persistent economic oldrums in Europe and Japan despite efforts to counter them, some of the weakest growth figures to come out of China in 24 years, and a Russian economy reeling from sanctions imposed because of strife in Ukraine, there are strong reasons for thinking that 2015 is going to be a tough year in general and for expecting that it's going to be an extremely volatile one in Turkey's capital markets in particular.

In such a global climate as this, TEB Asset Management A.Ş. will continue to introduce new products to the market in keeping with its innovative approach while also protecting both its customers and itself against potentially harmful market risks by guiding investors towards the right investment options at the right time and by exploring and taking advantage of opportunities to increase market share through cooperation with its domestic and international stakeholders.

## TEB INVESTMENT A.Ş.

**Founded in 1996, TEB Investment is a brokerage house that engages in capital market operations subject to Turkish capital market laws and regulations.**

TEB Investment's services include:

- Capital market instrument trading brokerage
- Capital market instrument issuances and public offerings
- Capital market vehicle margin-trading, shorting, borrowing, and lending
- Capital market vehicle repurchases/buybacks
- Domestic and international derivative trading brokerage and custody services.

TEB Investment's vision is informed by the principles of being one of the best and most trusted capital market brokerages; expanding its customer portfolio through the use of advanced technology and by competing at the highest level in response to customer wishes and market trends while always abiding strictly by the requirements of law and the dictates of ethical conduct; achieving the highest possible level of customer satisfaction.

In keeping with this vision, the company has made it its mission to give its customers the best possible service by:

- Maintaining a dynamic and effective personnel structure
- Keeping abreast of advances in technology
- Paying heed to customer feedback
- Taking time to understand customers' needs.

TEB Investment supplies its domestic and international customers with a broad array of products and services through delivery channels that are shaped according to different customer profiles. This approach makes TEB Investment a hub through which investment products such as equities, forward contracts, mutual funds, bonds & bills, and

repo contracts and their related services and information flow to corporate finance departments, researchers, international capital markets, investment centers, and online trading platforms.

TEB Investment distinguishes itself in the sector through:

- Experienced human resources capable of serving individual and corporate customers effectively
- Research services provided by an experienced team of research specialists
- Superior local know-how and collaboration with its global partner.

In 2014 TEB Investment ranked 7th in Borsa İstanbul equities market trading with a market share of 4.11% worth TRY 71,787 million. In trading on the Borsa İstanbul futures & options market it ranked second with a market share of 10.89% worth TRY 94,679 million.

## THE ECONOMY BANK N.V.

**Founded in Holland in 1998, TEB N.V.'s mission is to be one of the most effective and service-focused players in Turkish and European financial markets as a service provider that specializes in international trade and commodity finance.**

TEB N.V. joined the BNP Paribas family in 2005. Benefiting from the extensive correspondent network of one of the world's biggest financial institutions, the bank immediately set about serving customers in 78 countries. Taking advantage of BNP Paribas's credit-risk analysis systems, TEB N.V. continues to benefit from groupwise synergies in the successful management of its trade and commodity finance portfolios.

TEB N.V. distinguishes itself through:

- A highly liquid balance sheet consisting mainly of short-term assets
- Experienced human resources
- A strong focus on effectiveness and transparency
- A solid economic structure resulting from risk-mindful approaches and practices
- A customer-centric, solution-focused business approach.

## 2014 performance

As in previous years, TEB N.V. once again conducted its operations showing liquidity and capital adequacy ratios above industry averages in 2014.

As of end-2014, TEB N.V.'s balance sheet amounted to EUR 504.7 million. During the previous twelve months, its shareholders' equity increased by a net EUR 5.7 million and reached EUR 105.5 million.

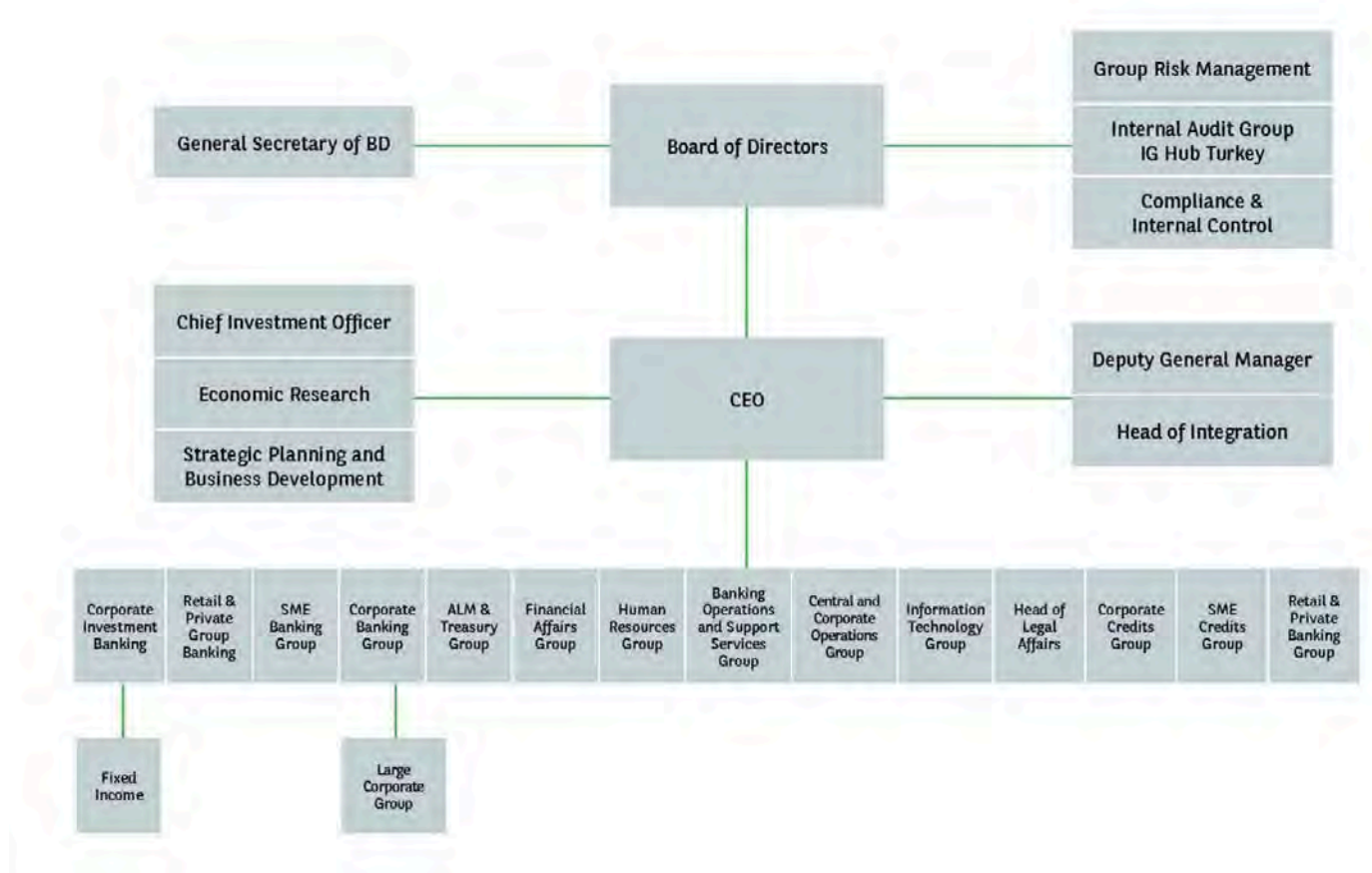
TEB N.V.'s gross operating revenues amounted to EUR 15.6 million in 2014. Last year the bank booked EUR 25.7 million as interest income, EUR 3.7 million as net fees and commissions, and EUR 1.7 million as specific loan provisions. In 2014 TEB N.V. showed a net profit of EUR 4.6 after tax and provisions while its shareholders' equity reached EUR 105.5 million.

TEB N.V. negotiated a total of EUR 1.1 billion worth of international trade in 2014.

Having earned the appreciation of its stakeholders for its expert team, solid financials, and a long-standing reputation for superior-quality service, in 2015 TEB N.V. will continue to provide trade and commodity finance solutions that focus on customer satisfaction and are consistent with its effective risk management policies.

## SECTION 2 - - MANAGEMENT AND CORPORATE GOVERNANCE PRACTICES

### TEB HEAD OFFICE 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
Jacques Roger Jean Marie Rinino	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 – 1995	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
1960 – 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
Current Business Affiliation	
2013 - present	DEİK Turkish - French Business Forum, Vice President
2001 – present	DEİK Turkish – Holland Member of the Board, 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

<b>Dr. Akin Akbaygil, Deputy Chairman</b>	
1988 - present	TEB A.Ş. Deputy Chairman
2011 – April 2014	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 A.Ş., 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 A.Ş., 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 N.V., 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 A.Ş., Director of Foreign Affairs Istanbul University, Faculty of Economics, BA and PhD

<b>Ümit Leblebici, Executive Member and General Manager</b>	
2013- September – present	Türk Ekonomi Bankası A.Ş., Executive Director and General Manager
2013 February – September	Türk Ekonomi Bankası A.Ş., Deputy General Manager
2001 – 2013	Türk Ekonomi Bankası A.Ş., Assistant General Manager, Treasury and ALM
2013 April – September	Türk Investment A.Ş., Chairman
2012 – December 2014	TEB Asset Management A.Ş., Chairman
2011 – 2012	TEB Asset Management A.Ş., Board Member
1999 – 2001	Türk Ekonomi Bankası A.Ş., 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



<b>Jean-Paul Sabet, Deputy Chairman</b>	
2013 January – Present	Deputy Head of International Retail Banking
2010 – 2012	BNP Paribas, International Retail Banking, Head of Turkey Zone
2011 – present	BNP Paribas Investment Holding A.Ş., Chairman BNP Paribas Fortis Investment Holding A.Ş., Board Member
2010 – present	TEB A.Ş. Deputy Chairman TEB Holding A.Ş. Board Member BNP Paribas International Retail Banking Turkey BNL Banca Nazionale del Lavoro, Italy Board Member
2006 – 2009	BNL/BNP Paribas Italy, C.O.O.
2004 – 2006	French Retail Banking Management Committee, Member Head of BNP Paribas Finance and Strategy Department
1998 – 2003	KLEPIERRE Fransa, Board Member
1996 – 1998	Societe Centrale D’Investissements, France
1976	H.E.C Ecole des Hautes Etudes Commerciales
Current Business Affiliation	
2014 October – Present	Bank Gospodarki Zynosciowej S.A., Board Member
2013 April – Present	JSC “UkrSibbank”, Board Member
2013 April – Present	BNP Paribas Polska S.A., Chairman of the Audit Committee
1998 August – Present	LDC, Member of Audit Committee

<b>Alain Georges Auguste Fonteneau, Member</b>	
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 Responsible for Asset & Liability Management of BNP Paribas Group
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
Current Business Affiliations	
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

<b>Jean-Milan Charles Dominique Givadinovitch, Member</b>	
2010 – present	BNPP Yatırımlar Holding A.Ş., Board Member BNPP Fortis Yatırımlar Holding A.S., Board Member
2011 – 2014 December	TEB Asset Management A.S., Board Member
2011 – present	TEB A.Ş., Board Member and Head of Audit Committee TEB Factoring Board Member The Economy Bank N.V. Board Member
2011 - present	TEB Investment A.Ş., Board Member
2010 – 2011	Fortis Investment A.Ş., Deputy Chairman
2009 - 2010	TEB Investment A.Ş., Deputy Chairman
2002 - 2008	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

<b>Ayşe Aşardağ, Member</b>	
2012 August – present	Ekonomi Investment Ltd, Director
2011 - December -2014	TEB Asset Management A.Ş. Board Member
2012 – present	TEB Investment A.Ş., Deputy Chairman TEB Consumer Finance, Deputy Chairman
2010 – present	TEB A.Ş. Board Member
2011 – present	TEB Factoring A.Ş. Board Member The Economy Bank N.V. 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 A.Ş.; 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 A.Ş.; TEB Factoring A.Ş., TEB Investment, Auditor

2001-2010	TEB Auditor
2001-2007	TEB Insurance, Board Member; TEB Asset Management A.Ş., 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

2013 May – Present	BNP Paribas Yatırımlar Holding A.Ş., Board Member BNPP Fortis Yatırımlar Holding A.S., Board Member
2013 February – Present	TEB A.Ş., Audit Committee 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.
1993 – 1996	Undersecretariat of Treasury, Vice Chairman of the Board of Sworn Bank Auditors
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

<b>Jacques Roger Jean Marie Rinino, Member</b>	
2014 March – present	TEB A.Ş. Board Member
2011 – present	BNP Paribas, Head of Risk, International Banking
1998 – 2001	BNP Paribas, Head of Risk, Emerging Markets
1992 – 1997 –	PNP Paribas, Head of Commercial Banking Group, Greater China Hong Kong Branch
1988 – 1991 -	BNP Paribas Paris, Deputy Head of North America
1986- 1988	BNP Paribas Paris, Deputy Head of Middle East and Europe
1980 – 1986	BNP Paribas, Bank’s representative in SE Asia (Indonesia and Singapore)
1977 – 1980	BNP Paribas, Export and Project Finance Department
1974	DESS (Master 2) Paris University, Pantheon-Sorbonne, France

<b>Musa Erden, Member</b>	
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 S.h.A. Chairman, TEB Leasing A.Ş., 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 A.Ş., Auditor
2005 – 2006	TEB A.Ş. Auditor
2003 – 2003	MNG Bank A.Ş., 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

<b>Henri Simon Andre Foch, Member</b>	
2013 March – present	TEB A.Ş., Board Member
2011 – 2014	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

<b>Alain Kokocinski, Independent Member</b>	
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
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
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
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

<b>İsmail Yanık, Independent Member</b>	
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 N.V., Audit Committee Member
2005 – 2006	TEB Investment A.Ş., 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 Investment A.Ş., Board Member
1999 – 2005	TEB Kıymetli Mad. A.Ş., Chairman
1998 – 2005	TEB N.V., Board and Audit Committee Member, TEB Varlık IN.V.estment 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	ODTÜ, Industrial Engineering, BS

## EXECUTIVE MANAGEMENT

### General Manager, Assistant General Managers and Their Responsibilities in the Bank

Ümit Leblebici	Executive Member and General Manager	
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	Assistant General Manager	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
Akil Özçay	Assistant General Manager	Fixed Income
Ömer Abidin Yenidoğan	Deputy Head of Corporate Investment Banking (Assistant General Manager)	Corporate Investment Banking
Eric Patrice Paul Jossierand	Assistant General Manager	Financial Control(Affairs) Group

### Managers of Internal Systems

Hakan Tıraşın	Internal Audit Group
Pascal Alfred J. Gilliard	Chief Risk Officer
Birol 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 A.Ş., Executive Director and General Manager
2013 February - September	Türk Ekonomi Bankası A.Ş., Deputy General Manager
2001 - 2013	Türk Ekonomi Bankası A.Ş., Assistant General Manager, Treasury and ALM
2013 April – September	Türk Investment A.Ş., Chairman
2012 – December 2014	TEB Asset Management A.Ş., Chairman
2011 – 2012	TEB Asset Management A.Ş., Board Member
1999 – 2001	Türk Ekonomi Bankası A.Ş., 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

<b>Gökhan Mendi, Senior Assistant General Manager, Retail and Private Banking</b>	
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

<b>Turgut Boz, TEB A.Ş., Deputy General Manager and Senior Assistant General Manager , SME Banking Group</b>	
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 A.Ş., Board Member
2004 -2010	TEB Leasing A.Ş., 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



<b>Levent Çelebioğlu, Assistant General Manager, Corporate Banking Group</b>	
2008 – present	Türk Ekonomi Bankası A.Ş., 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

<b>Mustafa Aşkın Dolaştır, Assistant General Manager, Financial Control</b>	
2008-present	TEB A.Ş.; Assistant General Manager, Financial Control
2007 February - 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. Istanbul; Group Head, Participations
1986-1989	Arthur Anderson & Co.; Istanbul, Lisbon, London and Cambridge Offices, Senior Auditor
1985-1986	The Central Bank of Turkey; Specialist
1984-1985	Istanbul Technical University; Operations Research Department
1983-1986	Istanbul Technical University Master Degree in Management Engineering
1979-1983	Istanbul Technical University Management Engineering

<b>Nilsen Altıntaş, Assistant General Manager, Human Resources Group</b>	
2005-present	TEB A.Ş., 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

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	Manager
1979-1987	TÜBİTAK- Marmara Scientific and Technical Research Institute, Chemical Technologies Group, Research Specialist
1987	Boğaziçi University, Associate Professor
1983	Istanbul Technical University, PhD in Industrial Chemical Engineering
1979	Boğaziçi University, MS in Chemical (Process) Engineering
1977	Boğaziçi University, BS in Chemical Engineering

<b>Gökhan Özdil, Assistant General Manager, Corporate Credits Group</b>	
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 İş Bankası A.Ş., Assistant Branch Manager
1981 – 1986	Middle East Technical University, Economics

<b>Nuri Tuncalı, Assistant General Manager, SME Credits Group</b>	
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 A.Ş., Loan Allocation Department, Director
1996-1999	TEB A.Ş., Loan Allocation Department, Manager
1989-1996	TEB A.Ş., Loan Control, Gayrettepe Branch, Loan Allocation, Assistant Manager
1986-1989	TEB A.Ş. Board of Inspectors, Inspector
1984-1986	Akbank A.Ş., Audit Department, Auditor
1978-1982	Boğaziçi University, Faculty of Administrative Sciences, Business Administration Department

<b>Osman Durmuş, Assistant General Manager, Retail and Micro SME Credits Group</b>	
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 A.Ş., Assistant General Manager, Legal Affairs
2005-present	TEB A.Ş., 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 A.Ş., Infrastructure Management, Group Director
2010 – 2011	Fortis A.Ş., Information Technologies, Director
2000 – 2010	TEB A.Ş., Infrastructure Management, Director
1997 – 2000	Demirbank A.Ş., Software Development, Manager
1995 – 1997	Metters Industries, Senior Software Engineer
1993 – 1995	Southern Illinois University, Graduate Assistant
1990 - 1992	Türkiye Kalkınma Bankası A.Ş., 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	
2014	ICC, Head of Security Committee
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 A.Ş., Officer, Export & Import Department
1978 - 1983	Middle East Technical University, Faculty of Economic & Administrative Science, Public Administration

Ömer Abidin Yenidoğan, Deputy Head of Corporate Investment Banking ( Assistant General Manager)	
2014 October - present	TEB A.Ş., Deputy Head of CIB, Assistant General Manager,
2003 - 2014	TEB A.Ş. Assistant General Manager, Banking Operations Group
2011- present	TEB Investment A.Ş., Board Member

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2013 - present	TKB BNPP IP JSC & LLC (Saint Petersburg – Russian Federation), Supervisory Board Member
2010 - 2014	Corporate Governance Association of Turkey; Board Member
2001-2003	TEB Retail Banking - Marketing Director
2000 - 2001	TEB Asset Management A.Ş.; Marketing Assistant General Manager
1997-1999	TEB Investment A.Ş.; International Capital Market Manager Assistant Expert
1995-1996	Citibank Türkiye; GCB
1994 - 1995	University of Nottingham, Financial MBA
1989 - 1994	Marmara University, BA in Political Sciences (French)

<b>Akil Özçay, Assistant General Manager, Fixed Income</b>	
2012 - 2013	TEB A.Ş., Investment, Chairman of the Board
2012 – 2013	TEB A.Ş., Asset Management A.Ş., Board Member
2011 - present	TEB A.Ş., Assistant General Manager, Fixed Income
2011- 2012	TEB A.Ş. Asset Management A.Ş., 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	TEB A.Ş., 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

<b>Eric Patrice Paul Josserand, Assistant General Manager. Corporate Investment Banking</b>	
2014 – present	TEB Yatırım Menkul Değerler A.Ş., Board Member
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
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

<b>Hakan Tıraşın, Head of Internal Audit</b>	
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

<b>Pascal Alfred J. Gilliard, Group Chief Risk Officer</b>	
2014 November - Present	TEB Sh.A, Board Member
2014 October – present	TEB A.Ş., Assistant General Manager, Group Risk Manager
2010 – 2014	BNP Paribas, Head of Risk Corporate, France
2008 – 2010	Fortis, Managing Director, Head of Financial Institutions Group Asia
2003 – 2006	Fortis, Head of Institutional Clients Belgium & Southern Europe
2001 - 2003	Fortis, Fixed Income Global Structured & Derivatives Products
1999 - 2001	ABN Amro Bank, Senior Account Manager, Structured Finance Group
1997 - 1999	Generale Bank/Fortis Bank, Corporate Banking, Senior Manager, International Corporate Officer
1992 - 1997	Generale Bank, Retail & Commercial Banking
1990 - 1992	Generale Bank, Management Trainee Program
1985 -1990	Ingenieur Commercial, Ecole de Commerce Solvay, Universite Libre de Bruxelles

<b>Birol Deper, Head of Compliance and Internal Control Group, Consumer Relations Coordination Officer</b>	
2013 November - present	TEB A.Ş., Consumer Relations Coordination Officer
2012 – present	TEB A.Ş., Head of Compliance Group and Internal Control Group
2011 - 2014	TEB Asset Management A.Ş., Auditor
2010 - 2012	TEB A.Ş. Compliance and Regulation Director
2009 - 2010	TEB A.Ş. Banking Regulation Director
2007 - 2013	TEB Cetelem A.Ş., Auditor
2006 – 2009	Banking Regulation Manager
2001 - 2006	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:**  
Jacques Roger Jean Marie Rinino  
Musa Erden  
Ümit Leblebici  
Associates/ Deputy Members  
Sabri Davaz  
Ayşe Aşardağ  
Committee meets as required

### 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 L.A.M. 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 2014 and 31 December 2013 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 2014 and Section VII, Articles 1 of the Independent Audit Report.

(%)	31.12.2014	31.12.2013
Share in total cash loans	0.20	0.05
Share in total non-cash loans	2.37	3.39
Share in total cash and non-cash loans	0.65	0.82

## ACTIVITIES FOR WHICH SUPPORT SERVICES ARE RECEIVED AND SUPPLIERS

COMPANY TITLE	SCOPE OF SUPPORT SERVICES TAKEN	EXPLANATION OF THE SERVICE
RM ARŞİV YÖNETİM HİZMETLERİ TİC. A.Ş.	ARCHIVES	ARCHIVES SERVICE AGREEMENT
SONOKLIK İLETİŞİM HİZMETLERİ VE TİCARET A.Ş.	INFORMATION SYSTEMS	AUTOMATIC EXTERNAL CALL SERVICE
İBM GLOBAL SERVICES İŞ VE TEKN.HİZM.TİC.LTD.ŞTİ.	INFORMATION SYSTEMS	EMERGENCY SITUATION SERVICES
CALLPEX ÇAĞRI MERKEZİ VE MÜŞTERİ HİZMETLERİ A.Ş.	CALL CENTER	UPDATE ADDRESS SEARCH SERVICE
CMC İLETİŞİM BİLGİSAYAR REKLAM VE DANISMANLIK HİZMETLERİ SAN. TİC. A.Ş.	CALL CENTER	EXTERNAL CALL AND TELEMARKETING SERVICE
PRONET GÜVENLİK HİZMETLERİ ANONİM ŞİRKETİ	SECURITY	OFF SITE ATM ALARM SYSTEMS LEASING AND SERVICE AGREEMENT
TEPE SAVUNMA VE GÜVENLİK SİSTEMLERİ SAN.A.Ş.	SECURITY	PRIVATE SAFETY AGREEMENT
SECURITAS GÜVENLİK HİZMETLERİ ANONİM ŞİRKETİ	SECURITY	PRIVATE SAFETY AGREEMENT
PRONET GÜVENLİK HİZMETLERİ ANONİM ŞİRKETİ	SECURITY	ALARM MONITORING CENTRE SUBSCRIPTION AGREEMENT
E-KART ELEKTRONİK KART SİSTEMLERİ SAN. VE TİC. A.Ş.	CREDIT CARD PURCHASES	PURCHASING CREDIT CARD PLASTIC AND CHIP AGREEMENT
PROVUS BİLİŞİM HİZMETLERİ ANONİM ŞİRKETİ	CREDIT CARD PURCHASES	PURCHASING CREDIT CARD PLASTIC AND CHIP AGREEMENT
FU GAYRİMENKUL YATIRIM DANISMANLIK A.Ş.	OPERATIONAL SERVICES	SERVICE AGREEMENT REGARDING MORTGAGE PROCESSES
PROVUS BİLİŞİM HİZMETLERİ ANONİM ŞİRKETİ	OPERASYONEL HİZMETLER	PRINTING AND ENVELOPING AGREEMENT
GROUP 4 SECURITAS GÜVENLİK HİZMETLERİ ANONİM ŞİRKETİ	OPERATIONAL SERVICES	CASH TRANSPORT SERVICES
COLLECTION PLATFORM YAZILIM VE DANISMANLIK A.Ş.	OPERATIONAL SERVICES	LEGAL PROSECUTION COLLECTION SEARCH
ASSECO SEE TEKNOLOJİ A.Ş.	OPERATIONAL SERVICES	CYBER POS SERVICES AGREEMENT
BANTAŞ NAKİT VE KIYMETLİ MAL TAŞIMA GÜVENL.HİZM.A.Ş.	OPERATIONAL SERVICES	T.C. CENTRAL BANK CASH WITHDRAWAL AGREEMENT
GÜZEL SANATLAR ÇEK BASIM LTD.ŞTİ.	OPERATIONAL SERVICES	CHEQUE PRINTING SERVICES AGREEMENT
BANTAS NAKİT VE KIYMETLİ MAL TASIMA GÜVENL.HİZM. A.Ş.	OPERATIONAL SERVICES	SECURITIES TRANSPORTATION, PROCESS AND PUTTING IN SAFE SERVICES AGREEMENT
BANTAS NAKİT VE KIYMETLİ MAL TASIMA GÜVENL.HİZM. A.Ş.	OPERATIONAL SERVICES	ATM SERVICES AGREEMENT
HOBİM BİLGİ İŞLEM HİZMETLERİ A.Ş.	OPERATIONAL SERVICES	CREDIT CARD EXTRACT PRINTING SERVICE MY HOBBY BLACK AND HIGHLIGHTED
RM ARSIV YÖNETİM HİZMETLERİ TİC. A.Ş.	OPERATIONAL SERVICES	SCAN DATA ENTRY OUTSOURCINGG
UZ GAYRİMENKUL YATIRIM DANİŞMANLIK A.Ş.	OPERATIONAL SERVICES	SERVICE AGREEMENT REGARDING MORTGAGE PROCESSES
PTT GENEL MÜDÜRLÜĞÜ ANKARA PTT BAŞMÜDÜRLÜĞÜ	OPERATIONAL SERVICES	LOAN APPLICATION AND PAY BACK FROM POST OFFICES
KONUT KREDİSİ COM TR DANİŞMANLIK A.Ş.	OPERATIONAL SERVICES	MEDIATOR AGREEMENT
İNNOVA BİLİŞİM ÇÖZÜMLERİ A.Ş.	OPERATIONAL	COMPANY OPERATION CENTER SERVICE

	SERVICES	AGREEMENT
ASSECO SEE TEKNOLOJİ A.Ş.	OPERATIONAL SERVICES	IVN SYSTEM TECHNICAL MAINTENANCE AGREEMENT
KEYTORC TEKNOLOJİ HİZMETLERİ VE DANIŞMANLIK SAN.TİC.LTD.ŞTİ	OPERATIONAL SERVICES	TEST CONSULTANCY SERVICE AGREEMENT
NTT DATA DANIŞMANLIK VE BİLİŞİM ÇÖZÜMLERİ LTD. ŞTİ.	OPERATIONAL SERVICES	MARKETING DATA WAREHOUSE CONSULTANCY SERVICE AGREEMENT
MT BİLGİ TEKNOLOJİLERİ VE DIŞ TİCARET A.Ş. KARBİL YAZILIM VE BİLİŞİM TEKNOLOJİLERİ TİC. LTD. ŞTİ.	OPERATIONAL SERVICES	CASH REGISTER POS AGREEMENT
HUGIN YAZILIM TEKNOLOJİLERİ A.Ş.	OPERATIONAL SERVICES	PAYMENT REGISTRATION EQUIPMENT SERVICE AGREEMENT
R2 SERVİS ELEKTRİK ELEKTRONİK VE BİLGİSAYAR TEKNOLOJİLERİ SANAYİ VE TİCARET A.Ş.	OPERATIONAL SERVICES	PAYMENT REGISTRATION EQUIPMENT SERVICE AGREEMENT
ARÇELİK A.Ş.	OPERATIONAL SERVICES	CASH REGISTER POS SLA AREA SERVICE AGREEMENT
CALLPEX ÇAĞRI MERKEZİ VE MÜŞTERİ HİZMETLERİ A.Ş.	MARKETING	EXTERNAL CALL, CREDIT CARD SALES AND MARKETING
ATP TİCARİ BİLGİSAYAR AĞI VE ELEKTRİK GÜÇ KAYNAKLARI ÜRT.PAZ.TİC.	SOFTWARE	MAINTENANCE AND DEVELOPMENT AGREEMENT
PROJE ENERJİ MÜH.SİS.ÜRT.DAN.VE TİC.ŞTİ.	SOFTWARE	CASH MANAGEMENT SOFTWARE SUPPORT SERVICES
KEY İNTERNET HİZM.BİLG.YAZ.DON.MÜH.MÜS.SAN VE TİC.LTD.STİ.	SOFTWARE	EXPERT SOFTWARE AGREEMENT
UCS BİLİŞİM SİSTEMLERİ LTD. ŞTİ.	SOFTWARE	INTERACTION TRACKER SOFTWARE PROCUREMENT AGREEMENT
MATRİKS BİLGİ DAĞITIM HİZ.A.Ş.	SOFTWARE	TEB PRIVATE BANKING IPAD APPLICATION
KEYSOFT YAZILIM HİZMETLERİ TİC.A.Ş.	SOFTWARE	HYPERION SOFTWARE LICENCE AND MAINTENANCE AGREEMENT
3-D BİLİŞİM TEKNOLOJİLERİ DANIŞMANLIK VE TEKNİK SERVİS LTD. ŞTİ.	SOFTWARE	NICE SOUND RECORDING MAINTENANCE AGREEMENT
MOR TEKNOLOJİ YAZILIM İLETİŞİM BİLİŞİM DANIŞMANLIK VE ENERJİ SAN.TİC.LTD.ŞTİ.	SOFTWARE	T.C. CENTRAL BANK INTERFACE SYSTEM INTEGRATION AND MAINTENANCE SUPPORT SYSTEM
RISK YAZILIM TEKNOLOJİLERİ SAN. EĞ.TİC.LTD.ŞTİ	SOFTWARE	MARKET RISK REPORTING MODUL AGREEMENT
EKSİ BİR ARTI BİR YAZILIM DANIŞ. SAN. VE TİC. A.Ş.	SOFTWARE	BRANCH CASH OPTIMIZATION SOFTWARE RENTAL AGREEMENT
FOREKS BİLGİ İLETİŞİM MERKEZLERİ A.Ş.	SOFTWARE	SERVICE FACILITATOR AGREEMENT
BT BİLGİ TEKNOLOJİLERİ BİLGİSAYAR YAZILIM HİZMETLERİ İTHALAT VE İHRACAT PAZARLAMA SANAYİ VE TİC. LTD.	SOFTWARE	SERVICE DESK PROJECT AND LICENCE AGREEMENT
VERISOFT BİLGİ İŞLEM TİC. VE SAN. A.Ş.	SOFTWARE	TEB POS MACHINE SOFTWARE IMPLEMENTATION ON OKC MACHINES AGREEMENT
İŞ ZEKASI YAZILIM DANIŞMANLIK HİZMETLERİ TİCARET A.Ş.	SOFTWARE	REAL/ACTUAL TIME CAMPAIGN MANAGEMENT PROGRAM AGREEMENT
FINANCIAL ENGINEERING ASSOCIATES A.Ş.	SOFTWARE	FINALYSE SOFTWARE AGREEMENT
RISK YAZILIM TEKNOLOJİLERİ DAN. EG. TİC. LTD. STİ	SOFTWARE ( BANKING )	RISKTURK SOFTWARE, PROCUREMENT, WARANTEES AND MAINTENANCE AGREEMENT
INNOVA BİLİŞİM ÇÖZÜMLERİ A.Ş.	SOFTWARE ( BANKING )	ADAPTORS USED IN COLLECTION AGENCY AND MAINTENANCE AGREEMENT

ETCBASE YAZILIM VE BİLİŞİM TEKNOLOJİLERİ A.Ş.	SOFTWARE ( BANKING )	LEGAL PROSECUTION SYSTEM AGREEMENT
INFINA YAZILIM A.Ş.	SOFTWARE ( BANKING )	FİNBASE CUSTODY SYSTEM AND PROJECT AGREEMENT
ECZACIBAŞI BİLİŞİM SAN.TİC.A.Ş.	SOFTWARE ( BANKING )	ELECTRONIC FORECLOSURE MANAGEMENT SYSTEM SOFTWARE LICENCE AGREEMENT
ERETİM BİLGİSAYAR HİZMETLERİ VA DANIŞMANLIK LTD.ŞTİ.	SOFTWARE ( BANKING )	CAMPAIGN MANAGEMENT TOOL LICENCE AND IMPLEMENTATION AGREEMENT
MOR TEKNOLOJİ YAZILIM İLETİŞİM BİLİŞİM DANIŞMANLIK VE ENERJİ SAN.TİC.LTD.ŞTİ.	SOFTWARE ( BANKING )	EFT2/EMKT INTERFACE SOFTWARE AND MAINTENANCE AGREEMENT
ECZACIBAŞI BİLİŞİM SAN.TİC. A.Ş.	SOFTWARE ( BANKING )	EBIFLOW PAYMENT ORDER SYSTEM LICENCE AND SERVICE AGREEMENT
ECZACIBAŞI BİLİŞİM SAN.TİC. A.Ş.	SOFTWARE ( BANKING )	MOBILINK MAINTENANCE AGREEMENT
FİNENKSUS BİLİŞİM ÇÖZÜMLERİ TİCARET A.Ş.	SOFTWARE ( BANKING )	SWIFT ALLIANCE SYSTEM SILVER YEARLY MAINTENANCE AGREEMENT
MATRİKS MOBİL YAZILIM ÜRÜNLERİ A.Ş.	SOFTWARE ( BANKING )	MOBILE PRACTICE DEVELOPMENT AND MAINTENANCE AGREEMENT
GENOM BİLİŞİM TEKNOLOJİLERİ DANIŞMANLIK VE TİC. A.Ş.	SOFTWARE ( OTHER )	HUMAN RESOURCES UPDATE AND TELEPHONE SUPPORT SERVICE
BNP PARIBAS SECURITIES SERVICES	SOFTWARE ( OTHER )	ABS CUSTODY SOFTWARE AGREEMENT
WINCOR NIXDORF BİLGİSAYAR SİSTEMLERİ A.Ş.	SOFTWARE ( OTHER )	SOFTWARE MAINTENANCE AGREEMENT
DATA MARKET BİLGİ HİZ. LTD. ŞTİ.	SOFTWARE ( OTHER )	OUTSOURCE SERVICE PURCHASE
KORA İNTERNET TEKNOLOJİLERİ VE VERİTABANI ÇÖZÜMLERİ SAN. VE TİC. LTD. ŞTİ.	SOFTWARE ( OTHER )	INFORMATION TECHNOLOGY SERVICE AGREEMENT
GAİA BİLGİ SİSTEMLERİ SAN. VE TİC. LTD. ŞTİ	SOFTWARE ( OTHER )	INFORMATION TECHNOLOGY SERVICE AGREEMENT
BNP PARIBAS	SOFTWARE ( OTHER )	CORTEX SOFTWARE LICENCE AGREEMENT
ŞİŞTAŞ SAYISAL İLETİŞİM SAN. VE TİC. A.Ş.	SOFTWARE	GVP MAINTENANCE AGREEMENT
OTO BAYİLERİ	MARKETİNG	RETAIL LOAN MARKETING SUPPORT FROM 386 AUTO DEALERS

## PERFORMANCE AND SALES BONUS

Total amount of TRY 84,4 million, consisting of TRY 71,0 million performance bonus, and 13,4 million sales bonus is reserved to be paid in 2015.

## 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 2014. 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 15,518 law cases against the bank totaling amount TRY 31,291,453 in 2014. Total 29,451 of cases sued before and during 2014 still proceeds, and TRY 37,355,454 provision has been reserved as of 31.12.2014.

## 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 239,841.62 during 2014. There are no juridical or administrative lawsuits applied against our Board of Directors.

## INFORMATION ON SUBSIDIARY SHARES

Following resolution was passed during Ordinary General Meeting dated on March 27<sup>th</sup>, 2014 that TEB Faktoring A.Ş.'s capital shall be increased by a total amount of TRY. 11,000.000.-, through payment of TRY. 9,379,369.32.- from Undistributed Profits under Extraordinary Reserve Accounts, TRY. 973,164.36.- from the Inflation Adjustment to Primary Reserve, and TRY. 647,446.32.- from the Inflation Adjustment to Secondary Reserve, from TRY.19,000,000.- to TRY.30,000,000.-. All procedures were completed and registered to Istanbul Trade Register. As a result of mentioned capital increase, TEB A.Ş.'s

share in TEB Faktoring increased to TRY 29,999.993.68 from TRY 18,999.996.

## INFORMATION/REMARKS REGARDING PARENT COMPANY

During 2014, there are no legal actions taken that would ultimately benefit parent company directly or indirectly. All the transactions between parent company 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.

During 2014, 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 in 2014.

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

One of the cornerstones of our country's banking industry, TEB A.Ş. completed 2014 with nearly TRL 63 billion worth of assets and TRL 45.4 billion worth of credit placements. Distinguishing itself with a solid lineup of products, services, and solutions in every aspect of modern banking, TEB A.Ş. has been contributing to Turkey's economic development and to its customers' wellbeing throughout the many decades since it was founded.

Today our bank engages with its strategic partner BNP Paribas in a collaborative effort that is rooted in mutual trust and respect. TEB A.Ş. stands constantly by its customers as it successfully manages even the most difficult economic conditions. By combining its tremendous understanding of Turkey's markets with the international service clout and vision of its global partner, TEB A.Ş. creates value through business models and strategies that are based on specialized knowledge and experience. Similarly the synergies that we create through our subsidiaries play a role in our ability to reach an even broader audience and to enhance the value that we can offer.

It therefore gives me pleasure to say that 2014 was a very successful year not just for our bank but also for our subsidiaries as well. We have achieved significant progress in every parameter from customer numbers to transaction volumes.

TEB A.Ş. provides multidimensional support to the small- and medium-sized businesses and to the entrepreneurs—women as well as men—that underpin every nation's economy. Our bank engages in exemplary efforts and invests in activities aimed at improving financial literacy and awareness throughout society. This is a matter which we see as being an essential element of our sense of social responsibility: we are and we will remain committed to involving ourselves in

projects that are regarded as “best practices” not just in our own country but at the global level through our membership in the BNP Paribas Group.

As a corporate citizen with a strong sense of social responsibility, TEB A.Ş. is encumbered by responsibilities towards many different stakeholders and it is mindful of balancing all their interests in the conduct of its activities. We believe that handing a healthier ecosystem to future generations as well as turning over a social structure capable of supporting growth and development are responsibilities in which everyone shares. We therefore make a special effort to create value in such areas in the conduct of every aspect of our business.

In its 87<sup>th</sup> year our bank has strengthened its reputation both inside and outside the country, with its financial and operational performance, and increased shareholder value has proved its position in the market.

Competition tomorrow is going to be even more intense and the race is not just going to be faster but more global. As a deep-rooted and dynamic financial institution, TEB A.Ş. will continue to run in the very forefront of that race. And as it does so, our human resources will continue to be our most precious asset and source of energy.

In closing and speaking on behalf of the Board of Directors as well as personally, I take this opportunity to thank you, our valued shareholders, team, customers, and business partners for accompanying and having confidence in us throughout our journey.

### The Board of Directors

## TÜRK EKONOMİ BANKASI A.Ş. 2014 DISTRIBUTION OF PROFIT CHART

TÜRK EKONOMİ BANKASI A.Ş. 2014 DISTRIBUTION OF PROFIT CHART		
(TRY)		
1.	Paid-in / Issued Capital	2,204,390,000.00
2.	Total legal reserves (According to Legal Records)	172,700,462.75
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	795,054,006.43
4.	Taxes to be paid ( - )	(172,494,790.43)
5.	Net profit for the period ( = )	622,559.2160
6.	Losses related to the Previous Years ( - )	0,00
7.	Primary Legal Reserve ( - )	(31,127,960.80)
8.	NET DISTRIBUTABLE PROFIT FOR THE PERIOD (=)	591,431,255.20
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	0,00
	-free of cost	0,00
	- Total	0,00
12.	Dividend distributed to the holders of the privileged share	0,00
13.	Dividend distributed to the Board of Directors members, employees etc.	0,00
14.	Dividend distributed to the holders of redeemed share certificates	0,50
15.	Second dividend for the shareholders	0,00
16.	Secondary Legal Reserves	0,06
17.	Statutory Reserves	0,00
18.	Special Reserves (Due to Tax Law 5520, article 5.1/e, amount is 75% of	5,032,744.37

	the real estate sales profit)	
<b>19.</b>	<b>EXTRAORDINARY RESERVES</b>	586,398,510.27
<b>20.</b>	<b>Other resources planned to be distributed</b>	0,00

**INFORMATION REGARDING THE PERCENTAGE OF THE DISTRIBUTED PROFIT**

	Group	Share of Profit Distributed to the Shareholders		Share of Profit Distributed to the Shareholders/ Net Distributable Profit for the Period	Dividend Corresponds to Shares with Nominal Value of TRY 1	
		Cash (TRY)	Unpaid (TRY)	Percentage (%)	Amount (TL)	Percentage (%)
NET	A	0	0	0	0	0
	B	0	0	0	0	0
	TOTAL	0	0	0	0	0



## CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

### PART I – STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE

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. All mandatory principles, excluding exceptions for banks, mentioned on article 6, 3<sup>rd</sup> paragraph, are applied in our bank. Almost all non-mandatory principles are applied without any conflict of interest. Compliance with non mandatory principles is still in progress.

### PART II – SHAREHOLDERS

#### 2.1 Shareholder Relations Department

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 Çelikkbilek and Özgün Zaimoğlu are responsible for the overall management of the department.

Their contact information is as follows:

Çiğdem Çelikkbilek (Senior Manager)  
Phone: +90 216 635 24 63  
Fax: +90 216 636 36 36  
E-mail: [cigdem.celikkbilek@teb.com.tr](mailto:cigdem.celikkbilek@teb.com.tr)

Özgün Zaimoğlu (Manager)  
Phone: +90 216 635 24 60  
Fax: +90 216 636 36 36  
E-mail: [ozgun.zaimoglu@teb.com.tr](mailto:ozgun.zaimoglu@teb.com.tr)

Çiğdem Çelikkbilek, as the manager of the department, holds Capital Markets Advanced Level and Corporate Governance Licences, is also a member of the Corporate Governance Committee of our Bank. The department works for Financial Group Control Assistant General Manager. A report regarding 2014 activities was prepared and presented to the Board of Directors on December 29, 2014.

In addition to meetings, nearly 50 queries about TEB have been answered by telephone and e-mail in 2014. 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.

In addition, 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](mailto: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](mailto:hulya.senturk@teb.com.tr)

This unit reports to the General Secretary of the Board of Directors.

## 2.2 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.

Although Article 32 of Articles of Association, TEB provides for the appointment of a special auditor, there was no request regarding appointment of special auditor.

## 2.3 Information on General Meetings of Shareholders

The General Meeting of Shareholders convened to an Ordinary General Meeting on 25 March 2014 and attendance was 97.82%. 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.

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 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.

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, should 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.

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 2014 is provided to the General Assembly for their approval.

#### 2.4 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.

#### 2.5 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 2013.

#### 2.6 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 III - PUBLIC DISCLOSURE AND TRANSPARENCY

##### 3.1 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/about-teb/investor-relations/>

Information is available under the following headings:

- Information Regarding Squeeze-Out Process
- Shareholding Structure
- Corporate Governance
- Mission & Vision
- Policies
- Merger
- Board of Directors
- Senior Management
- General Assembly
- Committees
- Corporate Governance Compliance Report
- Articles of Association
- Trade Register
- Stock Certificates Information
- Financial Information
- Financial Indicators
- Financial Calendar
- Independent Audit Report and Financial Statements

Presentations

Press Releases

- Annual Reports
- Corporate Disclosures
- Ratings
- Frequently Asked Questions
- Announcements
- Contact Us

### 3.2 Annual Reports

Annual Report includes Corporate Governance Compliance Report; therefore Corporate Governance Principles are practiced in the report.

## PART IV – STAKEHOLDERS

### 4.1 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.

### 4.2 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".

### 4.3 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.
- To create a "great place to work" for employees and to be the most preferable bank in the sector.
- 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,

- To develop Performance Assessment and Reward System processes to continuously improve individual and team performance.
- To provide equal opportunity to all employees 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 2014, TEB has 10,142 personnel and 551 branches. % 63.0 of the TEB employees have university degree while 5.6% holds a graduate degree and 0.1 % holds a post graduate degree. Average training time per employee increased 4% per person and was realized as 74 hours.

In line with its targets and strategies, it is TEB's policy

- to recruit highly qualified employees, preferably university graduates who are able to represent the bank, think analytically and get along well with their co-workers.
- To recruit candidates who have high potential, energetic, innovative, and add value to TEB Group
- Successful employees who have a high potential are promoted both within TEB and within the TEB Financial Services Group following performance assessment.
- Based on performance evaluation, there is sales/performance bonus and performance bonus. While these payments cannot be guaranteed in advance, bonus payment criteria are defined for every position and announced to employees every year.
- Employees who reached their annual targets are rewarded with sales/performance bonus. Bonus payments are made in cash and Turkish Lira.

- Performance of the employees is evaluated on 3 criteria, banking performance, department performance, and personal/individual performance. Bonus payments are made in cash and Turkish Lira.
- All criterias regarding rewards and performance are published on Bank's intranet IntraTEB. In addition briefing/information e-mails regarding the subject are sent to employees.

#### **4.4 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, launched in 2012, has provided financial literacy training to 285.000 people at the end of 2014.

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 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. We are determined to diversify our efforts within the TEB Family Academy and to reach broader masses.

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](http://www.tebcocuk.com)) prepared to furnish children with an awareness of saving in a way that is enjoyable for them. As a part of TEB Children Platform, TEB Children/Kids Theatre was established during 2014 and musical play was put on stage to provide savings awareness to kids. While TEB Children theatre reached 15.000 kids, it was able to reach 824.000 kids through digital platform.

The TEB Family Academy joined forces with the Boğaziçi University and conducted the first Financial Access Index study in Turkey. Results of Second Index study was released in 2014. The study analyzed Turkey based on 3 main criterias known as financial literacy indicators; financial information, financial attitude, and financial behavior, as a result of a Turkey's financial literacy index was calculated as 59.4%. 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.

The Financial Literacy and Inclusion Summit also provided the occasion for the announcement of the "Social and Financial

Education through the Arts” project for primary school children. Conducted jointly by the Turkish Ministry of National Education (MEB), TEB, and UNICEF, the project aims to create a financially literate generation by reaching out to 11 million schoolchildren in the 6-14 age group through their art lessons. While the first stage of the project will be focusing on the visual arts curriculum, ways to include financial literacy in other branches of the arts are also being explored.

### **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 2014. During this presentation, financial developments, human resources practices, and innovation topics were discussed/ evaluated.

Striving to contribute to the community where it has a presence, TEB was one of the organizers of the WTA Championships held in Turkey.

Tournaments organized in 2011,2012, and 2013 raised people’s interest in tennis and be a significant source of motivation for professional tennis players. 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. TEB’s sustainable investments to tennis projects continued with TEB BNP Paribas İstanbul Cup sponsorship organized at July 14-20. Our customers, social media followers were entertained during TEB BNP Paribas İstanbul Cup tournament. Street Tennis Project targeted handicapped kids to love tennis.

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 V – BOARD OF DIRECTORS

### 5.1 Structure and Composition of the Board of Directors

Below are Board of Director’s names and responsibilities as of December 31, 2014:

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
Jacques Roger Jean Marie Rinino	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. 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.”

### 5.2 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 176 decisions in 2014. 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.

### 5.3 Committees, Structure and Independence of Board of Director's

In accordance with corporate governance principles, the following committees were active in 2014:

#### Corporate Governance Committee

Follow - up on the Corporate Governance practices in the Bank .Meets upon invitation from the Chairman.

Chairman: Dr. Akin 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

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

Meets: As required

#### 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. Akin Akbaygil, Deputy Chairman

Members: Yvan L.A.M De Cock, Board Member

Sabri Davaz, Board Member

and other possible attendees requested with respect to the agenda.

### 5.4 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

### **5.5 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.

### **5.6 Remuneration of the Board of Directors**

At the Ordinary General Meeting of Shareholders held on 25 March 2014, it was resolved that TRY 6,000 fee should be paid to Alain Kokocinski due to his position as a Board of Directors Member.

In 2014, TRY 26,081,753 was paid to the Members of the 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.

## 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 "Bank's Internal Systems and Evaluation of Internal Capital Adequacy of Banks" published on Trade Registry Gazette on 11.07.2014

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 2014.

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, 8 audit committee manager, 4 supervisor inspectors, fifteen inspectors, 22 assistant inspectors, 19 authorized assistant inspectors, 3 information systems auditor managers, 1 information systems assistant auditor manager, one Audit Support Coordination Manager, one assistant audit support coordination manager, and one executive assistant.

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 2014, the Group Internal Audit conducted 119 branch audits and published 2 consolidated branch reports of these audits. Additionally, 21 Head Office unit audits, 107 subsidiary audits, 6 information technology audits were carried out (37 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.

In line with Compliance and Internal Control function and BRSA "Bank's Internal Systems and Evaluation of Internal Capital Adequacy of Banks" regulation, there Legislation and Compliance Department within Legislation and Compliance function.

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:

- Credit Risk

- Developing Rating Models
- Credit control, monitoring and Group companies risk management
- GRM Credits
- Market, Liquidity, Counterparty Risk, and 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 48 times during the course of the year 2014. 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 2014 evaluation of TEB's financials prepared according to the BRSA regulations is as follows:

TEB's net profit increased by 16% and was realized as 623 million TRY in 2014, while total equity increase was realized by 11.7%, which is an indicator of strong performance in core banking operations and improved operational efficiency.

By December 31, 2014, TEB's total assets increased by 18% on a year to date basis and reached 62,992 billion TRY, while loans increased by 19% and reached 45,392 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 14% and reached TRY 13,815 million. As an indicator of TEB's consistent contribution to the economy, the total of SME, commercial and corporate loans reached 31,176 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 115.1% as of year-end 2014. Time deposits, which constitute our Bank's primary funding source, increased by 17.6% and total deposit share in liabilities increased to 63%. Meanwhile, the volume of demand deposits reached TRY 5,479 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, TEB was able to renew its syndication loan, to support export companies, with one year maturity and 113% and Libor/Euribor + 0.90% per annum in total, which is the lowest rate for 2014 in Turkish banking sector. Agreement regarding the loan, consisting of two tranches € 335 million and \$ 180 million, \$ 625 million in total, was signed

on 21 August 2014 and 32 banks contributed to the syndication loan.

Within the framework of the agreements signed between our Bank and various banks and financial institutions, as of year end 2014 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 228.2 million TRY bond with a tenor of 173 days on September 2014, nominal value of 254.5 million TRY bond with a tenor of 176 days on October 2014, and , nominal value of 26.9 million TRY bond, nominal value of 21.8, 20.6, 31.0, 28.8, 24.4 million USD bond with a tenor of 302 days, nominal value of 241.3 million TL bond with a tenor of 166 days amounting to a total of TL 991.6 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 2014, TEB's ratings were as follows:

### Moody's Investor Services:

FX Deposits Rating	Baa3/P-3
Outlook	Negative
Financial Strength Rating	D

### Fitch Ratings:

<i>Foreign Currency</i>	
Long-term	BBB
Short-term	F3
Outlook	Stable
<i>Turkish Lira</i>	
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
13.01.2014	Elif Parlakay January 2014 Scholarship	1,071.00
13.01.2014	Sabri Talha Parlakay January 2014 Scholarship	1,071.00
13.01.2014	Tolunay Güzelderen January 2014 Scholarship	1,071.00
13.01.2014	Timuçin Koray Güzelderen January 2014 Scholarship	1,071.00
13.01.2014	Seda Yelda Taşbulak January 2014 Scholarship	1,071.00
13.01.2014	Kerem Mert Dalkılıç January 2014 Scholarship	1,071.00
13.01.2014	Elif Zeynep Dalkılıç January 2014 Scholarship	1,071.00
13.01.2014	Yiğit Eren Dalkılıç January 2014 Scholarship	1,071.00
03.02.2014	Elif Parlakay January 2014 Scholarship	1,071.00
03.02.2014	Sabri Talha Parlakay January 2014 Scholarship	1,071.00
03.02.2014	Tolunay Güzelderen January 2014 Scholarship	1,071.00
03.02.2014	Timuçin Koray Güzelderen January 2014 Scholarship	1,071.00
03.02.2014	Seda Yelda Taşbulak January 2014 Scholarship	1,071.00
03.02.2014	Kerem Mert Dalkılıç January 2014 Scholarship	1,071.00
03.02.2014	Elif Zeynep Dalkılıç January 2014 Scholarship	1,071.00
03.02.2014	Yiğit Eren Dalkılıç January 2014 Scholarship	1,071.00
18.02.2014	Türk Eğitim Vakfı Donation	50,00
03.03.2014	TEB/Elif Parlakay March 2014 Scholarship	1,071.00
03.03.2014	TEB/Sabri Talha Parlakay March 2014 Scholarship	1,071.00
03.03.2014	TEB/Tolunay Güzelderen March 2014 Scholarship	1,071.00
03.03.2014	TEB/Timuçin Koray Güzelderen March 2014 Scholarship	1,071.00
03.03.2014	TEB/Seda Yelda Taşbulak March 2014 Scholarship	1,071.00
03.03.2014	TEB/Kerem Mert Dalkılıç March 2014 Scholarship	1,071.00
03.03.2014	TEB/Elif Zeynep Dalkılıç March 2014 Scholarship	1,071.00
03.03.2014	TEB/Yiğit Eren Dalkılıç March 2014 Scholarship	1,071.00
11.03.2014	Boğaziçi Üniversitesi – Büvak	16,320,00
31.03.2014	Hani Kaymakamlığı Balen Elementary-Middle School-Furniture Donation	945,00
31.03.2014	Cemil Şükrü Çolakoğlu Elementary Furniture Donation	675,00
31.03.2014	Yüreğir Kaymakamlığı Farabi Anadolu Lisesi Müd. Furniture Donation	825,00
01.04.2014	Elif Parlakay April 2014 Scholarship	1,071.00
01.04.2014	Sabri Talha Parlakay April 2014 Scholarship	1,071.00
01.04.2014	Tolunay Güzelderen April 2014 Scholarship	1,071.00
01.04.2014	Timuçin Koray Güzelderen April 2014 Scholarship	1,071.00
01.04.2014	Seda Yelda Taşbulak April 2014 Scholarship	1,071.00
01.04.2014	Kerem Mert Dalkılıç April 2014 Scholarship	1,071.00
01.04.2014	Elif Zeynep Dalkılıç April 2014 Scholarship	1,071.00
01.04.2014	Yiğit Eren Dalkılıç April 2014 Scholarship	1,071.00
02.05.2014	Elif Parlakay May 2014 Scholarship	1,071.00
02.05.2014	Sabri Talha Parlakay May 2014 Scholarship	1,071.00
02.05.2014	Tolunay Güzelderen May 2014 Scholarship	1,071.00
02.05.2014	Timuçin Koray Güzelderen May 2014 Scholarship	1,071.00
02.05.2014	Seda Yelda Taşbulak May 2014 Scholarship	1,071.00
02.05.2014	Kerem Mert Dalkılıç May 2014 Scholarship	1,071.00
02.05.2014	Elif Zeynep Dalkılıç May 2014 Scholarship	1,071.00
02.05.2014	Yiğit Eren Dalkılıç May 2014 Scholarship	1,071.00

30.05.2014	İstanbul Bilgi University	5,000.00
02.06.2014	Elif Parlakay June 2014 Scholarship	1,071.00
02.06.2014	Sabri Talha Parlakay June 2014 Scholarship	1,071.00
02.06.2014	Tolunay Güzelderen June 2014 Scholarship	1,071.00
02.06.2014	Timuçin Koray Güzelderen June 2014 Scholarship	1,071.00
02.06.2014	Seda Yelda Taşbulak June 2014 Scholarship	1,071.00
02.06.2014	Kerem Mert Dalkılıç June 2014 Scholarship	1,071.00
02.06.2014	Elif Zeynep Dalkılıç June 2014 Scholarship	1,071.00
02.06.2014	Yiğit Eren Dalkılıç June 2014 Scholarship	1,071.00
24.09.2014	Elif Parlakay September 2014 Scholarship	1,134.00
24.09.2014	Sabri Talha Parlakay Eylül 2014 Scholarship	1,134.00
24.09.2014	Tolunay Güzelderen September 2014 Scholarship	1,134.00
24.09.2014	Timuçin Koray Güzelderen September 2014 Scholarship	1,134.00
25.09.2014	Antalya Province	5,230.17
29.09.2014	Kerem Mert Dalkılıç September 2014 Scholarship	1,134.00
29.09.2014	Elif Zeynep Dalkılıç September 2014 Scholarship	1,134.00
29.09.2014	Yiğit Eren Dalkılıç September 2014 Scholarship	1,134.00
29.09.2014	Haşim İşcan Elementary School	12,460.80
30.09.2014	LöseV 70 Furniture Donation	1,080.00
30.09.2014	Ş.urfa Halk Sağlığı Müd.11 Furniture Donation	235.00
30.09.2014	Sıra Söğüt Elementary School 89 Furniture Donation	1,145.00
30.09.2014	Güzeloluk Anadolu Lisesi 45 Furniture Donation	740.00
01.10.2014	Elif Parlakay October 2014 Scholarship	1,134.00
01.10.2014	Sabri Talha Parlakay October 2014 Scholarship	1,134.00
01.10.2014	Tolunay Güzelderen October 2014 Scholarship	1,134.00
01.10.2014	Timuçin Koray Güzelderen October 2014 Scholarship	1,134.00
01.10.2014	Kerem Mert Dalkılıç October 2014 Scholarship	1,134.00
01.10.2014	Elif Zeynep Dalkılıç October 2014 Scholarship	1,134.00
01.10.2014	Yiğit Eren Dalkılıç October 2014 Scholarship	1,134.00
10.10.2014	Arkeoloji Müzeleri Sevenler Derneği	5.000,00
24.10.2014	İEM ÖEL Güvenlik Şube Müdürlüğü	36,200.00
30.10.2014	KOÇ Üniversitesi Anadolu Bursiyeleri Projesi	50,000.00
03.11.2014	Elif Parlakay November 2014 Scholarship	1,134.00
03.11.2014	Sabri Talha Parlakay November 2014 Scholarship	1,134.00
03.11.2014	Tolunay Güzelderen November 2014 Scholarship	1,134.00
03.11.2014	Timuçin Koray Güzelderen November 2014 Scholarship	1,134.00
03.11.2014	Kerem Mert Dalkılıç November 2014 Scholarship	1,134.00
03.11.2014	Elif Zeynep Dalkılıç November 2014 Scholarship	1,134.00
03.11.2014	Yiğit Eren Dalkılıç November 2014 Scholarship	1,134.00
28.11.2014	Montrö Şb. Hibe Behçet Uz Çocuk Vakfı	1,275.00
28.11.2014	Çiğli Şube Hibe Turan Çakın İlkokul Müd.	905.00
28.11.2014	Aksaray Şube Hibe Afad Müdürlüğü	50.00
28.11.2014	Beyazıt Şb. Hibe Atışalanı Ortaokulu Müd.	1,080.00
01.12.2014	Elif Parlakay December 2014 Scholarship	1,134.00
01.12.2014	Sabri Talha Parlakay December 2014 Scholarship	1,134.00
01.12.2014	Tolunay Güzelderen December 2014 Scholarship	1,134.00
01.12.2014	Timuçin Koray Güzelderen December 2014 Scholarship	1,134.00
01.12.2014	Kerem Mert Dalkılıç Güzelderen December 2014 Scholarship	1,134.00
01.12.2014	Elif Zeynep Dalkılıç December 2014 Scholarship	1,134.00
01.12.2014	Yiğit Eren Dalkılıç December 2014 Scholarship	1,134.00
10.12.2014	Haşim İşcan Elementary School	5,551.49

25.12.2014	Dr. Behçet Uz Çocuk Vakfı 123 Adet Furniture Donation	2,535.00
25.12.2014	Ege Üniv.-Kemalpaşa Kaym.68 Adet Furniture Donation	1,110.00
25.12.2014	Balıkesir Valiliği MEM 60 Adet Furniture Donation	1,355.00
25.12.2014	Ege Üniversitesi 92 Adet Furniture Donation	1,430.00
25.12.2014	Yeşilce Spor Klb.48 Adet Furniture Donation	1,020.00
25.12.2014	Yeşilce Spor Klb.4 Adet Furniture Donation	300,00
25.12.2014	Menemen Bld.Bşk.37 Adet Furniture Donation	490,00
25.12.2014	İst.Valiliği Çocuk Yuvası 15 Adet Furniture Donation	280,00
25.12.2014	Kağıthane Kay. MEM 104 Adet Furniture Donation	1,030.00
25.12.2014	Kamil Miras And. Lis.75 Adet Furniture Donation	1.,650.00
26.12.2014	Alanya Hamd. Emin Paşa Üniv. Furniture Donation	585,00
26.12.2014	Adapazarı Kaym. Furniture Donation	1,835.00
26.12.2014	Ege Fen Fakültesi Furniture Donation	770,00
26.12.2014	Kağıthane Kaym. Furniture Donation	310,00
26.12.2014	Esenler Kaymakamlığı Furniture Donation	370,00
31.12.2014	Çorlu Kaymakamlığı Furniture Donation	1,300.00
31.12.2014	Haşim İşcan Elementary School	8,262. 62
	TOTAL	314,416.30

## FIVE-YEAR SUMMARY OF FINANCIAL INFORMATION INCLUDING THE REPORTING PERIOD

(thousand TL)	31.12.2010	31.12.2011	2010-2011 change	31.12.2012	2012-2011 change	31.12.2013	2013-2012 change	31.12.2014	2014-2013 change
Liquid Assets	2,730,780	4,869.639	%78,32	6,858.891	%40,85	7,135.898	%4,04	9,820.075	%37,62
Securities	3,725,750	5,581.519	%49,81	4,708.275	%-15,65	5,205.234	%10,56	4,717.696	%-9,37
Loans	11,753,255	25,652.425	%118,26	29,685.734	%15,72	38,134.957	%28,46	45,392.210	%19,03
Other Assets	821,320	1,,988.155	%142,07	2,279.435	%14,65	2,932.539	%28,65	3,061.908	%4,41
<b>Total Assets</b>	<b>19,031,105</b>	<b>38,091.738</b>	<b>%100,16</b>	<b>43,532.335</b>	<b>%14,28</b>	<b>53,408.628</b>	<b>%22,69</b>	<b>62,991.889</b>	<b>%17,94</b>
Demand Deposits	2,,436,586	4,026.090	%65,23	4,339.298	%7,78	5,424.318	%25,00	5,496.768	%1,34
Time Deposits	9,562,564	18,860.522	%97,23	24,387.267	%29,30	28,863.656	%18,36	33,941.793	%17,59
Funds Borrowed	4,151,017	8,396.293	%102,27	6,257.178	%-25,48	9,633.738	%53,96	12,604.468	%30,84
Other Liabilities	1,068,075	2,,595.522	%143,01	3,743.010	%44,21	4,200.478	%12,22	5,045.881	%20,13
Equity (Exl.profit)	1,512,562	4,006.636	%164,89	4,309.604	%7,56	4,751.390	%10,25	5,280.419	%11,13
Net Income	300,301	206,675	%-31,18	495,978	%139,98	535,048	%7,88	622,560	%16,36
<b>Total Liabilities</b>	<b>19,031.105</b>	<b>38,091,738</b>	<b>%100,16</b>	<b>43,532.335</b>	<b>%14,28</b>	<b>53,408.628</b>	<b>%22,69</b>	<b>62,991.889</b>	<b>%17,94</b>
<b>Selected Ratios</b>									
NPL	%3.00	-%35.34	%2.78	%-7.49	%2.14	-%22.93	%2.25	%2,43	%8,21
Return on Equity	%17.35	%26.83	%6.86	%-60.47	%12.41	%138.15	%11.50	%11,76	%2,30
Return on Assets	%1.76	%24.82	%0.72	%-58.89	%1.19	%64.44	%1.10	%1.07	%-3,10
Capital Adequacy Ratio	%14,43	%14,23	%-1,39	%15,24	%7,10	%14,23	%-6,63	%13,96	%-1,90

**ANNUAL REPORT COMPLIANCE OPINION**



## REPORT ON COMPLIANCE OF ANNUAL REPORT

To the General Assembly of Shareholders of Türk Ekonomi Bankası A.Ş.:

We have audited the compliance and consistency of the financial information included in the annual report of Türk Ekonomi Bankası A.Ş. ("the Bank") and its consolidated subsidiaries as of 31 December 2014 with the audited financial statements and explanatory notes. The annual report is the responsibility of the Bank's management. Our responsibility, as independent auditors, is to express an opinion on compliance and consistency of the financial information included in the annual report with the audited financial statements and explanatory notes.

We conducted our audit in accordance with principles and procedures set out by the regulations on preparation and issuance of annual report in the Banking Law No.5411 and independent auditing principles that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority ("POA") and Article 397 of Turkish Commercial Code ("TCC") No. 6102. Those regulations require that we plan and perform the audit to obtain reasonable assurance whether the financial information included in the annual report is consistent with the audited financial statements and explanatory notes and free from material misstatement. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial information included in the accompanying annual report presents fairly, in all material respects, the information regarding the financial position of Türk Ekonomi Bankası A.Ş. and its consolidated subsidiaries at 31 December 2014 in accordance with the principles and procedures set out by the regulations in conformity with article 40 of the Banking Law No.5411 and includes a summary of the Board of Directors' report and the convenience translations of independent auditor's reports originally issued by us in Turkish and is consistent with the convenience translations of audited financial statements and explanatory notes originally issued in Turkish.

### *Other Responsibilities Arising From Regulatory Requirements*

Pursuant to subparagraph 3 of Article 402 of the TCC No. 6102, within the context of ISA 570 "Going Concern", we have not encountered any significant issue which we are required to be reported with regard to the inability of Türk Ekonomi Bankası A.Ş. and its consolidated subsidiaries to continue its operations for the foreseeable future.

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

Zeynep Uras, SMMM  
Partner

Istanbul, 5 March 2015

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



**CONVENIENCE TRANSLATION  
OF PUBLICLY ANNOUNCED UNCONSOLIDATED  
YEAR END 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 2014**



## 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 2014 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 and Independent Auditing Standards that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (“POA”). We planned and conducted our audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. 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 2014** and the results of its operations and its cash flows for the period then ended in accordance with accounting principles and standards set out by regulations in conformity with 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.

*Report on independent auditor's other responsibilities arising from regulatory requirements:*

1. In accordance with Article 402 paragraph 4 of the Turkish Commercial Code ("TCC") No. 6102; **no significant matter has come to our attention that causes us to believe that the Bank's bookkeeping activities for the period 1 January - 31 December 2014 are not in compliance with the TCC and provisions of the Bank's articles of association in relation to financial reporting.**
2. In accordance with Article 402 paragraph 4 of TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

*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, 5 February 2015

**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 TÜRKEKONOMİ BANKASI A.Ş.  
AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2014**

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](http://www.teb.com.tr)  
E-mail : [investor.relations@teb.com.tr](mailto: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 incompliance 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 Çelikkbilek / 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 2014**

(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 have 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**

As of 31 December 2014 and 31 December 2013 the shareholders’ structure and their respective ownerships are summarized as follows:

Name of shareholders	31 December 2014		31 December 2013	
	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%	518,342	23.51%
BNP Paribas Fortis Yatırımlar Holding A.Ş.	402,517	18.26%	380,311	17.25%
Other	71,117	3.23%	93,323	4.24%
	<b>2,204,390</b>	<b>100.00</b>	<b>2,204,390</b>	<b>100.00</b>

As of 31 December 2014, Bank’s paid-in-capital consists of 2,204,390,000 shares of TL1 (full TL) nominal each.

As of 14 November 2014, BNP Paribas Fortis Yatırımlar Holding A.Ş., BNP Paribas Yatırımlar Holding A.Ş., BNP Paribas and TEB Holding A.Ş. acting jointly as the “Controlling Shareholders” according to the Communiqué of the Capital Markets Board No. II-27.2 on Squeeze-out and Sell-Out Rights (“Communiqué”), hold 96.005% of the voting rights of Türk Ekonomi Bankası A.Ş. (“TEB”). Pursuant to Temporary Article 1 of the Communiqué, “the right to sell” and the “squeeze-out right” have become exercisable following the purchase of an additional share by BNP Paribas Fortis Yatırımlar Holding A.Ş, one of the Controlling Shareholders, on 14 November 2014.

Within the three-month statute of limitations that started on 14 November 2014, the date of the purchase of the additional shares(14 November 2014 - 16 February 2015), any shareholders other than the Controlling Shareholders are entitled to sell their shares of the Bank to BNP Paribas Fortis Yatırımlar Holding A.Ş. which is one of the Controlling Shareholders.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
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**TÜRK EKONOMİ BANKASI A.Ş.**

**UNCONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD  
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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

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**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 (Continued)**

BNP Paribas Fortis Yatırımlar Holding A.Ş., one of the Controlling Shareholders, will be entitled to exercise its squeeze-out right following the expiry of the three-month statute of limitations on 16 February 2015. BNP Paribas Fortis Yatırımlar Holding A.Ş. will submit an application to the Bank to exercise its squeeze-out right within three business days of the expiry of the three-month statute of limitations.

The considerations for the right to sell and the squeeze-out right are determined below, in accordance with the principles set forth under Article 6 of the Communiqué.

In order to calculate the fair price for the right to sell, the following information was considered.

- The arithmetic mean of the weighted average market price available on the stock exchange, within thirty days prior to the purchase of the additional share was TL2.0032.
- The price determined in the valuation report prepared for price identification was TL2.437.
- Prior to the disclosure of the purchase of the additional share to the public:

The Weighted average market price for the last six months was TL2.0185,

The weighted average market price for the last year was TL2.0528 and

The weighted average market price for the last five years was TL2.0562.

The fair value for the right to sell was determined to be TL2.437, which is the highest price out of those compared.

The squeeze-out selling price was determined as TL2.0032, which is the arithmetic mean of the weighted average market price available on the stock exchange within thirty days prior to the disclosure of the purchase of the additional.

An application requesting the delisting of the shares of Türk Ekonomi Bankası A.Ş. will be made to BIST at the same time as the application for exercising the squeeze-out right is made to the Capital Markets Board.

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**TÜRK EKONOMİ BANKASI A.Ş.  
UNCONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD  
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(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>	<u>Education</u>
<b>Board of Directors;</b>		
Yavuz Canevi	Chairman of the Board of Directors	Master
PhD.Akın Akbaygil	Vice Chairman of the Board of Directors and Vice Chairman of the Audit Committee and Independent Member of the Board	PhD
Jean-Milan Charles Dominique Givadinovitch	Member of the Board of Directors, Chairman of the Audit Committee and Independent Member of the Board	University
Jean Paul Sabet	Vice Chairman of the Board of Director	Master
Ayşe Aşardağ	Member of the Board of Directors	University
Ümit Leblebici	General Manager and Member of the Board of Directors	Master
Sabri Davaz	Member of the Board of Directors and Audit Committee	Master
Alain Georges Auguste Fonteneau	Member of the Board of Directors	Master
Yvan L.A.M De Cock	Member of the Board of Directors and Audit Committee	University
Musa Erden	Member of the Board of Directors	University
Jacques Roger Jean Marie Rinino	Member of the Board of Directors	University
Henri Simon Andre Foch	Member of the Board of Directors	University
Alain Kokocinski	Independent Member of the Board of Directors	Bank Technical Institute
PhD.İsmail Yank	Independent Member of the Board of Directors	PhD
<b>Assistant General Managers;</b>		
Turgut Boz	Assistant General Manager Responsible from SME Banking and Vice Chairman of General Manager	University
Gökhan Mendi	Assistant General Manager Responsible from Consumer Banking and Private Banking	Master
PhD. Nilsen Altıntaş	Assistant General Manager Responsible from Human Resources	PhD
Melis Coşan Baban	Chief Legal Counsel and Secretary of the Board of Directors	Master
Mehmet Ali Cer	Assistant Manager Responsible from Information Technologies	Master
Levent Çelebioğlu	Assistant General Manager Responsible from Corporate Banking	University
Mustafa Aşkın Dolaştır	Assistant General Manager Responsible from Financial Control	Master
Osman Durmuş	Assistant General Manager Responsible from Consumer Loans and Business Loans	University
Kubilay Güler	Banking Operations & Facility Services Assistant General Manager	University
Akil Özçay	Assistant Manager Responsible from Financial Markets	Master
Gökhan Özdil	Assistant General Manager Responsible from Corporate Loans	University
Nuri Tuncalı	Assistant General Manager Responsible from SME Loans	University
Eric Patrice Paul Josserand	Assistant General Manager Corporate Investment Banking Group	Master
Ömer Abidin Yenidoğan	Vice Chairman of Corporate Investment Banking Group and Assistant General Manager	Master
<b>Group Heads (*);</b>		
Pascal Alfred J. Gilliard	Chief Risk Officer	University
Birol Deper	Head of Compliance Group and Internal Control Group, Consumer Relations Coordination Officer	Master
<b>Inspection Committee (*);</b>		
Hakan Tıraşın	Chairman of the Inspection Committee	University

(\*) Group Heads and Chairman of the Inspection Committee are in Assistant General Manager status.

(\*\*) Philippe Bernard Dumel, Chief Operational Officer of the bank, resigned after he has been appointed to different role in BNPP as of 31 December 2014.

Shares of the Bank owned by the above stated Chairman and Members of Board of Directors, General Manager and Assistants are negligible.



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**TÜRK EKONOMİ BANKASI A.Ş.**

**UNCONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD  
FROM 1 JANUARY TO 31 DECEMBER 2014**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

**IV. Information about the Persons and Institutions That Have Qualified Shares**

<b>Name / Commercial Name</b>	<b>Share Amount</b>	<b>Share Ratio</b>	<b>Paid-up Shares</b>	<b>Unpaid Shares</b>
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.	402,517	18.26%	402,517	-

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 2014, the Bank has 546 local branches and 5 foreign branches (31 December 2013: 539 local branches, 5 foreign branches).

According to The Bank’s Board of Directors Resolution, No: 5132/147 and dated 21 October 2014, it was decided to close Türk Ekonomi Bankası A.Ş. Bahrain Branch in Bahrain which is registered to Trade Registry, No:50046-1.

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

There is no difference for the Bank between the consolidation process according to the Turkish Accounting Standards and the Communiqué of the Preparation of Consolidated Financial Statements of Banks in Turkey.

**VII. Current or Likely Actual or Legal Barriers to Immediate Transfer of Equity or Repayment of Debts Between Bank and Its Subsidiaries**

None.

## **SECTION TWO**

### **UNCONSOLIDATED FINANCIAL STATEMENTS**

- I. Balance Sheet
- II. Statement of Off-Balance Sheet Contingencies and Commitments
- III. Statement of Income
- IV. Statement of Profit and Loss Accounted for Under Equity
- V. Statement of Changes in Shareholders' Equity
- 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 2014**  
(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 31.12.2014			Audited Prior Period 31.12.2013		
		TL	FC	Total	TL	FC	Total
<b>I. CASH AND BALANCES WITH THE CENTRAL BANK</b>	(I-1)	<b>861,787</b>	<b>7,605,141</b>	<b>8,466,928</b>	<b>632,297</b>	<b>6,179,313</b>	<b>6,811,610</b>
<b>II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)</b>	(I-2)	<b>589,691</b>	<b>88,618</b>	<b>678,309</b>	<b>1,299,443</b>	<b>52,887</b>	<b>1,352,330</b>
2.1 Financial assets held for trading		589,691	88,618	678,309	1,299,443	52,887	1,352,330
2.1.1 Public sector debt securities		77,774	9,793	87,567	642,579	11,051	653,630
2.1.2 Share certificates		-	-	-	-	-	-
2.1.3 Derivative financial assets held for trading		511,917	78,825	590,742	656,864	41,836	698,700
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		-	-	-	-	-	-
<b>III. BANKS</b>	(I-3)	<b>595,021</b>	<b>207,957</b>	<b>802,978</b>	<b>75,373</b>	<b>248,915</b>	<b>324,288</b>
<b>IV. MONEY MARKET PLACEMENTS</b>		<b>550,169</b>	-	<b>550,169</b>	-	-	-
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3 Receivables from reverse repurchase agreements		550,169	-	550,169	-	-	-
<b>V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)</b>	(I-4)	<b>4,304,501</b>	<b>8,268</b>	<b>4,312,769</b>	<b>4,250,549</b>	<b>8,099</b>	<b>4,258,648</b>
5.1 Share certificates		20,875	96	20,971	19,535	100	19,635
5.2 Public sector debt securities		4,283,626	8,172	4,291,798	4,229,794	7,999	4,237,793
5.3 Other marketable securities		-	-	-	1,220	-	1,220
<b>VI. LOANS AND RECEIVABLES</b>	(I-5)	<b>37,471,580</b>	<b>7,920,630</b>	<b>45,392,210</b>	<b>31,046,587</b>	<b>7,088,370</b>	<b>38,134,957</b>
6.1 Loans and receivables		37,070,699	7,920,630	44,991,329	30,706,542	7,088,370	37,794,912
6.1.1 Loans to Risk Group of the Bank		88,898	3	88,901	16,810	1,882	18,692
6.1.2 Public sector debt securities		-	-	-	-	-	-
6.1.3 Other		36,981,801	7,920,627	44,902,428	30,689,732	7,086,488	37,776,220
6.2 Non-performing loans		1,120,411	-	1,120,411	868,121	-	868,121
6.3 Specific provisions (-)		719,530	-	719,530	528,076	-	528,076
<b>VII. FACTORING RECEIVABLES</b>		-	-	-	-	-	-
<b>VIII. HELD TO MATURITY INVESTMENTS (Net)</b>	(I-6)	<b>317,360</b>	-	<b>317,360</b>	<b>292,956</b>	-	<b>292,956</b>
8.1 Public sector debt securities		317,360	-	317,360	292,956	-	292,956
8.2 Other marketable securities		-	-	-	-	-	-
<b>IX. INVESTMENTS IN ASSOCIATES (Net)</b>	(I-7)	-	-	-	-	-	-
9.1 Accounted for under equity method		-	-	-	-	-	-
9.2 Unconsolidated associates		-	-	-	-	-	-
9.2.1 Financial investments		-	-	-	-	-	-
9.2.2 Non-financial investments		-	-	-	-	-	-
<b>X. INVESTMENTS IN SUBSIDIARIES (Net)</b>	(I-8)	<b>115,986</b>	<b>61,254</b>	<b>177,240</b>	<b>106,607</b>	<b>61,254</b>	<b>167,861</b>
10.1 Unconsolidated financial subsidiaries		115,986	61,254	177,240	106,607	61,254	167,861
10.2 Unconsolidated non-financial subsidiaries		-	-	-	-	-	-
<b>XI. ENTITIES UNDER COMMON CONTROL (JOINT VENT.) (Net)</b>	(I-9)	<b>5</b>	-	<b>5</b>	<b>5</b>	-	<b>5</b>
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
<b>XII. FINANCE LEASE RECEIVABLES</b>	(I-10)	-	-	-	-	-	-
12.1 Finance lease receivables		-	-	-	-	-	-
12.2 Operating lease receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned income (-)		-	-	-	-	-	-
<b>XIII. DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES</b>	(I-11)	<b>60,800</b>	-	<b>60,800</b>	<b>112,182</b>	<b>63</b>	<b>112,245</b>
13.1 Fair value hedge		1,681	-	1,681	56,899	63	56,962
13.2 Cash flow hedge		59,119	-	59,119	55,283	-	55,283
13.3 Hedge of net investment risks in foreign operations		-	-	-	-	-	-
<b>XIV. TANGIBLE ASSETS (Net)</b>	(I-12)	<b>315,128</b>	-	<b>315,128</b>	<b>321,832</b>	-	<b>321,832</b>
<b>XV. INTANGIBLE ASSETS (Net)</b>	(I-13)	<b>475,472</b>	-	<b>475,472</b>	<b>473,933</b>	-	<b>473,933</b>
15.1 Goodwill		421,124	-	421,124	421,124	-	421,124
15.2 Other		54,348	-	54,348	52,809	-	52,809
<b>XVI. INVESTMENT PROPERTIES (Net)</b>	(I-14)	-	-	-	-	-	-
<b>XVII. TAX ASSET</b>		<b>100,595</b>	-	<b>100,595</b>	<b>34,516</b>	-	<b>34,516</b>
17.1 Current tax asset		3,849	-	3,849	274	-	274
17.2 Deferred tax asset		96,746	-	96,746	34,242	-	34,242
<b>XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)</b>	(I-16)	<b>79,466</b>	-	<b>79,466</b>	<b>83,217</b>	-	<b>83,217</b>
18.1 Held for sale		79,466	-	79,466	83,217	-	83,217
18.2 Discontinued operations		-	-	-	-	-	-
<b>XIX. OTHER ASSETS</b>	(I-17)	<b>1,046,802</b>	<b>215,658</b>	<b>1,262,460</b>	<b>876,196</b>	<b>164,034</b>	<b>1,040,230</b>
<b>TOTAL ASSETS</b>		<b>46,884,363</b>	<b>16,107,526</b>	<b>62,991,889</b>	<b>39,605,693</b>	<b>13,802,935</b>	<b>53,408,628</b>

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 2014**  
(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 31.12.2014			Audited Prior Period 31.12.2013		
		TL	FC	Total	TL	FC	Total
<b>I. DEPOSITS</b>	(II-1)	<b>27,304,648</b>	<b>12,133,913</b>	<b>39,438,561</b>	<b>23,933,065</b>	<b>10,354,909</b>	<b>34,287,974</b>
1.1 Deposits from Risk Group of the Bank		883,417	1,273,475	2,156,892	1,301,748	568,924	1,870,672
1.2 Other		26,421,231	10,860,438	37,281,669	22,631,317	9,785,985	32,417,302
<b>II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING</b>	(II-2)	<b>312,166</b>	<b>118,647</b>	<b>430,813</b>	<b>437,878</b>	<b>43,833</b>	<b>481,711</b>
<b>III. FUNDS BORROWED</b>	(II-3)	<b>251,958</b>	<b>8,809,608</b>	<b>9,061,566</b>	<b>531,586</b>	<b>6,261,386</b>	<b>6,792,972</b>
<b>IV. MONEY MARKET BALANCES</b>		<b>1,756,987</b>	-	<b>1,756,987</b>	<b>1,062,443</b>	-	<b>1,062,443</b>
4.1 Interbank money market takings		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market takings		-	-	-	-	-	-
4.3 Funds provided under repurchase agreements		1,756,987	-	1,756,987	1,062,443	-	1,062,443
<b>V. MARKETABLE SECURITIES ISSUED (Net)</b>	(II-3)	<b>696,679</b>	<b>294,904</b>	<b>991,583</b>	<b>710,276</b>	-	<b>710,276</b>
5.1 Bills		696,679	294,904	991,583	507,046	-	507,046
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	203,230	-	203,230
<b>VI. FUNDS</b>		-	-	-	-	-	-
6.1 Borrower funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
<b>VII. MISCELLANEOUS PAYABLES</b>		<b>940,951</b>	<b>181,715</b>	<b>1,122,666</b>	<b>961,840</b>	<b>147,830</b>	<b>1,109,670</b>
<b>VIII. OTHER LIABILITIES</b>	(II-4)	<b>1,021,511</b>	<b>3,889</b>	<b>1,025,400</b>	<b>910,875</b>	<b>1,278</b>	<b>912,153</b>
<b>IX. FACTORING PAYABLES</b>		-	-	-	-	-	-
<b>X. FINANCE LEASE PAYABLES</b>	(II-5)	-	-	-	-	-	-
10.1 Finance lease payables		-	-	-	-	-	-
10.2 Operating lease payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred finance lease expenses (-)		-	-	-	-	-	-
<b>XI. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES</b>	(II-6)	<b>313,870</b>	-	<b>313,870</b>	<b>69,255</b>	-	<b>69,255</b>
11.1 Fair value hedge		11,264	-	11,264	15,433	-	15,433
11.2 Cash flow hedge		302,606	-	302,606	53,822	-	53,822
11.3 Hedge of net investment in foreign operations		-	-	-	-	-	-
<b>XII. PROVISIONS</b>	(II-7)	<b>968,719</b>	<b>411</b>	<b>969,130</b>	<b>813,376</b>	<b>603</b>	<b>813,979</b>
12.1 General loan loss provisions		609,538	-	609,538	537,702	-	537,702
12.2 Restructuring provisions		-	-	-	-	-	-
12.3 Reserve for employee benefits		208,498	-	208,498	175,748	-	175,748
12.4 Insurance technical reserves (Net)		-	-	-	-	-	-
12.5 Other provisions		150,683	411	151,094	99,926	603	100,529
<b>XIII. TAX LIABILITY</b>	(II-8)	<b>192,419</b>	-	<b>192,419</b>	<b>103,434</b>	-	<b>103,434</b>
13.1 Current tax liability		192,419	-	192,419	103,434	-	103,434
13.2 Deferred tax liability		-	-	-	-	-	-
<b>XIV. PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)</b>	(II-9)	-	-	-	-	-	-
14.1 Held for sale		-	-	-	-	-	-
14.2 Discontinued operations		-	-	-	-	-	-
<b>XV. SUBORDINATED LOANS</b>	(II-10)	-	<b>1,785,915</b>	<b>1,785,915</b>	-	<b>1,778,323</b>	<b>1,778,323</b>
<b>XVI. SHAREHOLDERS' EQUITY</b>	(II-11)	<b>5,902,942</b>	<b>37</b>	<b>5,902,979</b>	<b>5,286,423</b>	<b>15</b>	<b>5,286,438</b>
16.1 Paid-in capital		2,204,390	-	2,204,390	2,204,390	-	2,204,390
16.2 Supplementary capital		706,532	37	706,569	721,973	15	721,988
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		(18,848)	37	(18,811)	(93,714)	15	(93,699)
16.2.4 Tangible assets revaluation differences		91,991	-	91,991	101,391	-	101,391
16.2.5 Intangible assets revaluation differences		-	-	-	-	-	-
16.2.6 Investment property revaluation differences		-	-	-	-	-	-
Bonus shares obtained from associates, subsidiaries and jointly controlled entities (Joint Vent.)		527	-	527	527	-	527
16.2.8 Hedging funds (Effective portion)		(60,118)	-	(60,118)	32,185	-	32,185
16.2.9 Accumulated valuation differences from assets held for sale and from discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		690,415	-	690,415	679,019	-	679,019
16.3 Profit reserves		2,359,963	-	2,359,963	1,815,515	-	1,815,515
16.3.1 Legal reserves		172,700	-	172,700	145,948	-	145,948
16.3.2 Status reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		1,959,298	-	1,959,298	1,441,602	-	1,441,602
16.3.4 Other profit reserves		227,965	-	227,965	227,965	-	227,965
16.4 Profit or loss		632,057	-	632,057	544,545	-	544,545
16.4.1 Prior years' income/ (loss)		9,497	-	9,497	9,497	-	9,497
16.4.2 Current year income/ (loss)		622,560	-	622,560	535,048	-	535,048
16.5 Minority shares	(II-12)	-	-	-	-	-	-
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>39,662,850</b>	<b>23,329,039</b>	<b>62,991,889</b>	<b>34,820,451</b>	<b>18,588,177</b>	<b>53,408,628</b>

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 2014**

(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 31.12.2014			Audited Prior Period 31.12.2013		
		TL	FC	TOTAL	TL	FC	TOTAL
<b>A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)</b>		<b>48,849,156</b>	<b>48,654,297</b>	<b>97,503,453</b>	<b>41,527,796</b>	<b>41,483,062</b>	<b>83,010,858</b>
<b>I. GUARANTEES</b>	(III-1)	<b>5,408,402</b>	<b>6,452,539</b>	<b>11,860,941</b>	<b>4,752,585</b>	<b>6,589,434</b>	<b>11,342,019</b>
1. Letters of guarantee		4,191,978	4,092,624	8,284,602	3,910,749	3,963,656	7,874,405
1.1.1. Guarantees subject to State Tender Law		122,191	109,163	231,354	124,446	47,427	171,873
1.1.2. Guarantees given for foreign trade operations		304,025	294,680	598,705	345,982	80,397	426,379
1.1.3. Other letters of guarantee		3,765,762	3,688,781	7,454,543	3,440,321	3,835,832	7,276,153
1.2. Bank loans		-	62,150	62,150	-	271,178	271,178
1.2.1. Import letter of acceptance		-	62,150	62,150	-	271,178	271,178
1.2.2. Other bank acceptances		-	-	-	-	-	-
1.3. Letters of credit		-	1,271,645	1,271,645	381	1,355,974	1,356,355
1.3.1. Documentary letters of credit		-	145,575	145,575	381	275,508	275,889
1.3.2. Other letters of credit		-	1,126,070	1,126,070	-	1,080,466	1,080,466
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		1,209,108	593,229	1,802,337	839,960	580,709	1,420,669
1.9. Other collaterals		7,316	432,891	440,207	1,495	417,917	419,412
<b>II. COMMITMENTS</b>	(III-1)	<b>11,142,402</b>	<b>1,491,443</b>	<b>12,633,845</b>	<b>10,147,570</b>	<b>1,303,708</b>	<b>11,451,278</b>
2.1. Irrevocable commitments		11,142,402	1,491,443	12,633,845	10,147,570	1,303,708	11,451,278
2.1.1. Forward asset purchase commitments		221,352	1,467,898	1,689,250	566,850	1,175,708	1,742,558
2.1.2. Forward deposit purchase and sales commitments		-	-	-	-	101,194	101,194
2.1.3. Share capital commitment to associates and subsidiaries		-	-	-	-	-	-
2.1.4. Loan granting commitments		4,336,448	94	4,336,542	3,853,680	79	3,853,759
2.1.5. Securities underwriting commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7. Payment commitment for checks		2,186,510	-	2,186,510	2,002,630	-	2,002,630
2.1.8. Tax and fund liabilities from export commitments		24,189	-	24,189	12,503	-	12,503
2.1.9. Commitments for credit card expenditure limits		4,101,473	-	4,101,473	3,545,841	-	3,545,841
2.1.10. Commitments for promotions related with credit cards and banking activities		5,178	-	5,178	4,451	-	4,451
2.1.11. Receivables from short sale commitments		-	-	-	-	-	-
2.1.12. Payables for short sale commitments		-	-	-	-	-	-
2.1.13. Other irrevocable commitments		267,252	23,451	290,703	161,615	26,727	188,342
2.2. Revocable commitments		-	-	-	-	-	-
2.2.1. Revocable loan granting commitments		-	-	-	-	-	-
2.2.2. Other revocable commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>	(III-2)	<b>32,298,352</b>	<b>40,710,315</b>	<b>73,008,667</b>	<b>26,627,641</b>	<b>33,589,920</b>	<b>60,217,561</b>
3.1. Derivative financial instruments for hedging purposes		10,757,751	328,460	11,086,211	4,187,813	327,712	4,515,525
3.1.1. Fair value hedge		363,480	328,460	691,940	271,779	327,712	599,491
3.1.2. Cash flow hedge		10,394,271	-	10,394,271	3,916,034	-	3,916,034
3.1.3. Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2. Held for trading transactions		21,540,601	40,381,855	61,922,456	22,439,828	33,262,208	55,702,036
3.2.1. Forward foreign currency buy/sell transactions		3,446,564	4,146,566	7,593,130	3,908,750	4,941,701	8,850,451
3.2.1.1. Forward foreign currency transactions-buy		1,175,714	2,516,439	3,692,153	1,284,444	3,160,656	4,445,100
3.2.1.2. Forward foreign currency transactions-sell		2,270,850	1,630,127	3,900,977	2,624,306	1,781,045	4,405,351
3.2.2. Swap transactions related to f.c. and interest rates		12,653,451	23,967,798	36,621,249	9,773,165	16,573,516	26,346,681
3.2.2.1. Foreign currency swap-buy		4,418,890	11,793,982	16,212,872	3,805,355	6,303,715	10,109,070
3.2.2.2. Foreign currency swap-sell		7,634,561	8,274,358	15,908,919	3,796,230	6,202,995	9,999,225
3.2.2.3. Interest rate swaps-buy		300,000	1,949,729	2,249,729	1,085,790	2,033,403	3,119,193
3.2.2.4. Interest rate swaps-sell		300,000	1,949,729	2,249,729	1,085,790	2,033,403	3,119,193
3.2.3. Foreign currency, interest rate and securities options		5,440,586	12,264,066	17,704,652	8,757,913	11,746,991	20,504,904
3.2.3.1. Foreign currency options-buy		3,286,420	5,628,254	8,914,674	3,969,496	6,255,824	10,225,320
3.2.3.2. Foreign currency options-sell		2,154,166	6,633,488	8,787,654	4,576,617	5,426,705	10,003,322
3.2.3.3. Interest rate options-buy		-	-	-	111,800	32,231	144,031
3.2.3.4. Interest rate options-sell		-	2,324	2,324	100,000	32,231	132,231
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		-	3,425	3,425	-	-	-
<b>B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>		<b>136,906,009</b>	<b>19,722,997</b>	<b>156,629,006</b>	<b>117,549,955</b>	<b>22,075,502</b>	<b>139,625,457</b>
<b>IV. ITEMS HELD IN CUSTODY</b>	(III-5)	<b>27,454,007</b>	<b>1,538,701</b>	<b>28,992,708</b>	<b>24,552,795</b>	<b>1,608,448</b>	<b>26,161,243</b>
4.1. Assets under management		1,666,807	-	1,666,807	1,726,140	-	1,726,140
4.2. Investment securities held in custody		15,906,018	337,297	16,243,315	14,269,099	316,944	14,586,043
4.3. Checks received for collection		9,454,665	928,503	10,383,168	8,179,150	858,542	9,037,692
4.4. Commercial notes received for collection		355,438	105,561	460,999	378,204	112,718	490,922
4.5. Other assets received for collection		-	167,340	167,340	103	320,244	320,347
4.6. Assets received for public offering		-	-	-	-	-	-
4.7. Other items under custody		71,079	-	71,079	99	-	99
4.8. Custodians		-	-	-	-	-	-
<b>V. PLEDGED ITEMS</b>		<b>109,281,579</b>	<b>18,143,460</b>	<b>127,425,039</b>	<b>92,871,177</b>	<b>20,427,595</b>	<b>113,298,772</b>
5.1. Marketable securities		773,354	16,333	789,687	583,589	19,982	603,571
5.2. Guarantee notes		52,454,968	13,409,366	65,864,334	47,538,076	13,536,458	61,074,534
5.3. Commodity		53,640	211,098	264,738	70,351	166,369	236,720
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		49,440,563	3,131,992	52,572,555	38,660,715	4,912,365	43,573,080
5.6. Other pledged items		6,559,054	1,374,671	7,933,725	6,018,446	1,792,421	7,810,867
5.7. Pledged items-depository		-	-	-	-	-	-
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>170,423</b>	<b>40,836</b>	<b>211,259</b>	<b>125,983</b>	<b>39,459</b>	<b>165,442</b>
<b>TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)</b>		<b>185,755,165</b>	<b>68,377,294</b>	<b>254,132,459</b>	<b>159,077,751</b>	<b>63,558,564</b>	<b>222,636,315</b>

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 2014**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

**III. STATEMENT OF INCOME**

		Audited Current Period 01.01-31.12.2014	Audited Prior Period 01.01-31.12.2013
	Section 5 Note Ref		
<b>I. INTEREST INCOME</b>	<b>(IV-1)</b>	<b>5,202,374</b>	<b>4,017,519</b>
1.1 Interest on loans		4,705,697	3,637,658
1.2 Interest received from reserve deposits		1,775	-
1.3 Interest received from banks		29,380	7,470
1.4 Interest received from money market placements		32,748	10,925
1.5 Interest received from marketable securities portfolio		421,969	360,936
1.5.1 Held-for-trading financial assets		33,649	62,448
1.5.2 Financial assets at fair value through profit and loss		-	-
1.5.3 Available-for-sale financial assets		359,243	290,595
1.5.4 Investments held-to-maturity		29,077	7,893
1.6 Finance lease Income		-	-
1.7 Other interest income		10,805	530
<b>II. INTEREST EXPENSE</b>	<b>(IV-2)</b>	<b>2,637,869</b>	<b>2,045,280</b>
2.1 Interest on deposits		2,227,313	1,732,069
2.2 Interest on funds borrowed		191,193	200,577
2.3 Interest on money market borrowings		138,211	46,087
2.4 Interest on securities issued		55,521	32,288
2.5 Other interest expense		25,631	34,259
<b>III. NET INTEREST INCOME/EXPENSE (I - II)</b>		<b>2,564,505</b>	<b>1,972,239</b>
<b>IV. NET FEES AND COMMISSIONS INCOME/EXPENSE</b>		<b>880,821</b>	<b>647,518</b>
4.1 Fees and commissions received		1,304,719	952,413
4.1.1 Non-cash loans		115,205	101,264
4.1.2 Other	(IV-12)	1,189,514	851,149
4.2 Fees and commissions paid		423,898	304,895
4.2.1 Non-cash loans		1,767	1,383
4.2.2 Other	(IV-12)	422,131	303,512
<b>V. DIVIDEND INCOME</b>	<b>(IV-3)</b>	<b>19,278</b>	<b>4,940</b>
<b>VI. NET TRADING INCOME</b>	<b>(IV-4)</b>	<b>(356,681)</b>	<b>71,704</b>
6.1 Securities trading gains/ (losses)		8,185	41,694
6.2 Gains/ (losses) from derivative financial instruments		(821,749)	458,119
6.3 Foreign exchange gains/ (losses)		456,883	(428,109)
<b>VII. OTHER OPERATING INCOME</b>	<b>(IV-5)</b>	<b>210,931</b>	<b>186,965</b>
<b>VIII. NET OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>3,318,854</b>	<b>2,883,366</b>
<b>IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)</b>	<b>(IV-6)</b>	<b>565,603</b>	<b>482,345</b>
<b>X. OTHER OPERATING EXPENSES (-) (*)</b>	<b>(IV-7)</b>	<b>1,958,196</b>	<b>1,701,857</b>
<b>XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)</b>		<b>795,055</b>	<b>699,164</b>
<b>XII. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER</b>		-	-
<b>XIII. GAIN / (LOSS) ON EQUITY METHOD</b>		-	-
<b>XIV. GAIN / (LOSS) ON NET MONETARY POSITION</b>		-	-
<b>PROFIT / (LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)</b>	<b>(IV-8)</b>	<b>795,055</b>	<b>699,164</b>
<b>XV. TAX PROVISION FOR CONTINUED OPERATIONS</b>	<b>(IV-9)</b>	<b>(172,495)</b>	<b>(164,116)</b>
16.1 Current income tax (charge)/benefit (*)		(233,494)	(60,125)
16.2 Deferred tax (charge)/benefit		60,999	(103,991)
<b>XVII. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV+XVI)</b>	<b>(IV-10)</b>	<b>622,560</b>	<b>535,048</b>
<b>XVIII. INCOME ON DISCONTINUED OPERATIONS</b>		-	-
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		-	-
<b>XIX. LOSS FROM DISCONTINUED OPERATIONS (-)</b>		-	-
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		-	-
<b>PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)</b>	<b>(IV-8)</b>	-	-
<b>XX. TAX PROVISION FOR DISCONTINUED OPERATIONS</b>	<b>(IV-9)</b>	-	-
21.1 Current income tax (charge)/benefit		-	-
21.2 Deferred tax (charge)/benefit		-	-
<b>XXII. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX+XXI)</b>	<b>(IV-10)</b>	-	-
<b>XXIII. NET PROFIT/LOSS (XVII±XXII)</b>	<b>(IV-11)</b>	<b>622,560</b>	<b>535,048</b>
23.1 Group's profit/loss		622,560	535,048
23.2 Minority shares profit / loss (-)		-	-
Earnings per share		0.2824	0.2427

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 2014**  
(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 01.01-31.12.2014	Audited Prior Period 01.01-31.12.2013
<b>I.</b>		
<b>II.</b>		
<b>III.</b>		
<b>IV.</b>		
<b>V.</b>		
<b>VI.</b>		
<b>VII.</b>		
<b>VIII.</b>		
<b>IX.</b>		
<b>X.</b>		
<b>XI.</b>		
11.1		
11.2		
11.3		
11.4		
<b>XII.</b>		
	106,490	(105,299)
	-	-
	-	-
	-	-
	(115,379)	102,314
	-	-
	-	-
	14,245	24,001
	(1,071)	(4,204)
	4,285	16,812
	(10,304)	(71,004)
	(10,304)	(71,004)
	-	-
	-	-
	-	-
	(6,019)	(54,192)

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**

	Section 5 Note Ref	Paid-in Capital	Effect of Inflation Acc. On Capital and Other Reserves	Share Premium	Share Cancellatio n 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
<b>Audited</b>																			
<b>Prior Period – 01.01-31.12.2013</b>																			
<b>I Beginning Balance – 31.12.2012</b>		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
<b>II. Corrections according to TAS 8</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 The effect of corrections of errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 The effect of changes in accounting policy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. New Balance (I+II)</b>		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
Changes in period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IV. Increase/Decrease related to merger</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>V. Marketable securities valuation differences (V-a)</b>	(V-a)	-	-	-	-	-	-	-	-	-	-	(155,244)	-	-	-	-	(155,244)	-	(155,244)
<b>VI. Hedging Funds (Effective Portion) (V-b)</b>	(V-b)	-	-	-	-	-	-	-	-	-	-	-	-	81,851	-	-	81,851	-	81,851
6.1 Cash-flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	81,851	-	-	81,851	-	81,851
6.2 Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII. Tangible assets revaluation differences</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII. Intangible assets revaluation differences</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX. Bonus shares obtained from associates, subsidiaries and jointly controlled entities (Joint vent.)</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X. Foreign exchange differences (V-c)</b>	(V-c)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XI. The disposal of assets</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XII. The reclassification of assets</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIII. The effect of change in associate's equity</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIV. Capital increase</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2 Internal sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XV. Share premium (V-h)</b>	(V-h)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVI. Share cancellation profits</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVII. Inflation adjustment to paid-in capital</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVIII. Other (*)</b>		-	-	-	-	-	-	-	19,201	-	-	-	-	-	-	-	19,201	-	19,201
<b>XIX. Period net income/(loss)</b>		-	-	-	-	-	-	-	-	535,048	-	-	-	-	-	-	535,048	-	535,048
<b>XX. Profit distribution</b>		-	-	-	-	24,281	-	308,541	163,156	-	(495,978)	-	-	-	-	-	-	-	-
20.1 Dividends distributed		-	-	-	-	24,281	-	308,541	163,156	-	(495,978)	-	-	-	-	-	-	-	-
20.2 Transfers to reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing Balance 31.12.2013 (III+IV+V+VI+VII+VIII+IX+X+XI +XII+XIII+XIV+XV+XVI+XVII+XVIII+XI X+XX)</b>		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 CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2014**

(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 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
<b>Current Period 01.01-31.12.2014</b>																			
I		2,204,390	200,262	2,565	-	145,948	-	1,441,602	706,722	-	544,545	(93,699)	101,391	527	32,185	-	5,286,438	-	5,286,438
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	(V-a)	-	-	-	-	-	-	-	-	-	-	74,888	-	-	-	-	74,888	-	74,888
IV.	(V-b)	-	-	-	-	-	-	-	-	-	-	-	-	-	(92,303)	-	(92,303)	-	(92,303)
4.1		-	-	-	-	-	-	-	-	-	-	-	-	-	(92,303)	-	(92,303)	-	(92,303)
4.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	(V-c)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	(V-h)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.		-	-	-	-	-	-	9,400	11,396	-	-	-	(9,400)	-	-	-	11,396	-	11,396
XVII.		-	-	-	-	-	-	-	622,560	-	-	-	-	-	-	-	622,560	-	622,560
XVIII.		-	-	-	-	26,752	-	508,296	-	-	(535,048)	-	-	-	-	-	-	-	-
18.1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2		-	-	-	-	26,752	-	508,296	-	-	(535,048)	-	-	-	-	-	-	-	-
18.3		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing Balance 31.12.2014</b>																			
<b>(I+II+III+IV+V+VI+VII+VIII+IX+X+XI+XII+XIII+XIV+XV+XVI+XVII+XVIII)</b>																			
		2,204,390	200,262	2,565	-	172,700	-	1,959,298	718,118	622,560	9,497	(18,811)	91,991	527	(60,118)	-	5,902,979	-	5,902,979

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  
PERIOD FROM 1 JANUARY TO 31 DECEMBER 2014**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

**VI. STATEMENT OF CASH FLOWS**

	Section 5 Note Ref	Audited Current Period 01.01-31.12.2014	Audited Prior Period 01.01-31.12.2013
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1 Operating profit before changes in operating assets and liabilities</b>		<b>1,999,891</b>	<b>1,579,621</b>
1.1.1 Interest received		5,010,085	3,458,200
1.1.2 Interest paid		(2,393,579)	(1,900,804)
1.1.3 Dividend received		8,559	3,234
1.1.4 Fees and commissions received		1,931,178	1,142,753
1.1.5 Other income		682,728	617,421
1.1.6 Collections from previously written off loans		445,064	377,028
1.1.7 Payments to personnel and service suppliers		(816,502)	(725,162)
1.1.8 Taxes paid		(162,760)	(109,084)
1.1.9 Others (**)	(VI-1)	(2,704,882)	(1,283,965)
<b>1.2 Changes in operating assets and liabilities</b>		<b>(815,683)</b>	<b>(2,789,425)</b>
1.2.1 Net (decrease) increase in financial assets held for trading		566,661	(213,875)
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		1,926	(7,718)
1.2.4 Net increase in loans		(7,439,195)	(8,719,348)
1.2.5 Net increase in other assets	(VI-1)	(1,252,038)	(1,881,042)
1.2.6 Net increase (decrease) in bank deposits		449,401	1,682,419
1.2.7 Net increase in other deposits		5,336,193	4,908,369
1.2.8 Net increase (decrease) in funds borrowed		2,274,843	1,612,290
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net (increase) decrease in other liabilities		(753,474)	(170,520)
<b>I. Net cash provided from / (used in) banking operations</b>		<b>1,184,208</b>	<b>(1,209,804)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net cash provided from/ (used in) investing activities</b>		<b>6,572</b>	<b>(672,485)</b>
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		(80,975)	(145,227)
2.4 Fixed asset sales		10,568	1,742
2.5 Cash paid for purchase of financial assets available for sale		(3,769,644)	(6,732,881)
2.6 Cash obtained from sale of financial assets available for sale		3,874,067	6,245,467
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)	(27,444)	(44,664)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net cash provided from/ (used in) financing activities</b>		<b>282,633</b>	<b>219,844</b>
3.1 Cash obtained from funds borrowed and securities issued		1,604,439	696,130
3.2 Cash used for repayment of funds borrowed and securities issued		(1,321,806)	(476,286)
3.3 Capital increase		-	-
3.4 Dividends paid		-	-
3.5 Payments for finance leases		-	-
3.6 Other		-	-
<b>IV. Effect of change in foreign exchange rate on cash and cash equivalents</b>	(VI-1)	<b>3,981</b>	<b>28,013</b>
<b>V. Net increase / (decrease) in cash and cash equivalents</b>		<b>1,477,394</b>	<b>(1,634,432)</b>
<b>VI. Cash and cash equivalents at beginning of the period</b>	(VI-2)	<b>1,832,772</b>	<b>3,467,204</b>
<b>VII. Cash and cash equivalents at end of the period</b>	(VI-2)	<b>3,310,166</b>	<b>1,832,772</b>

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  
PERIOD FROM 1 JANUARY TO 31 DECEMBER 2014**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

**VII. PROFIT DISTRIBUTION TABLE**

	<b>Audited Current Period 31.12.2014(*)</b>	<b>Audited Prior Period 31.12.2013</b>	
<b>I. DISTRIBUTION OF CURRENT YEAR INCOME</b>			
1.1	CURRENT YEAR INCOME	795,055	699,164
1.2	TAXES AND DUTIES PAYABLE (-)	172,495	164,116
1.2.1	Corporate tax (Income tax)	233,494	60,125
1.2.2	Income withholding tax	-	-
1.2.3	Other taxes and duties	(60,999)	103,991
<b>A.</b>	<b>NET INCOME FOR THE YEAR (1.1-1.2)</b>	<b>622,560</b>	<b>535,048</b>
1.3	PRIOR YEARS' LOSSES (-)	-	-
1.4	FIRST LEGAL RESERVES (-)	-	26,752
1.5	OTHER STATUTORY RESERVES (-)	-	-
<b>B.</b>	<b>NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5))]</b>	<b>-</b>	<b>508,296</b>
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	-	508,296
1.13	OTHER RESERVES	-	-
1.14	SPECIAL FUNDS	-	-
<b>II. DISTRIBUTION OF RESERVE</b>			
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 (-)	-	-
<b>III. EARNINGS PER SHARE</b>			
3.1	TO OWNERS OF ORDINARY SHARES	0.2824	0.2427
3.2	TO OWNERS OF ORDINARY SHARES ( % )	28.24	24.27
3.3	TO OWNERS OF PREFERRED SHARES	-	-
3.4	TO OWNERS OF PREFERRED SHARES ( % )	-	-
<b>IV. DIVIDEND PER SHARE</b>			
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 ( % )	-	-

(\*) As of 31December 2014 when the financial statement has been finalized, The general Assembly meeting did not performed.

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
UNCONSOLIDATED YEAR END FINANCIAL STATEMENTS ORIGINALLY ISSUED  
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**TÜRK EKONOMİ BANKASI A.Ş.  
UNCONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD  
FROM 1 JANUARY TO 31 DECEMBER 2014**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

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**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 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 format and the details of the publicly announced financial statements and related disclosures to these statements have been prepared in accordance with the "Communiqué Related to Publicly Announced Financial Statements of Banks and Explanations and Notes Related to these Financial Statements" and changes and notes to this communiqué published in the Official Gazette No.28337 dated 28 June 2012.

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  
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**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.

The Bank has adopted fair value and cash flow hedge accounting in order to avoid the effects of fair value and cash flow risks. 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 that the hedging transactions do not 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  
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UNCONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD  
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**ACCOUNTING PRINCIPLES (Continued)**

**IV. Explanations on Forward and Option Contracts and Derivative Instruments (Continued)**

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.

*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. 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.

Current period provisions are booked in “Provision for Loan Losses and Other Receivables” account. If the provisions for the receivables that had been realised in earlier periods are collected in current year, reversals of specific provisions are booked in “Other Operating Income”. Income realized through the sale of non-performing loans are booked in “Other Operating Income” account.

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 2014, the Bank has reverse repo amounting to TL550,169 (31 December 2013: None).

As of 31 December 2014, the Bank does not have any marketable securities lending transaction (31 December 2013: 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 2014, assets held for sale of the Bank are TL79,466 (31 December 2013: TL83,217). As per the appraisals performed for the real estates held for sale included “Assets Held for Sale” in the financial statements, TL2,064 (31 December 2013: TL4,961) 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 dated and numbered 12 February 2011, 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 TL421,124, which is the difference between TL2,385,482 which is the fair value of transferred amount and TL1,964,358 which is the identifiable net asset value is accounted as goodwill in the financial statements of the Bank and the equity impact is shown under other shareholder’s equity section.

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 active 12 banks 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 16 August 2013. The Parent Bank filed the annulment action over the file no.2014/7E Ankara 2<sup>nd</sup> 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 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 reviewed annually. The carrying value of provision for employee termination benefits as of 31 December 2014 is TL97,662 (31 December 2013: TL85,927).

	<b>31 December 2014</b>	<b>31 December 2013</b>
Discount Rate (%)	8.60	9.92
Expected Inflation Rate (%)	5.00	6.45
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 2014, actuarial profit amounting to TL11,396 (1 January - 31 December 2013: TL19,201 actuarial profit) was classified as “Other Comprehensive Income” and as of 31 December 2014, a total of TL20,246 (31 December 2013: TL8,850 actuarial profit) actuarial profit was accounted under “Other Reserves”.

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 2014, the Pension Fund has 2,166 employees and 959 pensioners (31 December 2013: 2,401 employees and 918 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. Upon the Council of Ministers’ resolution dated 24 February 2014 issued in the Official Gazette No:28987 on 30 April 2014, mentioned transfer period has been extended for one more year while it has been extended for one year upon the Council of Ministers’ resolution dated 08 April 2013 issued in the Official Gazette No:28636 on 3 May 2013.

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 2014. 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*

Based on the decision of the Foundation’s Extraordinary General Assembly and approval by the Board of Directors of the Bank, Güvenlik Vakfı a second foundation whose members joined the bank after the merger with Fortis Bank, transferred the retirement commitments to Individual Pension System after necessary legal procedures has been completed at 31 March 2014. From this date on, contributions by the bank to the Güvenlik Vakfı has been ended.

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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 2014 and 31 December 2013, 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.

After net off the net deferred tax asset is presented as deferred tax asset on the balance sheet and net deferred tax liability presented as deferred tax liability on balance sheet. Deferred tax income has been presented on statement of profit and loss amounting to TL60,999 (31 December 2013: TL103,991 deferred tax expense). Portion of deferred tax accounted for under equity related to valuation differences which is presented in the table below has been netted and presented within relevant accounts in statement of profit and loss accounted for under equity.

	<b>Current period</b>	<b>Prior Period</b>
Available-for-sale financial assets	(18,722)	38,810
Cash flow hedge	23,076	(20,463)
Actuarial profit or loss	(2,849)	(4,800)
<b>Total</b>	<b>1,505</b>	<b>13,547</b>

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 Bank mainly operates in retail and corporate banking segments.

<b>Current Period</b>	<b>Retail</b>	<b>Corporate</b>	<b>Treasury/ SME Head Office</b>		<b>Total</b>
Net interest income	377,536	208,975	893,452	1,084,542	2,564,505
Net fees and commissions income and other operating income	223,494	153,419	430,871	283,968	1,091,752
Trading profit / loss	269	594	(1,005)	(356,539)	(356,681)
Dividend income	-	-	-	19,278	19,278
Impairment provision for loans and other receivables (-)	145,306	31,650	283,474	105,173	565,603
Other operating expenses (-)	353,185	44,133	458,668	1,102,210	1,958,196
<b>Profit before taxes</b>	<b>102,808</b>	<b>287,205</b>	<b>581,176</b>	<b>(176,134)</b>	<b>795,055</b>
Tax provision (-)	-	-	-	172,495	172,495
<b>Net profit for the period</b>	<b>102,808</b>	<b>287,205</b>	<b>581,176</b>	<b>(348,629)</b>	<b>622,560</b>

<b>Current Period</b>	<b>Retail</b>	<b>Corporate</b>	<b>Treasury/ SME Head Office</b>		<b>Total</b>
Segment assets	11,193,768	9,764,889	20,839,272	21,016,715	62,814,644
Investments in associates, subsidiaries and jointly controlled entities	-	-	-	177,245	177,245
<b>Total Assets</b>	<b>11,193,768</b>	<b>9,764,889</b>	<b>20,839,272</b>	<b>21,193,960</b>	<b>62,991,889</b>
Segment liabilities	22,988,933	9,472,711	6,826,822	17,800,444	57,088,910
Shareholders' equity	-	-	-	5,902,979	5,902,979
<b>Total Liabilities</b>	<b>22,988,933</b>	<b>9,472,711</b>	<b>6,826,822</b>	<b>23,703,423</b>	<b>62,991,889</b>

<b>Prior Period (31.12.2013)</b>	<b>Retail</b>	<b>Corporate</b>	<b>Treasury/ SME Head Office</b>		<b>Total</b>
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	278,884	834,483
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	218,825	482,345
Other operating expenses (-)	292,867	40,855	406,179	961,956	1,701,857
<b>Profit before taxes</b>	<b>45,425</b>	<b>302,262</b>	<b>490,689</b>	<b>(139,212)</b>	<b>699,164</b>
Tax provision (-)	-	-	-	164,116	164,116
<b>Net profit for the period</b>	<b>45,425</b>	<b>302,262</b>	<b>490,689</b>	<b>(303,328)</b>	<b>535,048</b>

<b>Prior Period (31.12.2013)</b>	<b>Retail</b>	<b>Corporate</b>	<b>Treasury/ SME Head Office</b>		<b>Total</b>
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
<b>Total Assets</b>	<b>9,431,252</b>	<b>8,075,811</b>	<b>17,004,574</b>	<b>18,896,991</b>	<b>53,408,628</b>
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
<b>Total Liabilities</b>	<b>19,489,191</b>	<b>8,767,630</b>	<b>5,934,189</b>	<b>19,217,618</b>	<b>53,408,628</b>

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**ACCOUNTING PRINCIPLES (Continued)**

**XXIII. Explanations on Other Matters**

It has been resolved in the Ordinary General Assembly dated 25 March 2014 the Bank, TL535,048 that constitutes the 2013 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, TL26,752 as legal reserves, TL0.43 (full TL) as profit distributed to the holders of the founder jouissance certificates, TL0.05 (full TL) as legal reserves.

**XXIV. Classification**

In the current year, the Bank has classified reversals in current period from specific provisions and selling past due receivables portfolio in “Other Operation Income” which were booked in “Loans and Other Receivable Provision” in prior periods. To conform to changes in presentation of the financial statements the bank has made reclassifications amounting to TL87,327 between related accounts in the income statement as of 31 December 2013.

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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 6 September 2014 and Official Gazette numbered 29111 and "Communiqué on Equities of Banks" published on 5 September 2013 in the Official Gazette numbered 28756. The Bank's unconsolidated capital adequacy ratio is occurred 13.96% (31 December 2013: 14.23%) in accordance with the related Communiqué as of 31 December 2014.

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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**I. Explanations Related to Capital Adequacy Standard Ratio (Continued)**

**Information related to the capital adequacy ratio:**

Current Period-31 December 2014	Risk Weight									
	0%	10%	20%	50%	75%	100%	150%	200%	250%	1250%
<b>Value at Credit Risk Exposure Categories</b>										
Conditional and unconditional receivables from central governments or central banks	14,071,345	-	-	-	-	108,456	-	-	96,746	-
Conditional and unconditional receivables from regional or local governments	-	-	346,119	-	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	2	-	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	1,313,765	1,060,726	-	459,380	4,621	-	-	-
Conditional and unconditional receivables from corporate	-	-	-	-	-	20,385,120	-	-	-	-
Conditional and unconditional retail Receivables	-	-	-	-	19,596,979	407,035	-	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	5,848,221	-	-	-	-	-	-
Past due receivables	-	-	-	20,149	-	254,414	125,331	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	7,753	-	2,127	1,526,331	2,715,622	1,705	-
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporate	-	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-
Other receivables	770,710	-	29,849	-	2	1,292,129	-	-	-	-
<b>Total Value at Risk</b>	<b>14,842,055</b>	<b>-</b>	<b>1,689,733</b>	<b>6,936,849</b>	<b>19,596,981</b>	<b>22,908,663</b>	<b>1,656,283</b>	<b>2,715,622</b>	<b>98,451</b>	<b>-</b>
<b>Total Risk Weighted Assets</b>	<b>-</b>	<b>-</b>	<b>337,947</b>	<b>3,468,425</b>	<b>14,697,736</b>	<b>22,908,663</b>	<b>2,484,425</b>	<b>5,431,244</b>	<b>246,128</b>	<b>-</b>

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**I. Explanations Related to Capital Adequacy Standard Ratio (Continued)**

**Information related to the capital adequacy ratio: (Continued)**

Prior Period-31 December 2013	Risk Weight									
	0%	10%	20%	50%	75%	100%	150%	200%	250%	1250%
<b>Value at Credit Risk Exposure Categories</b>										
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	-	-	-	-
<b>Total Value at Risk</b>	<b>11,457,857</b>	<b>-</b>	<b>1,127,466</b>	<b>5,623,765</b>	<b>11,830,769</b>	<b>24,120,457</b>	<b>1,279,553</b>	<b>2,775,002</b>	<b>40,018</b>	<b>-</b>
<b>Total Risk Weighted Assets</b>	<b>-</b>	<b>-</b>	<b>225,493</b>	<b>2,811,883</b>	<b>8,873,077</b>	<b>24,120,457</b>	<b>1,919,330</b>	<b>5,550,004</b>	<b>100,045</b>	<b>-</b>

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**I. Explanations Related to Capital Adequacy Standard Ratio (Continued)**

**Summary information related to the capital adequacy ratio:**

	<b>Current Period</b>	<b>Prior Period</b>
Capital Requirement for Credit Risk (Value at Credit Risk*0.08) (CRCR)	3,965,965	3,488,023
Capital Requirement for Market Risk (CRMR)	59,032	69,240
Capital Requirement for Operational Risk CROR (*)	337,591	300,586
Total Capital	7,614,824	6,860,593
Total Capital /((CRCR+CRMR+CROR)*12.5)*100	13.96	14.23
Tier 1 Capital/((CRCR+CRMR+CROR)*12.5)*100	10.26	-
Common Equity Tier 1 Capital/((CRCR+CRMR+CROR)*12.5)*100	10.26	-

(\*)Operational risk has been calculated by using the Basic Indicator Approach.

**Information related to the components of shareholders' equity:**

	<b>Current Period 31.12.2014</b>
<b>Common Equity Tier 1 Capital</b>	
Paid-in Capital to be Entitled for Compensation after All Creditors	2,404,652
Share Premium	2,565
Share Cancellation Profits	-
Reserves	2,801,333
Income recognized under equity in accordance with TAS	91,991
Profit	632,057
Current Period's Profit	622,560
Prior Period's Profit	9,497
General Reserves for Possible Losses	-
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	527
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>5,933,125</b>
<b>Deductions from Common Equity Tier 1 Capital</b>	<b>-</b>
Net loss for the prior year losses and uncovered portion of the total reserves and losses that are recognized under equity in accordance with TAS (-)	18,811
Leasehold Improvements on Operational Leases (-)	79,750
Goodwill and intangible asset and the related deferred tax liability (-)	238,870
Net Deferred Tax Asset / Liability (-)	-
Excess amount expressed in the law (Article 56 4th paragraph) (-)	-
Bank's direct or indirect investments on its own Tier 1 Capital (-)	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-
Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions (amount above 10% threshold) of Tier 1 Capital	-
Mortgage servicing rights (amount above 10% threshold) of Tier 1 Capital	-
Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-
Amounts exceeding 15% of Tier 1 Capital according to Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (2nd article temporary second paragraph (-)	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-
Amounts related to mortgage servicing rights (-)	-
Excess amount of deferred tax assets from temporary differences (-)	-
Other Items Determined by BRSA (-)	-
The amount to be deducted from common equity tier 1 capital (-)	-
<b>Total Deductions from common equity tier 1 Capital</b>	<b>337,431</b>
<b>Total Common Equity Tier 1 Capital</b>	<b>5,595,694</b>

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**I. Explanations Related to Capital Adequacy Standard Ratio (Continued)**

**Informations related to components of shareholders’ equity : (Continued)**

	<b>Current Period 31.12.2014</b>
<b>Additional Tier 1 Capital</b>	-
Premiums that are not included in Common Equity Tier 1 capital	-
Bank's borrowing instruments and related issuance premium (issued after 1.1.2014 )	-
Bank's borrowing instruments and related issuance premium (issued before 1.1.2014 )	232,440
<b>Additional Tier 1 Capital before deductions</b>	<b>232,440</b>
<b>Deductions from Additional Tier 1 Capital</b>	-
Bank's a direct or indirect investment in Tier 1 Capital (-)	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of Common Equity Tier I Capital (-)	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital (-)	-
Other Items Determined by BRSA(-)	-
The amount to be deducted from Additional Tier 1 Capital (-)	-
<b>Total Deductions from Additional Tier 1 Capital</b>	-
<b>Total Additional Tier 1 Capital</b>	<b>232,440</b>
<b>Deductions From Tier 1 Capital</b>	-
The amount related to goodwill or other intangible assets not deducted from Common Equity Tier 1 Capital (-)	232,440
The amount related to deferred tax assets not deducted from Common Equity Tier 1 Capital (-)	-
<b>Tier 1 Capital</b>	<b>5,595,694</b>
<b>Tier 2 Capital</b>	-
Bank's borrowing instruments and related issuance premium (issued after 1.1.2014 )	-
Bank's borrowing instruments and related issuance premium (issued before 1.1.2014 )	1,419,147
Pledged assets of the shareholders to be used for the Bank’s capital increases	-
General Provisions	609,538
<b>Tier 2 Capital Before Deductions</b>	<b>2,028,685</b>
<b>Deductions From Tier 2 Capital</b>	-
Bank's direct or indirect investment in Tier 2 capital (-)	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of Common Equity Tier I Capital (-)	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Core Capital and Tier II Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier I Capital (-)	-
Other Items Determined by BRSA(-)	-
<b>Total Deductions From Tier 2 Capital</b>	-
<b>Tier 2 Capital</b>	<b>2,028,685</b>

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**I. Explanations Related to Capital Adequacy Standard Ratio (Continued)**

**Informations related to components of shareholders’ equity : (Continued)**

	<b>Current Period 31.12.2014</b>
<b>TOTAL CAPITAL BEFORE REGULATORY DEDUCTIONS</b>	<b>7,624,379</b>
Loan granted to Customer against the Articles 50 and 51 of the Banking Law	6,347
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(-)	3,192
Loans extended to banks, financial institutions (domestic and abroad) and qualified shareholders, like secondary subordinated loan and debt instruments purchased from these institutions issued, like primary and secondary subordinated loan (-)	-
Securitization positions that is deducted -preferably- from the shareholders' equity (Article 20 paragraph 2 ) (-)	-
Other items to be defined by BRSA (-)	16
The sum of partnership share on banks and financial institutions, with shareholding of less than 10%, but exceeding 10% of Common Equity Tier 1 not deducted from Common Equity Tier 1, Tier 1 or Tier 2 (-)	-
The sum of partnership share on banks and financial institutions, with shareholding of more than 10%, but exceeding 10% of the bank (-)	-
The sum of partnership share on banks and financial institutions, with shareholding of more than 10%, but exceeding 10% of bank (-)	-
<b>TOTAL CAPITAL</b>	<b>7,614,824</b>
<b>Amounts below deduction thresholds</b>	<b>-</b>
The sum of partnership share on banks and financial institutions, with shareholding of less than 10%	9,226
The sum of partnership share on banks and financial institutions, with shareholding of more than 10%	-
Mortgage servicing rights	-
Deferred tax assets arising from temporary differences (net of related tax liability)	96,746

**Information related to the components of shareholders’ equity:**

	<b>Amount to be considered in equity calculation in current period</b>	<b>Total</b>
Minority shares in Common Equity Tier 1 Capital	-	-
Third parties in Additional Tier 1 Capital	-	-
Third parties in Tier 2 Capital	-	-
Bank's borrowing instruments and related premium (issued before 1.1.2014 ) (*)	1,651,587	1,651,587

(\*) Borrowing items that are not possessed to Communiqué on Equities of Banks (article 7 and 8) will be deducted 10% for each year as of 01 January 2015.



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**I. Explanations Related to Capital Adequacy Standard Ratio (Continued)**

**Information related to the components of prior period shareholders' equity:**

	<b>Prior Period 31.12.2013</b>
<b>CORE CAPITAL</b>	
Paid-in Capital	2,204,390
Nominal Capital	2,204,390
Capital Commitments (-)	-
Inflation Adjustments to Paid-in Capital	200,262
Share Premium	2,565
Share Cancellation Profits	-
Reserves	2,245,489
Inflation Adjustments to Reserves	-
Profit	544,545
Current Period's Profit	535,048
Prior Period's Profit	9,497
Provision for Possible Losses (up to 25% of Core Capital)	-
Income on Sale of Equity Shares and Real Estates	101,391
Primary Subordinated Debts	212,970
Loss (in excess of Reserves) (-)	-
Current Period's Losses	-
Prior Period's Losses	-
Leasehold Improvements on Operational Leases (-)	76,969
Intangible Assets (-)	473,933
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 (-)	-
<b>Total Core Capital</b>	<b>4,960,710</b>
<b>SUPPLEMENTARY CAPITAL</b>	
General Provisions	537,702
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
Primary Subordinated Debts excluding the portion included in Core Capital	-
Secondary Subordinated Debts	1,462,838
45% of Securities Value Increase Fund	(93,699)
Inflation Adjustments to Other Capital and Profit Reserves and Prior Periods' Profit/Loss (excluding inflation adjustment of reserves)	-
<b>Total Supplementary Capital</b>	<b>1,907,368</b>
<b>CAPITAL</b>	<b>6,868,078</b>
<b>DEDUCTIONS FROM CAPITAL</b>	<b>7,485</b>
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
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
Securitization Positions to be Deducted from Equity	-
Other Deduction Items	91
<b>TOTAL SHAREHOLDER'S EQUITY</b>	<b>6,860,593</b>

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**I. Explanations Related to Capital Adequacy Standard Ratio (Continued)**

**Information related to the components of shareholders’ equity:**

<b>Issuer</b>	<b>IFC</b>	<b>IFC</b>	<b>BNP Paribas</b>	<b>BNP Paribas</b>	<b>EBRD</b>	<b>BNP Paribas</b>	<b>EBRD</b>
Unique identifier (eg CUSIP, ISIN)	-	-	XS0700889081	XS0808626013	XS0780562665	XS0947781315	XS0947781828
Governing law(s) of the instrument	Turkey	Turkey	Turkey	Turkey	Turkey	Turkey	Turkey
<b>Regulatory treatment</b>							
Subject to 10% deduction as of 1/1/2015	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Eligible at solo/group/group&solo	Available	Available	Available	Available	Available	Available	Available
Instrument type	Credit	Credit	Borrowing Instrument	Borrowing Instrument	Borrowing Instrument	Borrowing Instrument	Borrowing Instrument
Amount recognised in regulatory capital (TL Currency in mil, as of most recent reporting date)	232.4	-	483.7	281.4	151.1	351.8	151.1
Par value of instrument(TL Currency in mil)	232.4	116.2	492.5	281.4	151.1	351.8	151.1
Accounting classification	34700001	34701030	34701100	34701100	34701100	34701100	34701100
Original date of issuance	31.07.2007	29.06.2005	04.11.2011	20.07.2012	14.05.2012	27.06.2013	28.06.2013
Perpetual or dated	Demand	Time	Time	Time	Time	Time	Time
Original maturity date	Demand	15.07.2015	04.11.2023	20.07.2024	14.05.2024	27.06.2023	28.06.2023
Issuer call subject to prior supervisory approval	Available	Available	Available	Available	Available	Available	Available
Optional call date, contingent call dates and redemption amount	31.07.2017	15.07.2010	04.11.2018	20.07.2019	14.05.2019	27.06.2018	28.06.2018
Subsequent call dates, if applicable	-	-	-	-	-	-	-
<b>Coupons / dividends</b>							
Fixed or floating dividend/coupon	Floating LIBOR +	Floating LIBOR +	Floating	Floating	Floating LIBOR +	Floating Euribor +	Floating LIBOR +
Coupon rate and any related index	3.5%	3.18%	Euribor+4.75%	Euribor+4.75%	5.75%	2.10%	3.40%
Existence of a dividend stopper	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
Existence of step up or other incentive to redeem	Available	Nil	Nil	Nil	Nil	Nil	Nil
Noncumulative or cumulative	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Convertible or non-convertible</b>							
If convertible, conversion trigger (s)	Repayment option(*)	-	-	-	-	-	-
If convertible, fully or partially	Total	-	-	-	-	-	-
If convertible, conversion rate	(*)	-	-	-	-	-	-
If convertible, mandatory or optional conversion	Optional	-	-	-	-	-	-
If convertible, specify instrument type convertible into	Share	-	-	-	-	-	-
If convertible, specify issuer of instrument it converts into	TEB	-	-	-	-	-	-
<b>Write-down feature</b>							
If write-down, write-down trigger(s)	-	-	-	-	-	-	-
If write-down, full or partial	-	-	-	-	-	-	-
If write-down, permanent or temporary	-	-	-	-	-	-	-
If temporary write-down, description of write-up mechanism	-	-	-	-	-	-	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	tier 2 debt instruments	Deposit and other receivables	Deposit and other receivables	Deposit and other receivables	Deposit and other receivables	Deposit and other receivables	Deposit and other receivables
Whether conditions which stands in article of 7 and 8 of Banks’ shareholder equity law are possessed or not	Not Possess	Not Possess	Not Possess	Not Possess	Not Possess	Not Possess	Not Possess
According to article 7 and 8 of Banks’ shareholders equity law that are not possessed (**)	Article 7/2 (ç), (f), (i), (j)	Article 8/2 (ğ)	Article 8/2 (ğ)	Article 8/2 (ğ)	Article 8/2 (ğ)	Article 8/2 (ğ)	Article 8/2 (ğ)

(\*) The additional tier 1 borrowing obtained from IFC on 31 July 2007 was structured in such a manner that entitle IFC to convert the borrowing to common shares in case of not paying back on 31 July 2007, at call option date. Conversion ratio will be calculated through valid market data if right is exercised.

(\*\*) Under article 7/2; in subsection Ç, clauses on step-up and incentive to redeem; in subsection F delegating to the bank about cancellation of interest and dividend payment; in subsection İ and J conditions of conversion to common shares and write-down are stated. Under article 8/2 in subsection Ğ mechanism of write-down or conversion to common shares are stated.

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**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 56 of "Communiqué on Banks’ Internal Control and Assessment of Internal Capital Adequacy Process". 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 28906 dated 7 February 2014; 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:

<b>Exposure classifications</b>	<b>Current Period Risk Amount(*)</b>	<b>Average Risk Amount(*,**)</b>
Conditional and unconditional receivables from central governments or central banks	14,185,386	13,124,431
Conditional and unconditional receivables from regional or local governments	381,286	343,111
Conditional and unconditional receivables from administrative units and non-commercial enterprises	2	2,058
Conditional and unconditional receivables from multilateral development banks	-	-
Conditional and unconditional receivables from international organizations	-	-
Conditional and unconditional receivables from banks and brokerage houses	2,854,892	2,876,048
Conditional and unconditional corporate receivables	21,416,730	22,870,262
Conditional and unconditional retail receivables	20,449,422	15,992,636
Conditional and unconditional secured mortgage receivables	5,848,221	5,260,052
Past due receivables	400,881	378,017
Receivables defined in high risk category by BRSA	4,253,538	4,144,424
Securities collateralised by mortgages	-	-
Securitisation positions	-	-
Short-term receivables from banks, stockbrokers and corporate	-	-
Investments of natured collective investment enterprise	-	-
Other receivables	2,092,748	2,094,381

(\*) 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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**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 2014, the receivables of the Bank from its top 100 and top 200 cash loan customers amount is TL4,861,886 and TL6,782,394 and share in total cash loans are respectively 10.81% and 15.07%.

As of 31 December 2014, the receivables of the Bank from its top 100 ve top 200 non-cash loan customers amount to TL4,558,356 and TL5,753,602 with a share of 38.43% and 48.51% respectively in the total non-cash loans.

As of 31 December 2014, 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 4.50% and 6.29% respectively.

As of 31 December 2014, the general loan loss provision related with the credit risk taken by the Bank is TL609,538 (31 December 2013: TL537,702).

**The table below shows the maximum exposure to credit risk for the components of the financial statements:**

	<b>Current Period</b>	<b>Prior Period</b>
Central Bank of Turkey	7,666,370	6,117,942
Due from banks	802,978	324,288
Other money markets	550,169	-
Trading financial assets	87,567	653,630
Derivative financial instruments held for trading	590,742	698,700
Derivative financial instruments for hedging purposes	60,800	112,245
Financial assets available-for-sale	4,312,769	4,258,648
Held-to-maturity investments	317,360	292,956
Loans	45,392,210	38,134,957
<b>Total</b>	<b>59,780,965</b>	<b>50,593,366</b>
Contingent liabilities	11,860,941	11,342,019
Commitments	12,633,845	11,451,278
<b>Total</b>	<b>24,494,786</b>	<b>22,793,297</b>
<b>Total credit risk exposure</b>	<b>84,275,751</b>	<b>73,386,663</b>

**Credit quality per class of financial assets as of 31 December 2014 and 31 December 2013 is as follows:**

<b>Current Period</b>	<b>Neither past due nor impaired</b>	<b>Past due or individually impaired,net</b>	<b>Total</b>
Loans and receivables			
Commercial loans	29,333,974	1,366,356	30,700,330
Consumer loans	11,451,287	710,433	12,161,720
Credit cards	2,386,647	143,513	2,530,160
Other	-	-	-
<b>Total</b>	<b>43,171,908</b>	<b>2,220,302</b>	<b>45,392,210</b>

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**II. Explanations Related to Credit Risk (Continued)**

<b>Prior Period</b>	<b>Neither past due nor impaired</b>	<b>Past due or individually impaired,net</b>	<b>Total</b>
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	-	-	-
<b>Total</b>	<b>36,233,784</b>	<b>1,901,173</b>	<b>38,134,957</b>

**Carrying amount per class of financial assets whose terms have been renegotiated:**

	<b>Current Period</b>	<b>Prior Period</b>
Loans and receivables		
Commercial loans	740,105	609,055
Consumer loans	233,525	440,937
Credit cards	2,295	3,642
<b>Total</b>	<b>975,925</b>	<b>1,053,634</b>

**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 2014, consumer loans and business loans are excluded from the internal rating system of the Bank and those loans are about 39.57% of total loan portfolio.

The risks that are subject to rating models can be allocated as follows.

<b>Category</b>	<b>Description of Category</b>	<b>Share in the Total %</b>
1st Category	The borrower has a very strong financial structure	35.54%
2nd Category	The borrower has a good financial structure	27.68%
3rd Category	The borrower has an intermediate level of financial structure	31.96%
4th Category	The financial structure of the borrower has to be closely monitored in the medium term	4.82%
<b>Total</b>		<b>100.00</b>

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**II. Explanations Related to Credit Risk (continued)**

**Profile of significant exposures in major regions:**

	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 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	
<b>Current Period</b>																	
Domestic	242,252	75,622	-	-	-	790,846	15,689,494	13,365,478	2,854,301	468,752	7,615,519	-	-	-	-	1,050,906	42,153,170
European Union (EU)																	
Countries	-	-	-	-	-	174,765	25,024	3,623	1,708	9	6,659	-	-	-	-	-	211,788
OECD Countries*	-	-	-	-	-	62,336	11	2,007	460	-	1,248	-	-	-	-	-	66,062
Off-Shore Banking																	
Regions	108,069	-	-	-	-	173	179,707	30,948	26,710	2,245	76,211	-	-	-	-	326	424,389
USD, Canada	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Countries	-	-	-	-	-	15,533	25,954	933	1,137	-	1,797	-	-	-	-	-	45,354
Associates, Subsidiaries and Joint –Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	177,240
Unallocated	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assets/Liabilities**	-	636	2	-	-	235,767	5,496,540	2,037,006	39,794	-	29,573	-	-	-	-	69,687	7,909,005
<b>Total</b>	<b>350,321</b>	<b>76,258</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>1,279,420</b>	<b>21,416,730</b>	<b>15,439,995</b>	<b>2,924,110</b>	<b>471,006</b>	<b>7,731,007</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,298,159</b>	<b>50,987,008</b>

(\*) 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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**II. Explanations Related to Credit Risk (continued)**

**Profile of significant exposures in major regions:**

	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 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
<b>Prior Period</b>																	
Domestic	351	56,531	-	-	-	507,777	16,392,923	7,153,335	2,317,559	348,298	8,062,169	-	-	-	-	2,224,026	37,062,969
European Union (EU) Countries	-	-	-	-	-	111,176	10,808	-	67	137	-	-	-	-	-	6,687	128,875
OECD Countries*	-	-	-	-	-	98,469	-	-	-	-	-	-	-	-	-	780	99,249
Off-Shore Banking Regions	142,825	-	-	-	-	3,928	123,107	28,479	18,812	26	-	-	-	-	-	-	317,177
USD, Canada	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Countries	-	-	-	-	-	10,933	89,105	6,519	759	45	-	-	-	-	-	-	107,361
Associates, Subsidiaries and Joint –Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	167,861
Unallocated	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assets/Liabilities**	-	631	4,286	-	-	319,755	4,620,302	1,854,145	43,853	-	31,621	-	-	-	-	205,603	7,080,196
<b>Total</b>	<b>143,176</b>	<b>57,162</b>	<b>4,286</b>	<b>-</b>	<b>-</b>	<b>1,052,038</b>	<b>21,236,245</b>	<b>9,042,478</b>	<b>2,381,050</b>	<b>348,506</b>	<b>8,093,790</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,604,957</b>	<b>44,963,688</b>

(\*) 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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**II. Explanations Related to Credit Risk (continued)**

**Risk profile by Sectors or Counterparties:**

Current Period	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	TL (*)	FC	Total
<b>Agriculture</b>	-	-	-	-	-	-	1,070,930	1,048,089	219,959	27,094	1,953	-	-	-	-	-	2,178,137	189,888	2,368,025
Farming and Husbandry	-	-	-	-	-	-	1,048,706	1,035,227	216,788	27,025	1,612	-	-	-	-	-	2,147,437	181,921	2,329,358
Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fishery	-	-	-	-	-	-	22,224	12,862	3,171	69	341	-	-	-	-	-	30,700	7,967	38,667
<b>Manufacturing</b>	-	1	-	-	-	-	12,187,799	4,957,685	472,910	137,744	70,506	-	-	-	-	-	11,489,331	6,337,314	17,826,645
Mining and Quarrying	-	-	-	-	-	-	443,856	289,702	28,197	9,077	4,395	-	-	-	-	-	543,846	231,381	775,227
Production	-	1	-	-	-	-	11,608,085	4,641,952	441,108	128,568	65,411	-	-	-	-	-	10,846,385	6,038,740	16,885,125
Electricity, Gas and Water	-	-	-	-	-	-	135,858	26,031	3,605	99	700	-	-	-	-	-	99,100	67,193	166,293
<b>Construction</b>	-	-	-	-	-	-	2,539,689	938,834	193,648	36,419	13,486	-	-	-	-	-	2,408,850	1,313,226	3,722,076
<b>Services</b>	350,321	76,257	2	-	-	1,279,420	5,058,379	3,283,411	466,391	119,826	183,295	-	-	-	-	977,806	9,225,280	2,569,828	11,795,108
Wholesale and Retail Trade	-	10,510	-	-	-	-	1,961,209	1,175,922	136,897	35,637	9,595	-	-	-	-	838	2,747,693	582,915	3,330,608
Accommodation and Dining	-	-	-	-	-	-	556,566	225,254	87,488	4,302	15,304	-	-	-	-	-	533,113	355,801	888,914
Transportation and Telecom.	-	-	-	-	-	-	1,089,504	719,171	68,246	47,428	10,781	-	-	-	-	5	1,459,260	475,875	1,935,135
Financial Institutions	350,321	-	-	-	-	1,279,420	139,038	39,715	7,245	444	10,519	-	-	-	-	976,589	2,452,958	350,333	2,803,291
Real Estate and Rental Services	-	2,906	-	-	-	-	758,792	606,889	110,127	19,474	3,986	-	-	-	-	-	826,744	675,430	1,502,174
Professional Services	-	1,937	2	-	-	-	268,667	330,567	33,303	9,148	109,377	-	-	-	-	19	678,943	74,077	753,020
Educational Services	-	1	-	-	-	-	33,946	52,741	8,809	408	9,544	-	-	-	-	180	91,938	13,691	105,629
Health and Social Services	-	60,903	-	-	-	-	250,657	133,152	14,276	2,985	14,189	-	-	-	-	175	434,631	41,706	476,337
<b>Other</b>	-	-	-	-	-	-	559,933	5,211,976	1,571,202	149,923	7,461,767	-	-	-	-	320,353	14,450,993	824,161	15,275,154
<b>Total</b>	<b>350,321</b>	<b>76,258</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>1,279,420</b>	<b>21,416,730</b>	<b>15,439,995</b>	<b>2,924,110</b>	<b>471,006</b>	<b>7,731,007</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,298,159</b>	<b>39,752,591</b>	<b>11,234,417</b>	<b>50,987,008</b>

(\*) 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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**II. Explanations Related to Credit Risk (continued)**

**Risk profile by Sectors or Counterparties:**

Prior Period	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	TL (*)	FC	Total
<b>Agriculture</b>	-	-	-	-	-	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
<b>Manufacturing</b>	-	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
<b>Construction</b>	-	-	-	-	-	2,665,600	467,895	162,217	26,409	5,174	-	-	-	-	-	-	1,897,838	1,429,457	3,327,295
<b>Services</b>	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
<b>Other</b>	-	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
<b>Total</b>	<b>143,176</b>	<b>57,162</b>	<b>4,286</b>	<b>-</b>	<b>-</b>	<b>1,052,038</b>	<b>21,236,245</b>	<b>9,042,478</b>	<b>2,381,050</b>	<b>348,506</b>	<b>8,093,790</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,604,957</b>	<b>34,485,342</b>	<b>10,478,346</b>	<b>44,963,688</b>

(\*) 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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**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	126,656	-	-	-	387
Conditional and unconditional exposures to regional governments or local authorities	47	252	591	669	74,062
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	493,954	106,911	70,949	121,921	76,834
Conditional and unconditional exposures to corporates	5,151,061	1,056,480	1,151,736	2,873,019	5,684,481
Conditional and unconditional retail exposures	5,009,067	922,867	694,118	1,313,515	5,458,896
Conditional and unconditional exposures secured by real estate property	430,679	44,912	61,265	127,019	2,220,311
Past due receivables	-	-	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	85,483	7,615,951
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	37,389	-	-	-	-
<b>Total</b>	<b>11,248,853</b>	<b>2,131,422</b>	<b>1,978,659</b>	<b>4,521,626</b>	<b>21,130,922</b>

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	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	-	-
<b>Total</b>	<b>11,131,117</b>	<b>1,577,042</b>	<b>2,018,110</b>	<b>3,646,761</b>	<b>17,776,089</b>

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**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	14,750,893	-	1,704,429	6,942,269	20,037,713	23,962,526	1,671,202	2,715,622	98,451	-	560,615
Exposures after Credit Risk Mitigation	14,842,055	-	1,689,733	6,936,849	19,596,981	22,908,663	1,656,283	2,715,622	98,451	-	560,615

**Prior 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

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**II. Explanations Related to Credit Risk (continued)**

**Informations in terms of major sectors and type of counterparties:**

Current Period Major Sectors / Counterparties	Credits			
	Impaired Credits	Past Due Credits	Value Adjustments	Provisions
Agriculture	59,304	184,683	1,947	37,178
Farming and Stockbreeding	58,944	178,991	1,887	36,868
Forestry	-	4,912	52	-
Fishery	360	780	8	310
Manufacturing	332,135	497,667	5,247	224,756
Minning and Quarrying	23,526	24,544	259	16,594
Production	308,325	470,806	4,964	207,999
Electricity, Gas and Water	284	2,317	24	163
Construction	70,669	106,228	1,120	42,585
Services	233,176	387,906	4,090	141,923
Wholesale and Retail Trade	81,914	124,056	1,308	55,257
Accomodation and Dining	9,632	44,256	467	5,954
Transportation and Telecom.	89,051	93,867	990	53,342
Financial Institutions	960	2,581	27	592
Real Estate and Rental Services	25,904	62,907	663	10,663
Professional Services	16,915	33,447	353	10,132
Educational Services	948	4,839	51	599
Health and Social Services	7,852	21,953	231	5,384
Other	425,127	642,937	6,781	273,088
<b>Total</b>	<b>1,120,411</b>	<b>1,819,421</b>	<b>19,185</b>	<b>719,530</b>

Prior Period Major Sectors / Counterparties	Credits			
	Impaired Credits	Past Due Credits	Value Adjustments	Provisions
Agriculture	48,380	126,551	3,407	28,206
Farming and Stockbreeding	47,639	120,715	3,250	27,917
Forestry	-	4,494	121	-
Fishery	741	1,342	36	289
Manufacturing	280,572	383,807	10,333	170,819
Minning and Quarrying	17,885	28,606	770	13,266
Production	262,400	354,569	9,546	157,357
Electricity, Gas and Water	287	632	17	196
Construction	54,568	85,179	2,293	27,918
Services	187,888	333,335	8,974	115,355
Wholesale and Retail Trade	65,600	99,021	2,666	42,067
Accomodation and Dining	7,538	35,631	959	3,998
Transportation and Telecom.	75,593	96,728	2,604	47,017
Financial Institutions	614	2,339	63	477
Real Estate and Rental Services	16,052	39,239	1,056	8,270
Professional Services	16,213	38,610	1,040	10,085
Educational Services	849	3,512	95	530
Health and Social Services	5,429	18,255	491	2,911
Other	296,713	632,256	17,024	185,778
<b>Total</b>	<b>868,121</b>	<b>1,561,128</b>	<b>42,031</b>	<b>528,076</b>

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**II. Explanations Related to Credit Risk (continued)**

**Information about Value Adjustment and Change in Provisions**

	31.12.2013 Balance	Provision for Period	Provision Reversals	Write off from Asset	Other Adjustments*	31.12.2014 Balance
Specific Provisions	528,076	511,908	(145,977)	(174,477)	-	719,530
General Provisions	537,702	80,131	(8,295)	-	-	609,538

(\*) Determined according to currency differences, business merger, acquisition and disposition of affiliate company

	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

**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.

a) i) Information Related to Market Risk:

	<b>Amount</b>
(I) Capital Requirement against General Market Risk - Standard Method	20,403
(II) Capital Requirement against Specific Risks - Standard Method	786
Capital requirement against Specific Risks of Securitization Positions– Standard Method	-
(III) Capital Requirement against Currency Exchange Risk - Standard Method	7,402
(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	1,124
(VII) Capital requirement against Counterparty Credit Risks - Standard Method	29,317
(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)	59,032
<b>(X) Amount Subject to Market Risk (12.5 x VIII) or (12.5 x IX)</b>	<b>737,900</b>

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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	20,310	24,856	16,612	17,433	23,084	12,486
Common Stock Risk	-	-	-	-	-	-
Currency Risk	7,284	13,219	4,265	6,807	15,529	3,803
Commodity Risk	-	-	-	-	-	-
Exchange Risk	-	-	-	-	-	-
Option Risk	851	1,131	525	1,139	2,254	570
Counterparty Credit Risk	35,101	56,384	27,985	31,168	49,993	17,344
<b>Total Value Subject to Risk (*)</b>	<b>794,310</b>	<b>1,088,155</b>	<b>658,613</b>	<b>706,824</b>	<b>906,625</b>	<b>479,850</b>

(\*) “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

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collateral conditions.

**III. Explanations Related to Market Risk (continued)**

**Quantitative Information on Counterparty Risk:**

	<b>Purchase/Sell Accounts</b>	<b>Banking Accounts</b>	<b>Total</b>
Agreements based on Interest Rate	7,009	24,573	31,582
Agreement based on Foreign Exchange Currency	272,497	100,265	372,762
Agreement Based on Commodity	-	-	-
Agreement Based on Shares	-	-	-
Other	-	-	-
Gross Positive Fair Values	402,830	83,944	486,774
Benefits of Netting	-	-	-
Current Net Risk Amount	-	-	-
Reserved Guarantee	-	-	-
Net Position of Derivatives	682,336	208,781	891,117

- 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,

	<b>31.12.2011</b>	<b>31.12.2012</b>	<b>31.12.2013</b>	<b>Total/Positive Year</b>	<b>Rate (%)</b>	<b>Total</b>
Gross Income	1,677,723	2,373,162	2,700,938	2,250,607	15	337,591
Amount subject to Operational Risk (Total*12,5)						4,219,889

	<b>31.12.2010</b>	<b>31.12.2011</b>	<b>31.12.2012</b>	<b>Total/Positive Year</b>	<b>Rate (%)</b>	<b>Total</b>
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

- 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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**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 2014, the Bank’s balance sheet short position is TL4,538,896 (31 December 2013: TL2,269,211 short position), off-balance sheet long position is TL3,767,370 (31 December 2013: TL2,713,582 long position) and as a result net foreign currency short position is TL771,526 (31 December 2013: TL444,371 net long position)

The announced current foreign exchange buying rates of the Bank at 31 December 2014 and the previous five working days in full TL are as follows:

	24.12.2014	25.12.2014	26.12.2014	29.12.2014	30.12.2014	31.12.2014
<b>USD</b>	2.3142	2.3139	2.3125	2.3172	2.3212	2.3244
<b>JPY</b>	0.0192	0.0193	0.0192	0.0192	0.0195	0.0195
<b>EURO</b>	2.8216	2.8288	2.8092	2.8242	2.8207	2.8144

The simple arithmetic averages of the major current foreign exchange buying rates of the Bank for the thirty days before 31 December 2014 are as follows:

	Monthly Average Foreign Exchange Rate
<b>USD</b>	2.2912
<b>JPY</b>	0.0192
<b>EURO</b>	2.8196

**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 2014	31 December 2013	31 December 2014	31 December 2013
USD	10 increase	11,166	8,212	2	1
USD	10 decrease	(11,166)	(8,212)	(2)	(1)
EURO	10 increase	(995)	(672)	1	-
EURO	10 decrease	995	672	(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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**V. Explanations Related to Currency Risk (continued)**

**Information on the foreign currency risk of the Bank:**

<b>Current Period</b>	<b>EUR</b>	<b>USD</b>	<b>OTHER</b>	<b>TOTAL</b>
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1,667,627	5,028,459	909,055	7,605,141
Banks	73,827	51,047	83,083	207,957
Financial Assets at Fair Value through Profit and Loss (****)	13,662	8,206	76	21,944
Money Market Placements	-	-	-	-
Available-For-Sale Financial Assets	260	1,859	6,149	8,268
Loans (**)	4,318,748	5,360,154	883,009	10,561,911
Subsidiaries, Associates and Entities Under Common Control (Joint Vent.)	61,254	-	-	61,254
Held-To-Maturity Investments	-	-	-	-
Derivative Financial Assets for Hedging Purposes	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	168,998	45,991	669	215,658
<b>Total Assets</b>	<b>6,304,376</b>	<b>10,495,716</b>	<b>1,882,041</b>	<b>18,682,133</b>
<b>Liabilities</b>				
Bank Deposits	579,382	8,098	89,389	676,869
Foreign Currency Deposits (*)	2,909,659	7,655,045	892,340	11,457,044
Money Market Borrowings	-	-	-	-
Funds Provided From Other Financial Institutions	5,955,799	3,434,397	1,205,327	10,595,523
Marketable Securities Issued	-	294,904	-	294,904
Miscellaneous Payables	62,818	118,284	613	181,715
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities (***)	7,683	7,140	151	14,974
<b>Total Liabilities</b>	<b>9,515,341</b>	<b>11,517,868</b>	<b>2,187,820</b>	<b>23,221,029</b>
<b>Net Balance Sheet Position</b>	<b>(3,210,965)</b>	<b>(1,022,152)</b>	<b>(305,779)</b>	<b>(4,538,896)</b>
<b>Net Off-Balance Sheet Position</b>	<b>3,007,255</b>	<b>554,715</b>	<b>205,400</b>	<b>3,767,370</b>
Financial Derivative Assets (****)	7,723,873	13,958,277	1,009,202	22,691,352
Financial Derivative Liabilities (****)	4,716,618	13,403,562	803,802	18,923,982
Non-Cash Loans (*****)	2,598,729	3,713,397	140,413	6,452,539
<b>Prior Period</b>				
Total Assets	6,784,916	7,608,071	1,886,138	16,279,125
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

(\*) Precious metal accounts amounting to TL477,622 (31 December 2013: TL671,360) are included in the foreign currency deposits.

(\*\*) Foreign currency indexed loans amounting to TL2,641,281 (31 December 2013: TL2,508,336) are included in the loan portfolio.

(\*\*\*) TL107,973 (31 December 2013: TL39,826) expense accruals from derivative financial instruments are deducted from other liabilities.

(\*\*\*\*) Forward asset and marketable securities purchase-sale commitments of TL472,776 (31 December 2013: TL626,064) are added to derivative financial assets and TL432,243 (31 December 2013: TL549,644) has been added to derivative financial liabilities.

(\*\*\*\*\*) TL66,674 (31 December 2013: TL32,146) income accruals from derivative financial instruments is deducted from Financial Assets at Fair Value through Profit and Loss.

(\*\*\*\*\*) There are no effects on the net off-balance sheet position.

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**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 protect from interest rate volatility. Duration, maturity and sensitivity analysis performed within this context are calculated by the risk management department and reported to the 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
<b>Current Period</b>							
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	532,270	-	-	-	7,934,658	8,466,928
Banks	590,581	8,540	8,317	-	-	195,540	802,978
Financial Assets at Fair Value Through Profit and Loss	42,633	22,095	56,666	63,066	65,471	428,378	678,309
Money Market Placements	550,169	-	-	-	-	-	550,169
Available-For-Sale Financial Assets	580,530	1,006,119	1,731,083	957,176	16,890	20,971	4,312,769
Loans(*)	13,219,948	2,826,095	7,313,662	16,548,223	5,049,464	434,818	45,392,210
Held-To-Maturity Investments	31,583	87,344	198,433	-	-	-	317,360
Other Assets	-	-	10,370	50,383	48	2,410,365	2,471,166
<b>Total Assets</b>	<b>15,015,444</b>	<b>4,482,463</b>	<b>9,318,531</b>	<b>17,618,848</b>	<b>5,131,873</b>	<b>11,424,730</b>	<b>62,991,889</b>
<b>Liabilities</b>							
Bank Deposits	617,459	580,665	2,122	-	-	40,299	1,240,545
Other Deposits	27,701,781	4,769,977	186,681	82,902	206	5,456,469	38,198,016
Money Market Borrowings	1,756,987	-	-	-	-	-	1,756,987
Sundry Creditors	-	-	-	-	-	1,122,666	1,122,666
Marketable Securities Issued	165,887	262,196	563,500	-	-	-	991,583
Funds Provided From Other Financial Institutions	2,504,430	4,835,946	3,283,830	110,604	112,671	-	10,847,481
Other Liabilities	6,776	1,770	41,477	326,838	9,294	8,448,456	8,834,611
<b>Total Liabilities</b>	<b>32,753,320</b>	<b>10,450,554</b>	<b>4,077,610</b>	<b>520,344</b>	<b>122,171</b>	<b>15,067,890</b>	<b>62,991,889</b>
Balance Sheet Long Position	-	-	5,240,921	17,098,504	5,009,702	-	27,349,127
Balance Sheet Short Position	(17,737,876)	(5,968,091)	-	-	-	(3,643,160)	(27,349,127)
Off-Balance Sheet Long Position	5,328,783	1,100,000	-	-	-	-	6,428,783
Off-Balance Sheet Short Position	-	-	(1,267,485)	(5,035,764)	(26,250)	-	(6,329,499)
<b>Total Position</b>	<b>(12,409,093)</b>	<b>(4,868,091)</b>	<b>3,973,436</b>	<b>12,062,740</b>	<b>4,983,452</b>	<b>(3,643,160)</b>	<b>99,284</b>

(\*) Revolving loans amounting to TL7,098,120 are included in “Up to 1 Month” while mark to market differences from hedged loans amounting to TL6,077 are included in “1-5 Years”.

The other assets line in the non-interest bearing column consists of tangible assets amounting to TL315,128, intangible assets amounting to TL475,472, subsidiaries amounting to TL177,240 and entities under common control (joint vent.) amounting to TL5, assets held for sale amounting to TL79,466 while other liabilities line includes the shareholders’ equity of TL5,902,979

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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
<b>Prior Period</b>							
<b>Assets</b>							
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
<b>Total Assets</b>	<b>12,558,891</b>	<b>3,169,739</b>	<b>8,494,517</b>	<b>14,713,744</b>	<b>4,188,434</b>	<b>10,283,303</b>	<b>53,408,628</b>
<b>Liabilities</b>							
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
<b>Total Liabilities</b>	<b>23,525,819</b>	<b>10,559,678</b>	<b>4,847,405</b>	<b>275,389</b>	<b>120,453</b>	<b>14,079,884</b>	<b>53,408,628</b>
<b>Balance Sheet Long Position</b>	-	-	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)
<b>Total Position</b>	<b>(10,332,077)</b>	<b>(4,978,363)</b>	<b>2,027,419</b>	<b>13,282,172</b>	<b>3,909,964</b>	<b>(3,796,581)</b>	<b>112,534</b>

(\*) Revolving loans 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 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)**

**Average interest rates applied to monetary financial instruments:**

	<b>EURO</b>	<b>USD</b>	<b>YEN</b>	<b>TL</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Current Period</b>				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	1.51
Banks	0.20	0.09	-	10.93
Financial Assets at Fair Value Through Profit and Loss	1.58	4.03	-	8.41
Money Market Placements	-	-	-	11.24
Available-For-Sale Financial Assets	2.43	3.59	-	9.44
Loans	3.44	3.74	2.94	12.87
Held-To-Maturity Investments	-	-	-	12.58
Liabilities				
Bank Deposits	0.30	-	-	4.67
Other Deposits	1.20	1.99	1.75	9.91
Money Market Borrowings	-	-	-	8.32
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	1.16	-	9.10
Funds Provided From Other Financial Institutions	1.17	1.77	2.23	8.09
	<b>EURO</b>	<b>USD</b>	<b>YEN</b>	<b>TL</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Prior Period</b>				
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

**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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**VI. Explanations Related to Interest Rate Risk (Continued)**

**Interest rate risk on banking accounts: (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”:

<b>Type of Currency</b>	<b>Shock Applied (+/- x basis point)</b>	<b>Gains/ (Losses)</b>	<b>Gains/Equity- (Losses)/Equity</b>
TRY	(400)	787,367	10.34%
TRY	500	(850,320)	(11.17)%
EURO	(200)	24,024	0.32%
EURO	200	(21,301)	(0.28)%
USD	(200)	74,226	0.97%
USD	200	(64,730)	(0.85)%
<b>Total (of negative shocks)</b>	<b>(800)</b>	<b>885,617</b>	<b>11.63%</b>
<b>Total (of positive shocks)</b>	<b>900</b>	<b>(936,351)</b>	<b>(12.30)%</b>

**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 Bank continuously determines standards for the liquidity ratios, 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.

<b>Current Period</b>	<b>First Maturity(weekly)</b>		<b>Second Maturity (Monthly)</b>	
<b>31 December 2014</b>	<b>FC</b>	<b>FC+TRY</b>	<b>FC</b>	<b>FC+TRY</b>
Average (%)	162	143	144	109
Maximum (%)	229	164	172	116
Minimum (%)	126	125	124	104

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**VII. Explanations Related to Liquidity Risk (Continued)**

Prior Period	First Maturity(weekly)		Second Maturity (Monthly)	
	FC	FC+TRY	FC	FC+TRY
<b>31 December 2013</b>				
Average (%)	142	161	112	115
Maximum (%)	185	193	146	129
Minimum (%)	109	132	80	107

**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
<b>Assets</b>								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1,994,317	6,472,611	-	-	-	-	-	8,466,928
Banks	195,540	590,581	8,540	8,317	-	-	-	802,978
Financial Assets at Fair Value Through Profit and Loss	-	140,264	118,084	197,951	147,625	74,385	-	678,309
Money Market Placements Available-For-Sale Financial Assets	-	550,169	-	-	-	-	-	550,169
Loans(**)	20,971	249,302	625,156	1,199,718	1,415,016	802,606	-	4,312,769
Held-To-Maturity Investments	-	13,098,032	2,584,323	7,321,032	16,901,873	5,086,069	400,881	45,392,210
Other Assets	-	-	-	10,370	50,383	48	2,410,365	2,471,166
<b>Total Assets</b>	<b>2,210,828</b>	<b>21,100,959</b>	<b>3,336,103</b>	<b>8,737,388</b>	<b>18,514,897</b>	<b>6,280,468</b>	<b>2,811,246</b>	<b>62,991,889</b>
<b>Liabilities</b>								
Bank Deposits	40,299	617,459	580,665	2,122	-	-	-	1,240,545
Other Deposits	5,456,469	27,701,781	4,769,977	186,681	82,902	206	-	38,198,016
Funds Provided From Other Financial Institutions	-	1,836,933	3,844,300	3,200,762	421,285	1,544,201	-	10,847,481
Money Market Borrowings	-	1,756,987	-	-	-	-	-	1,756,987
Marketable Securities Issued	-	165,887	262,196	563,500	-	-	-	991,583
Sundry Creditors	-	1,122,666	-	-	-	-	-	1,122,666
Other Liabilities	-	1,145,199	75,843	347,356	382,978	11,126	6,872,109	8,834,611
<b>Total Liabilities</b>	<b>5,496,768</b>	<b>34,346,912</b>	<b>9,532,981</b>	<b>4,300,421</b>	<b>887,165</b>	<b>1,555,533</b>	<b>6,872,109</b>	<b>62,991,889</b>
<b>Liquidity Gap</b>	<b>(3,285,940)</b>	<b>(13,245,953)</b>	<b>(6,196,878)</b>	<b>4,436,967</b>	<b>17,627,732</b>	<b>4,724,935</b>	<b>(4,060,863)</b>	<b>-</b>
<b>Prior Period</b>								
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
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
<b>Liquidity Gap</b>	<b>(3,632,325)</b>	<b>(7,775,149)</b>	<b>(6,894,380)</b>	<b>3,103,390</b>	<b>15,443,012</b>	<b>3,394,229</b>	<b>(3,638,777)</b>	<b>-</b>

(\*) 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 TL7,098,120 (31 December 2013: TL6,850,037) are included in “Up to 1 Month” while mark to market differences from hedged loans amounting to TL6,077 (31 December 2013: TL3,404) are included in “1-5 Years”.

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**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
<b>As of 31 December 2014,</b>								
Money Market Borrowings	-	1,758,172	-	-	-	-	(1,185)	1,756,987
Deposit	5,456,469	27,779,832	4,818,246	190,530	87,647	425	(135,133)	38,198,016
Bank Deposit	40,299	617,654	580,992	2,202	-	-	(602)	1,240,545
Funds Borrowed From Other Financial Institutions	-	1,852,160	3,852,189	3,298,751	701,379	1,797,708	(654,706)	10,847,481
<b>Total</b>	<b>5,496,768</b>	<b>32,007,818</b>	<b>9,251,427</b>	<b>3,491,483</b>	<b>789,026</b>	<b>1,798,133</b>	<b>(791,626)</b>	<b>52,043,029</b>
<b>As of 31 December 2013,</b>								
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
Funds Borrowed From Other Financial Institutions	-	1,016,195	1,409,771	4,115,659	906,174	1,915,467	(791,971)	8,571,295
<b>Total</b>	<b>5,424,320</b>	<b>23,122,479</b>	<b>8,797,479</b>	<b>4,621,079</b>	<b>979,861</b>	<b>1,915,467</b>	<b>(938,973)</b>	<b>43,921,712</b>

**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
<b>As of 31 December 2014,</b>						
<b>Derivative financial instruments for hedging purposes</b>						
Fair value hedge	-	14,542	452,124	225,274	-	691,940
Cash flow hedge	23,264	99,107	365,013	543,056	68	1,030,508
<b>Held for trading transactions</b>						
Foreign exchange forward contracts-sell	936,087	930,247	1,238,720	761,673	34,250	3,900,977
Currency swaps-sell	7,303,718	2,873,581	3,504,691	2,240,117	117,201	16,039,308
Interest rate swaps-sell	1,226	7,676	17,068	26,423	669	53,062
Foreign currency futures-sell	-	-	-	-	-	-
Foreign currency options-sell	2,602,410	1,993,020	4,179,510	12,714	-	8,787,654
<b>Total</b>	<b>10,866,705</b>	<b>5,918,173</b>	<b>9,757,126</b>	<b>3,809,257</b>	<b>152,188</b>	<b>30,503,449</b>
<b>As of 31 December 2013,</b>						
<b>Derivative financial instruments for hedging purposes</b>						
Fair value hedge	-	497,383	7,718	124,002	-	629,103
Cash flow hedge	-	497,383	7,718	124,002	-	629,103
<b>Held for trading transactions</b>						
Foreign exchange forward contracts-sell	16,296	3,458	131,843	102,146	630	254,373
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	-	-	-	-	-	-
<b>Total</b>	<b>2,415,519</b>	<b>2,995,020</b>	<b>4,581,282</b>	<b>11,501</b>	<b>-</b>	<b>10,003,322</b>
	<b>7,103,968</b>	<b>7,763,301</b>	<b>8,897,730</b>	<b>1,664,433</b>	<b>3,730</b>	<b>25,433,162</b>

Cash disposal of derivative financial instruments is shown above table.



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**VII. Explanations Related to Liquidity Risk (Continued)**

**Securitization positions:**

The Bank does not apply securitization as of 31 December 2014 (31 December 2013: 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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**VII. Explanations Related to Liquidity Risk (Continued)**

**Credit Risk Mitigation Techniques (Continued):**

f) Collaterals in terms of Risk Categories:

**Current Period**

<b>Exposure classifications</b>	<b>Amount</b>	<b>Financial Collaterals</b>	<b>Other/Physical Collaterals</b>	<b>Guarantees and Credit Derivatives</b>
Conditional and unconditional receivables from central governments or central banks	350,321	-	-	-
Conditional and unconditional receivables from regional or local governments	69,224	35,494	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	2	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables and brokerage houses	1,259,428	93,937	-	-
Conditional and unconditional corporate receivables	20,385,119	1,127,897	-	-
Conditional and unconditional retail receivables	15,104,769	461,735	-	-
Conditional and unconditional secured mortgage receivables	2,924,110	-	-	-
Past due receivables	452,485	364	-	-
Receivables in high risk category defined by BRSA	7,731,007	-	-	-
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, stockbrokers and corporate	-	-	-	-
Investments of natured collective investment enterprise	-	-	-	-
Other receivables	1,298,103	58	-	-
<b>Total</b>	<b>49,574,568</b>	<b>1,719,485</b>	-	-

**Prior Period**

<b>Exposure classifications</b>	<b>Amount</b>	<b>Financial Collaterals</b>	<b>Other/Physical Collaterals</b>	<b>Guarantees and Credit Derivatives</b>
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	-	-
<b>Total</b>	<b>43,600,289</b>	<b>1,735,773</b>	-	-

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**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.

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.

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**VII. Explanations Related to Liquidity Risk (Continued)**

**Risk management objectives and policies: (Continued)**

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.

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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**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
<b>Financial Assets</b>	<b>51,375,486</b>	<b>43,010,849</b>	<b>51,465,416</b>	<b>43,276,801</b>
Money Market Placements	550,169	-	550,169	-
Banks	802,978	324,288	802,978	324,288
Available-For-Sale Financial Assets	4,312,769	4,258,648	4,312,769	4,258,648
Held-To-Maturity Investments	317,360	292,956	341,671	288,676
Loans	45,392,210	38,134,957	45,457,829	38,405,189
<b>Financial Liabilities</b>	<b>54,157,278</b>	<b>45,741,658</b>	<b>54,143,022</b>	<b>45,723,147</b>
Bank Deposit	1,240,545	1,484,011	1,240,626	1,484,456
Other Deposit	38,198,016	32,803,963	38,202,689	32,804,974
Funds Borrowed From Other Financial Institutions (*)	12,604,468	9,633,738	12,604,468	9,633,738
Marketable Securities Issued	991,583	710,276	972,573	690,309
Sundry Creditors	1,122,666	1,109,670	1,122,666	1,109,670

(\*) 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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**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.

<b>31 December 2014</b>	<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 3</b>	<b>Total</b>
<b>Financial Assets</b>	<b>4,371,580</b>	<b>668,553</b>	-	<b>5,040,133</b>
Financial assets at fair value through profit and loss	87,567	590,742	-	678,309
<i>Public sector debt securities</i>	87,567	-	-	87,567
<i>Derivative financial assets held for trading</i>	-	590,742	-	590,742
Derivative financial assets for hedging purposes	-	60,800	-	60,800
Available-for-sale financial assets	4,284,013	17,011	-	4,301,024
<i>Public sector debt securities</i>	4,284,013	7,785	-	4,291,798
<i>Other available-for-sale financial assets(*)</i>	-	9,226	-	9,226
<b>Financial Liabilities</b>	-	<b>744,683</b>	-	<b>744,683</b>
Derivative financial liabilities held for trading	-	430,813	-	430,813
Derivative financial liabilities for hedging purposes	-	313,870	-	313,870
<b>31 December 2013</b>	<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 3</b>	<b>Total</b>
<b>Financial Assets</b>	<b>4,885,017</b>	<b>827,797</b>	-	<b>5,712,814</b>
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
<b>Financial Liabilities</b>	-	<b>550,966</b>	-	<b>550,966</b>
Derivative financial liabilities held for trading	-	481,711	-	481,711
Derivative financial liabilities for hedging purposes	-	69,255	-	69,255

(\*) All unquoted share certificates of TL11,745 which are recorded at fair value and at cost since its fair value cannot be reliably estimated are not included. (31 December 2013: TL10,409).

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	329,517	437,126	307,322	366,380
Balances with the Central Bank of Turkey	532,270	7,134,100	324,975	5,792,967
Other	-	33,915	-	19,966
<b>Total</b>	<b>861,787</b>	<b>7,605,141</b>	<b>632,297</b>	<b>6,179,313</b>

**b) Information related to the account of the Central Bank of Turkey:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposit	532,270	-	324,975	-
Unrestricted time deposit	-	661,489	-	527,994
Restricted time deposit	-	6,472,611	-	5,264,973
<b>Total</b>	<b>532,270</b>	<b>7,134,100</b>	<b>324,975</b>	<b>5,792,967</b>

TL661,489 (31 December 2013: TL527,994) foreign currency unrestricted deposit, TL6,472,611 (31 December 2013: TL5,264,973) foreign currency restricted deposit and TL532,270 (31 December 2013: TL324,975) unrestricted deposit balance comprises of reserve deposits. As of 31 December 2014, 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 2013: 5%-11.50% 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 2013: 6%-13% for all foreign currency liabilities).

Based upon press announcement of Central Bank of Turkey with the number of 2014-72 on 21 October 2014, there will be interest payment on TRY reserve deposits starting from November 2014.

**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 2013: None).

a.2) Financial assets at fair value through profit and loss subject to repurchase agreements: None.

Net book value of unrestricted financial assets at fair value through profit and loss is TL87,567 (31 December 2013: TL653,630).

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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	49,320	5,454	166,898	11,137
Swap Transactions	388,657	48,531	254,056	16,242
Futures Transactions	-	-	-	-
Options	73,940	24,840	235,910	14,457
Other	-	-	-	-
<b>Total</b>	<b>511,917</b>	<b>78,825</b>	<b>656,864</b>	<b>41,836</b>

**3. a) Information on banks:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	544,271	33,226	8,171	59,683
Foreign	50,750	174,731	67,202	189,232
Branches and head office abroad	-	-	-	-
<b>Total</b>	<b>595,021</b>	<b>207,957</b>	<b>75,373</b>	<b>248,915</b>

**b) Information on foreign banks:**

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	95,863	93,398	-	-
USA and Canada	21,020	22,706	-	-
OECD Countries(*)	4,193	3,452	-	-
Off-Shore Banking Regions	100,457	135,235	-	-
Other	3,948	1,643	-	-
<b>Total</b>	<b>225,481</b>	<b>256,434</b>	<b>-</b>	<b>-</b>

(\*) 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	387,369	-	738,279	-
Other	-	-	-	-
<b>Total</b>	<b>387,369</b>	<b>-</b>	<b>738,279</b>	<b>-</b>



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**I. Explanations and Disclosures Related to the 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	1,761,323	-	1,097,509	-
Treasury bills	-	-	-	-
Other public sector debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>1,761,323</b>	<b>-</b>	<b>1,097,509</b>	<b>-</b>

Net book value of unrestricted financial assets available-for-sale is TL2,164,077 (31 December 2013: TL2,422,860).

b) Information on financial assets available for sale portfolio:

	Current Period	Prior Period
Debt securities	4,291,798	4,237,793
Quoted on a stock exchange	4,291,798	4,237,793
Not quoted	-	-
Share certificates	20,971	20,855
Quoted on a stock exchange (*)	-	1,220
Not quoted	20,971	19,635
Impairment provision (-)	-	-
<b>Total</b>	<b>4,312,769</b>	<b>4,258,648</b>

(\*) Mutual funds participation certificate amount: TL1,220 (31 December 2013: None).

All unquoted available for sale equities are recorded at fair value except for the Bank’s investment of TL11,745 which is recorded at cost since its fair value cannot be reliably estimated (31 December 2013: TL10,409).

**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	Non-Cash	Cash	Non-Cash
Direct loans granted to shareholders	544	-	7,130	10
Corporate shareholders	3	-	6,540	-
Real person shareholders	541	-	590	10
Indirect loans granted to shareholders	-	-	-	-
Loans granted to employees	60,593	-	57,035	-
<b>Total</b>	<b>61,137</b>	<b>-</b>	<b>64,165</b>	<b>10</b>

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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:

	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	Other	Loans and Other Receivables (Total)	Loans and other receivables with revised contract terms	Other
		Restructured or Rescheduled	Other		Restructured or Rescheduled	Other
<b>Cash Loans</b>						
<b>Non-specialized loans</b>	<b>43,171,908</b>	<b>572,570</b>	-	<b>1,819,421</b>	<b>403,355</b>	-
Working capital loans	-	-	-	-	-	-
Export loans	4,869,485	24,967	-	16,525	4,250	-
Import loans	-	-	-	-	-	-
Loans given to financial sector	633,410	-	-	15	-	-
Consumer loans (**)	11,451,287	208,100	-	608,991	25,425	-
Credit cards	2,386,647	-	-	85,757	2,295	-
Other	23,831,079	339,503	-	1,108,133	371,385	-
<b>Specialized loans</b>	-	-	-	-	-	-
<b>Other receivables</b>	-	-	-	-	-	-
<b>Total</b>	<b>43,171,908</b>	<b>572,570</b>	-	<b>1,819,421</b>	<b>403,355</b>	-

(\*) 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.

(\*\*) TL6,077 of income accrual resulting from the fair value difference of the hedged item loans is included in the loan balance.

No. of extensions	Performing Loans and Other Receivables (*)	Loans and Other Receivables under Follow-up (*)
	1 or 2 times	569,542
3,4 or 5 times	996	2,972
Over 5 times	2,032	2,676
<b>Total</b>	<b>572,570</b>	<b>403,355</b>

Extension Periods	Performing Loans and Other Receivables (*)	Loans and Other Receivables under Follow-up (*)
	0-6 months	343,706
6-12 months	27,829	6,397
1-2 years	74,367	25,394
2-5 years	101,971	18,415
5 years and over	24,697	1,814
<b>Total</b>	<b>572,570</b>	<b>403,355</b>

(\*) 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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**I. Explanations and Disclosures Related to the Assets (Continued)**

**5. Information on loans: (Continued)**

c) Loans and other receivables according to their maturity structure:

<b>Cash Loans</b>	<b>Standard Loans and Other Receivables</b>		<b>Loans and Other Receivables Under Close Monitoring</b>	
	<b>Loans and Other Receivables</b>	<b>Restructured or Rescheduled</b>	<b>Loans and Other Receivables</b>	<b>Restructured or Rescheduled</b>
<b>Short-term loans and other receivables</b>	<b>23,747,531</b>	<b>229,569</b>	<b>911,306</b>	<b>174,716</b>
Non-specialized loans	23,747,531	229,569	911,306	174,716
Specialized loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Medium and long-term loans and other receivables</b>	<b>19,424,377</b>	<b>343,001</b>	<b>908,115</b>	<b>228,639</b>
Non-specialized loans	19,424,377	343,001	908,115	228,639
Non-specialized loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Total</b>	<b>43,171,908</b>	<b>572,570</b>	<b>1,819,421</b>	<b>403,355</b>

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**5. Information on loans: (Continued)**

d) Information on consumer loans, individual credit cards, personnel loans and credit cards given to personnel:

	<b>Short Term</b>	<b>Medium and Long Term</b>	<b>Total</b>
<b>Consumer Loans-TL</b>	<b>214,577</b>	<b>11,301,429</b>	<b>11,516,006</b>
Housing Loans	4,092	6,760,984	6,765,076
Vehicle Loans	4,217	522,130	526,347
General Purpose Loans	206,268	4,017,950	4,224,218
Other	-	365	365
<b>Consumer Loans –Indexed to FC</b>	<b>-</b>	<b>43,775</b>	<b>43,775</b>
Housing Loans	-	41,319	41,319
Vehicle Loans	-	-	-
General Purpose Loans	-	2,456	2,456
Other	-	-	-
<b>Consumer Loans-FC (**)</b>	<b>54</b>	<b>30,447</b>	<b>30,501</b>
Housing Loans	-	9,037	9,037
Vehicle Loans	-	8,712	8,712
General Purpose Loans	54	12,698	12,752
Other	-	-	-
<b>Individual Credit Cards-TL</b>	<b>1,725,716</b>	<b>-</b>	<b>1,725,716</b>
With Installments	618,022	-	618,022
Without Installments	1,107,694	-	1,107,694
<b>Individual Credit Cards-FC</b>	<b>7,379</b>	<b>-</b>	<b>7,379</b>
With Installments	852	-	852
Without Installments	6,527	-	6,527
<b>Personnel Loans-TL</b>	<b>6,067</b>	<b>28,636</b>	<b>34,703</b>
Housing Loans	-	82	82
Vehicle Loans	-	-	-
General Purpose Loans	6,067	28,554	34,621
Other	-	-	-
<b>Personnel Loans- Indexed to FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Personnel Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Personnel Credit Cards-TL</b>	<b>21,813</b>	<b>-</b>	<b>21,813</b>
With Installments	8,436	-	8,436
Without Installments	13,377	-	13,377
<b>Personnel Credit Cards-FC</b>	<b>194</b>	<b>-</b>	<b>194</b>
With Installments	-	-	-
Without Installments	194	-	194
<b>Overdraft Accounts-TL(Real Persons) (*)</b>	<b>434,408</b>	<b>-</b>	<b>434,408</b>
<b>Overdraft Accounts-FC(Real Persons)</b>	<b>885</b>	<b>-</b>	<b>885</b>
<b>Total</b>	<b>2,411,093</b>	<b>11,404,287</b>	<b>13,815,380</b>

(\*) Overdraft Accounts include personnel loans amounting to TL3,883.

(\*\*) 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
<b>Commercial loans with installment facility-TL</b>	<b>5,247,330</b>	<b>2,180,603</b>	<b>7,427,933</b>
Business Loans	133,736	127,633	261,369
Vehicle Loans	673,470	257,660	931,130
General Purpose Loans	4,440,124	1,795,310	6,235,434
Other	-	-	-
<b>Commercial loans with installment facility - Indexed to FC</b>	<b>703,049</b>	<b>224,786</b>	<b>927,835</b>
Business Loans	9,634	25,603	35,237
Vehicle Loans	76,569	69,911	146,480
General Purpose Loans	616,846	129,272	746,118
Other	-	-	-
<b>Commercial loans with installment facility –FC</b>	<b>9,434</b>	-	<b>9,434</b>
Business Loans	-	-	-
Vehicle Loans	2,395	-	2,395
General Purpose Loans	7,039	-	7,039
Other	-	-	-
<b>Corporate Credit Cards-TL</b>	<b>714,908</b>	-	<b>714,908</b>
With Installments	172,857	-	172,857
Without Installments	542,051	-	542,051
<b>Corporate Credit Cards-FC</b>	<b>2,394</b>	-	<b>2,394</b>
With Installments	-	-	-
Without Installments	2,394	-	2,394
<b>Overdraft Accounts-TL(Legal Entities)</b>	<b>1,027,817</b>	-	<b>1,027,817</b>
<b>Overdraft Accounts-FC(Legal Entities)</b>	<b>75</b>	-	<b>75</b>
<b>Total</b>	<b>7,705,007</b>	<b>2,405,389</b>	<b>10,110,396</b>

f) Allocation of loans by customers

	Current Period	Prior Period
Public sector	533,265	477,256
Private sector	44,458,064	37,317,656
<b>Total</b>	<b>44,991,329</b>	<b>37,794,912</b>

g) Domestic and foreign loans:

	Current Period	Prior Period
Domestic loans	44,545,131	37,451,346
Foreign loans	446,198	343,566
<b>Total</b>	<b>44,991,329</b>	<b>37,794,912</b>

h) Loans granted to subsidiaries and associates:

	Current Period	Prior Period
Direct loans granted to subsidiaries and associates	10,603	-
Indirect loans granted to subsidiaries and associates	-	-
<b>Total</b>	<b>10,603</b>	-

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**I. Explanations and Disclosures Related to the Assets (Continued)**

**5. Information on loans: (Continued)**

i) Specific provisions provided against loans:

	<b>Current Period</b>	<b>Prior Period</b>
Loans and receivables with limited collectability	30,950	23,408
Loans and receivables with doubtful collectability	117,053	88,774
Uncollectible loans and receivables	571,527	415,894
<b>Total</b>	<b>719,530</b>	<b>528,076</b>

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:

	<b>III. Group Loans and receivables with limited collectability</b>	<b>IV. Group Loans and receivables with doubtful collectability</b>	<b>V. Group Uncollectible loans and receivables</b>
<b>Current period</b>			
(Gross amount before specific provisions)			
Non-performing loans and receivables which are restructured	-	-	-
Non-performing loans and receivables which are rescheduled	18,258	10,121	3,140
<b>Prior period</b>			
(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

j.2) The movement of non-performing loans:

	<b>III. Group Loans and receivables with limited collectability</b>	<b>IV. Group Loans and receivables with doubtful collectability</b>	<b>V. Group Uncollectible loans and receivables</b>
<b>Prior period end balance</b>	<b>139,393</b>	<b>222,303</b>	<b>506,425</b>
Additions (+)	809,200	6,580	59,996
Transfers from other categories of non-performing loans (+)	-	613,359	431,575
Transfers to other categories of non-performing loans (-)	613,359	431,575	-
Collections (-)	152,979	142,105	149,980
Write-offs (-)(*)	31	73	178,318
<b>Corporate and commercial loans</b>	<b>-</b>	<b>-</b>	<b>67,300</b>
Retail loans	14	42	60,903
Credit cards	17	31	50,115
Other	-	-	-
Current period end balance	<b>182,224</b>	<b>268,489</b>	<b>669,698</b>
Specific provision (-)	30,950	117,053	571,527
<b>Net Balances on Balance Sheet</b>	<b>151,274</b>	<b>151,436</b>	<b>98,171</b>

(\*) Amounting to TL174,635 of past due receivables portfolio for which TL174,477 provision had been allocated is sold to TURKASSET Varlık Yönetim A.Ş. for TL19,800 and after all the sales procedures were completed at 26 August 2014 with the completion of the necessary procedures, and such past due receivables have been written off from the accounts.

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**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:

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and receivables with limited collectability</b>	<b>Loans and receivables with doubtful collectability</b>	<b>Uncollectible loans and receivables</b>
<b>31 December 2014</b>			
Period End Balance	497	1,974	13,036
Specific Provision (-)	49	328	11,644
<b>Net Balance</b>	<b>448</b>	<b>1,646</b>	<b>1,392</b>
<b>31 December 2013</b>			
Prior Period End Balance	1,854	5,514	13,698
Specific Provision (-)	299	1,503	10,884
<b>Net Balance</b>	<b>1,555</b>	<b>4,011</b>	<b>2,814</b>

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:

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and receivables with limited collectability</b>	<b>Loans and receivables with doubtful collectability</b>	<b>Uncollectible loans and receivables</b>
<b>Current Period (Net)</b>			
Loans to Real Persons and Legal Entities (Gross)	182,224	268,489	669,698
Specific Provision (-)	30,950	117,053	571,527
<b>Loans to Real Persons and Legal Entities (Net)</b>	<b>151,274</b>	<b>151,436</b>	<b>98,171</b>
Banks (Gross)	-	-	-
Specific Provision (-)	-	-	-
<b>Banks (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other Loans and Receivables (Gross)	-	-	-
Specific Provision (-)	-	-	-
<b>Other Loans and Receivables (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Prior Period (Net)</b>			
Loans to Real Persons and Legal Entities (Gross)	139,393	222,303	506,425
Specific Provision (-)	23,408	88,774	415,894
<b>Loans to Real Persons and Legal Entities (Net)</b>	<b>115,985</b>	<b>133,529</b>	<b>90,531</b>
Banks (Gross)	-	-	-
Specific Provision (-)	-	-	-
<b>Banks (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other Loans and Receivables (Gross)	-	-	-
Specific Provision (-)	-	-	-
<b>Other Loans and Receivables (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**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:

<b>Current Period</b>	<b>Commercial</b>	<b>Consumer</b>	<b>Credit Cards</b>	<b>Total</b>
Neither past due nor impaired	29,333,974	11,451,287	2,386,647	43,171,908
Past due not impaired	1,124,673	608,991	85,757	1,819,421
Individually impaired	670,138	263,494	186,779	1,120,411
<b>Total</b>	<b>31,128,785</b>	<b>12,323,772</b>	<b>2,659,183</b>	<b>46,111,740</b>
Specific Provision	428,455	162,052	129,023	719,530
<b>Total</b>	<b>428,455</b>	<b>162,052</b>	<b>129,023</b>	<b>719,530</b>
<b>Net credit balance on balance sheet</b>	<b>30,700,330</b>	<b>12,161,720</b>	<b>2,530,160</b>	<b>45,392,210</b>
<b>Prior Period</b>	<b>Commercial</b>	<b>Consumer</b>	<b>Credit Cards</b>	<b>Total</b>
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
<b>Total</b>	<b>25,426,944</b>	<b>10,470,678</b>	<b>2,765,411</b>	<b>38,663,033</b>
Specific Provision	325,993	99,643	102,440	528,076
<b>Total</b>	<b>325,993</b>	<b>99,643</b>	<b>102,440</b>	<b>528,076</b>
<b>Net credit balance on balance sheet</b>	<b>25,100,951</b>	<b>10,371,035</b>	<b>2,662,971</b>	<b>38,134,957</b>

Based on classification, movement of allowance for loan losses and other receivables is presented as follows;

	<b>Commercial</b>	<b>Consumer</b>	<b>Credit Cards</b>	<b>Total</b>
1 January 2014	325,993	99,643	102,440	528,076
Change for the period	265,092	144,957	101,859	511,908
Recoveries	(65,612)	(54,288)	(26,077)	(145,977)
Amounts written-off (*)	(97,018)	(28,260)	(49,199)	(174,477)
<b>31 December 2014 Balance</b>	<b>428,455</b>	<b>162,052</b>	<b>129,023</b>	<b>719,530</b>
	<b>Commercial</b>	<b>Consumer</b>	<b>Credit Cards</b>	<b>Total</b>
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)
<b>31 December 2013 Balance</b>	<b>325,993</b>	<b>99,643</b>	<b>102,440</b>	<b>528,076</b>

(\*) Amounting to TL174,635 past due receivable portfolio for which TL174,477 provision had been allocated, was sold to TURKASSET Varlık Yönetimi A.Ş. for TL19,800, and after all the sales procedures were completed at 26 August 2014 with the completion of the necessary procedures, and the related past due receivable have been written off from the accounts.

(\*\*) Amounting to TL117,132 past due receivable portfolio for which TL114,247 provision had been allocated, was sold to LBT Varlık Yönetimi A.Ş. for TL9,310, and after all sales procedures were completed at 28 June 2013 with the completion of the necessary procedures, and the related past due receivable have been written off from the accounts.



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**5. Information on loans: (Continued)**

**I. Explanations and Disclosures Related to the Assets (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 2014 is TL236,874 (31 December 2013: TL226,038).

**The fair value of collaterals, capped with the respective outstanding loan balance relating to loans individually determined to be impaired:**

	<b>Current Period</b>	<b>Prior Period</b>
Mortgage	176,746	176,808
Vehicle	56,043	43,046
Cash	201	211
Other	3,884	5,973
<b>Total</b>	<b>236,874</b>	<b>226,038</b>

As of 31 December 2014 and 31 December 2013, detail of commodities and properties held for sale related to loan receivables of the Bank is as follows:

<b>31 December 2014</b>	<b>Commercial</b>	<b>Consumer</b>	<b>Total</b>
Residential, commercial or industrial property	72,087	6,988	79,075
Other	391	-	391
<b>Total</b>	<b>72,478</b>	<b>6,988</b>	<b>79,466</b>

<b>31 December 2013</b>	<b>Commercial</b>	<b>Consumer</b>	<b>Total</b>
Residential, commercial or industrial property	75,541	7,516	83,057
Other	160	-	160
<b>Total</b>	<b>75,701</b>	<b>7,516</b>	<b>83,217</b>

Aging analysis of past due but not impaired loans per classes of financial statements is as follows:

<b>31 December 2014</b>	<b>Less than 30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>Total</b>
Loans and Receivables				
Commercial Loans	712,086	231,125	181,462	1,124,673
Consumer Loans	275,799	239,728	93,464	608,991
Credit Cards	83,641	107	2,009	85,757
<b>Total</b>	<b>1,071,526</b>	<b>470,960</b>	<b>276,935</b>	<b>1,819,421</b>

<b>31 December 2013</b>	<b>Less than 30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>Total</b>
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
<b>Total</b>	<b>997,361</b>	<b>376,162</b>	<b>187,605</b>	<b>1,561,128</b>

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 2014 is TL860,261 (31 December 2013: TL1,047,494).

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**I. Explanations and Disclosures Related to the Assets (Continued)**

**5. Information on loans: (Continued)**

**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	609,967	773,548
Vehicle	117,862	179,319
Cash	14,267	11,439
Other	118,165	83,188
<b>Total</b>	<b>860,261</b>	<b>1,047,494</b>

**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	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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	271,749	-	197,274	-
Other	-	-	-	-
<b>Total</b>	<b>271,749</b>	<b>-</b>	<b>197,274</b>	<b>-</b>

Unrestricted financial assets held-to maturity amounting to TL45,611 (31 December 2013:TL95,682).

a.3) Information on held to maturity debt securities:

	Current Period	Prior Period
Government bonds	317,360	292,956
Treasury bills	-	-
Other public sector debt securities	-	-
<b>Total</b>	<b>317,360</b>	<b>292,956</b>

a.4) Information on held to maturity investments:

	Current Period	Prior Period
Debt securities	317,360	292,956
Quoted on a stock exchange	317,360	292,956
Unquoted	-	-
Impairment provision (-)	-	-
<b>Total</b>	<b>317,360</b>	<b>292,956</b>

b) Movement of investments held-to-maturity:

	Current Period	Prior Period
Beginning balance	292,956	-
Foreign currency differences on monetary assets	-	-
Purchases during the year (*)	24,404	292,956
Disposals through sales and redemptions	-	-
Impairment provision (-)	-	-
<b>Closing Balance</b>	<b>317,360</b>	<b>292,956</b>

(\*) It consists of accrual amounts.

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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 2013: None).
- a.2) Information on the unconsolidated associates: None (31 December 2013: None).
- a.3) Explanations of consolidated associates: None (31 December 2013: None).
- a.4) Information on sector information on consolidated associates: None (31 December 2013: None).
- a.5) Consolidated associates which are quoted on the stock exchange: None (31 December 2013: None).

**8. Information on subsidiaries (Net):**

- a) Information on shareholders’ equity of significant subsidiaries:

	<b>TEB Economy Bank N.V.</b>	<b>TEB Faktoring A.Ş.</b>	<b>TEB Yatırım Menkul Değerler A.Ş.</b>	<b>TEB Portföy Yönetimi A.Ş.</b>
Paid-in capital	84,432	30,000	28,794	6,860
Legal reserves	-	9,177	11,803	5,792
Extraordinary reserves	-	15,525	-	-
Marketable securities valuation differences	998	-	(12)	(5)
Other reserves	(380)	(175)	27,984	(125)
Profit/loss	211,978	22,414	16,532	3,804
Prior periods profit/loss	198,697	6,583	8,566	1,798
Current period net profit/loss	13,281	15,831	7,966	2,006
Leasehold Improvements on Operational Leases (-)	-	206	67	-
Intangible Assets (-)	873	786	311	265
<b>Total Core Capital</b>	<b>296,155</b>	<b>75,949</b>	<b>84,723</b>	<b>16,061</b>
<b>Supplementary Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital</b>	<b>296,155</b>	<b>75,949</b>	<b>84,723</b>	<b>16,061</b>
<b>Net Usable Equity</b>	<b>296,155</b>	<b>75,949</b>	<b>84,723</b>	<b>16,061</b>

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 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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**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 requirement: None (31 December 2013: None).
- c) Information on the unconsolidated subsidiaries: None (31 December 2013: None).
- d) Information on consolidated subsidiaries:
- d.1) Information on the consolidated subsidiaries:

Description	Address (City/ Country)	Bank's share percentage- If different voting 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
1,420,508	297,028	9,793	74,519	3,814	13,281	12,529	-
1,355,151	76,941	1,250	89,750	-	15,831	14,259	-
146,940	85,101	1,763	14,724	431	7,966	9,098	-
18,496	16,326	420	1,516	95	2,006	3,818	-

(\*) As of 31 December 2014, the figures are the converted amount from the financial statements using end-of-period exchange rate for balance sheet and twelve months average rate for the income statement. The Economy Bank NV consolidates two partners, Stichting Effecten Dienstverlening and Kronenburg Vastgoed B.V.

(\*\*) These figures are shown per BRSA financial statements as of 31 December 2013.

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**I. Explanations and Disclosures Related to the Assets (Continued)**

**8. Information on subsidiaries (Net): (Continued)**

d.2) Information on consolidated subsidiaries:

	<b>Current Period</b>	<b>Prior Period</b>
Balance at the beginning of the period	167,861	167,861
Movements during the period	9,379	-
Purchases	-	-
Bonus shares obtained	9,379	-
Share in current year income	-	-
Sales	-	-
Revaluation increase	-	-
Provision for impairment	-	-
<b>Balance at the end of the period</b>	<b>177,240</b>	<b>167,861</b>
Capital commitments	-	-
Share percentage at the end of the period (%)	-	-

d.3) Sectoral information on the consolidated subsidiaries and the related carrying amounts:

		<b>Current Period</b>	<b>Prior Period</b>
Banks	/The Economy Bank N.V.	61,254	61,254
Factoring Companies	/TEB Faktoring A.Ş.	43,416	34,037
Other Financial Subsidiaries	/TEB Yatırım Men.Değ. A.Ş.	70,512	70,512
TEB Portföy Yönetimi A.Ş.		2,058	2,058
<b>Total</b>		<b>177,240</b>	<b>167,861</b>

d.4) Consolidated subsidiaries quoted on the stock exchange: None (31 December 2013: None).

**9. Explanations on entities under common control (joint ventures):**

a) Information on entities under common control (joint ventures):

<b>Entities under common control (joint ventures)</b>	<b>Share of the Parent Bank (%)</b>	<b>Share of the Group (%)</b>	<b>Current Asset</b>	<b>Non- current asset</b>	<b>Long-term receivable</b>	<b>Profit</b>	<b>Loss</b>
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş.	0.1	33.3	12,884	10,662	753	67,020	(64,017)

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 2013: 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	1,681	-	56,899	63
Cash flow hedge	59,119	-	55,283	-
Hedge of net investment in foreign operations	-	-	-	-
<b>Total</b>	<b>60,800</b>	<b>-</b>	<b>112,182</b>	<b>63</b>

The Bank has terminated ineffective cash flow hedge that takes into account IRS transactions. According to the related cash flow hedge as of 31 December 2014, accumulated valuation differences negatively amounted TL9,419 is traced on the statement of profit and loss accounted for under equity and these accumulated differences are transferred into income statement, considering periods when hedged transactions have affected or will affect loss and profit.

**12. Information on tangible assets :**

	31 December 2013	Additions	Disposals	Other	31 December 2014
Cost:					
Land and buildings	107,408	-	(2,276)	-	105,132
Leased tangible assets	41,719	-	(6,315)	-	35,404
Other	812,491	80,975	(41,091)	-	852,375
<b>Total Cost</b>	<b>961,618</b>	<b>80,975</b>	<b>(49,682)</b>	<b>-</b>	<b>992,911</b>
	31 December 2013	Period Charge	Disposals	Other	31 December 2014
Accumulated Depreciation:					
Land and buildings	35,064	3,694	(773)	-	37,985
Leased tangible assets	41,677	24	(6,315)	-	35,386
Other	563,045	81,197	(39,830)	-	604,412
<b>Total Accumulated Depreciation</b>	<b>639,786</b>	<b>84,915</b>	<b>(46,918)</b>	<b>-</b>	<b>677,783</b>
<b>Net Book Value</b>	<b>321,832</b>				<b>315,128</b>

- 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.

**13. Information on intangible assets:**

	31 December 2013	Additions	Disposals	Other	31 December 2014
Cost:					
Other intangible assets	164,259	27,444	-	-	191,703
<b>Total Cost</b>	<b>164,259</b>	<b>27,444</b>	<b>-</b>	<b>-</b>	<b>191,703</b>
	31 December 2013	Period Charge	Disposals	Other	31 December 2014
Accumulated Depreciation:					
Other intangible assets	111,450	25,905	-	-	137,355
<b>Total Accumulated Depreciation</b>	<b>111,450</b>	<b>25,905</b>	<b>-</b>	<b>-</b>	<b>137,355</b>
<b>Net Book Value</b>	<b>52,809</b>				<b>54,348</b>

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**I. Explanations and Disclosures Related to the Assets (Continued)**

**13. Information on intangible assets: (Continued)**

- a) Disclosures for book value, description and remaining useful life for a specific intangible fixed asset that is material to the financial statements: None.
- b) Disclosure for intangible fixed assets acquired through government grants and accounted for at fair value at initial recognition: None.
- c) The method of subsequent measurement for intangible fixed assets that are acquired through government incentives and recorded at fair value at the initial recognition : None.
- d) The book value of intangible fixed assets that are pledged or restricted for use: None.
- e) Amount of purchase commitments for intangible fixed assets: None
- f) Information on revalued intangible assets according to their types: None.
- g) Amount of total research and development expenses recorded in income statement within the period if any: None.
- h) Positive or negative consolidation goodwill on entity basis: Not applicable for the unconsolidated financial statements
- i) 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.

- j) Begining and ending balance of the goodwill and movements on goodwill in the current period:

	<b>Current Period</b>	<b>Prior Period</b>
Begining Balance	421,124	421,124
Foreign Exchange differences	-	-
Additions	-	-
<b>Ending balance</b>	<b>421,124</b>	<b>421,124</b>

- 14. Information on investment properties : None (31 December 2013 : None) .**

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**I. Explanations and Disclosures Related to the Assets (Continued)**

**15. Explanations on deferred tax assets :**

- a) As of 31 December 2014, deferred tax asset computed on the temporary differences and reflected to the balance sheet is TL96,746 (31 December 2013: TL34,242). 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:

	<b>Current Period</b>	<b>Prior Period</b>
<b>At January 1,</b>	<b>34,242</b>	<b>124,686</b>
Deferred tax / benefit (charge)	60,999	(103,991)
Deferred tax accounted for under equity	1,505	13,547
Other	-	-
<b>Deferred Tax Asset</b>	<b>96,746</b>	<b>34,242</b>

**16. Information on assets held for sale and discontinued operations:**

	<b>Current Period</b>	<b>Prior Period</b>
Beginning of Period Cost	86,505	64,091
Beginning of Period Accumulated Depreciation (-)	3,288	2,501
<b>Net Book Value</b>	<b>83,217</b>	<b>61,590</b>
Opening Balance	83,217	61,590
Acquired	64,855	67,064
Disposed(-), net	64,167	37,801
Impairment (-)	2,087	5,463
Depreciation Value (-)	2,352	2,173
Period End Cost	83,187	86,505
Period End Accumulated Depreciation (-)	3,721	3,288
<b>Closing Net Book Value</b>	<b>79,466</b>	<b>83,217</b>

**17. Information on other assets:**

Other Assets item of the balance sheet amounting to TL1,262,460 (31 December 2013: TL1,040,230) does not exceed 10% of the total amount of balance sheet except for off-balance sheet commitments.



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**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	927,211	-	3,744,377	9,897,136	396,187	26,609	28,648	-	15,020,168
Foreign currency deposits	2,076,471	-	2,060,498	6,430,643	131,059	146,074	134,677	-	10,979,422
Residents in Turkey	1,952,014	-	1,816,523	6,174,947	115,867	114,917	127,987	-	10,302,255
Residents abroad	124,457	-	243,975	255,696	15,192	31,157	6,690	-	677,167
Public sector deposits	247,153	-	37,999	13,682	7,954	-	-	-	306,788
Commercial deposits	1,941,361	-	1,566,197	4,307,768	227,055	7,279	4,107	-	8,053,767
Other institutions deposits	41,975	-	47,241	2,954,090	315,810	1,088	45	-	3,360,249
Precious metals deposits	222,298	-	70,470	152,932	24,197	7,725	-	-	477,622
Interbank deposits	40,299	-	553,383	638,234	-	6,507	2,122	-	1,240,545
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	33	-	-	-	-	6,507	2,122	-	8,662
Foreign Banks	38,233	-	553,383	638,234	-	-	-	-	1,229,850
Special finance houses	2,033	-	-	-	-	-	-	-	2,033
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>5,496,768</b>	<b>-</b>	<b>8,080,165</b>	<b>24,394,485</b>	<b>1,102,262</b>	<b>195,282</b>	<b>169,599</b>	<b>-</b>	<b>39,438,561</b>

**a.2) Prior 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	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>5,424,320</b>	<b>-</b>	<b>8,722,801</b>	<b>16,710,177</b>	<b>2,914,461</b>	<b>231,525</b>	<b>284,690</b>	<b>-</b>	<b>34,287,974</b>

**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	6,971,655	5,759,987	7,594,770	6,148,459
Foreign currency saving deposits	1,345,618	1,097,403	4,300,796	4,162,071
Other deposits in the form of saving deposits	184,386	282,197	250,282	327,503
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore banking regions' deposits under foreign authorities' insurance	-	-	-	-
<b>Total</b>	<b>8,501,659</b>	<b>7,139,587</b>	<b>12,145,848</b>	<b>10,638,033</b>

(\*) 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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**II. Explanations and Disclosures Related to the Liabilities (Continued)**

ii) Deposits of real persons not under the guarantee of saving deposit insurance:

	<b>Current Period</b>	<b>Prior Period</b>
Deposits and accounts in branches abroad	212,102	208,053
Deposits of ultimate shareholders and their close families	1,108,411	766,595
Deposits of chairman and members of the Board of Directors and their close families	25,856	27,526
Deposits obtained through illegal acts defined in the 282 <sup>nd</sup> 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:

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Forward Transactions	83,449	13,927	56,913	5,154
Swap Transactions	172,865	90,975	233,404	31,535
Futures Transactions	-	-	-	-
Options	55,852	13,745	147,561	7,144
Other	-	-	-	-
<b>Total</b>	<b>312,166</b>	<b>118,647</b>	<b>437,878</b>	<b>43,833</b>

3. a) Information on banks and other financial institutions:

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Loans from Central Bank of Turkey	-	-	-	-
From Domestic Banks and Institutions	176,406	161,717	161,386	220,561
From Foreign Banks, Institutions and Funds	75,552	8,647,891	370,200	6,040,825
<b>Total</b>	<b>251,958</b>	<b>8,809,608</b>	<b>531,586</b>	<b>6,261,386</b>

As of 31 December 2014, the Bank has borrowings from its related parties amounting to TL4,785,011 (31 December 2013: TL3,088,488).

b) Maturity analysis of borrowings:

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Short-term	-	8,458,362	220,774	5,779,750
Medium and long-term	251,958	351,246	310,812	481,636
<b>Total</b>	<b>251,958</b>	<b>8,809,608</b>	<b>531,586</b>	<b>6,261,386</b>

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 2014 foreign borrowings of the Bank includes syndication loan obtained with the agreement dated 21 August 2014 and 26 August 2015 maturity amounting to EUR335,000,000 and USD180,000,000.

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.

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**II. Explanations and Disclosures Related to the Liabilities (Continued)**

d) Information on funds provided from repurchase agreement transactions:

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>From domestic transactions</b>	<b>1,756,987</b>	-	<b>1,062,443</b>	-
Financial institutions and organizations	1,756,987	-	1,062,443	-
Other institutions and organizations	-	-	-	-
Real persons	-	-	-	-
<b>From foreign transactions</b>	-	-	-	-
Financial institutions and organizations	-	-	-	-
Other institutions and organizations	-	-	-	-
Real persons	-	-	-	-
<b>Total</b>	<b>1,756,987</b>	-	<b>1,062,443</b>	-

e) Information on debt securities issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank bonds	696,679	294,904	507,046	-
Treasury bills	-	-	203,230	-
<b>Total</b>	<b>696,679</b>	<b>294,904</b>	<b>710,276</b>	-

Bond issued by the Bank on 11 September 2014 with a nominal value of TL228,205, maturity of 173 days, with due date of 4 March 2015, with an interest rate of 9.42573% and with an annual compound rate of 9.65978% has started to be publicly traded in bonds and bill market with the ISIN code “TRQTEBK31510”.

Bond issued under Euro Medium Term Note Program by the Parent Bank on 17 October 2014 with a nominal value of USD20,600,000 with due date of 22 January 2015 has started to be publicly traded in bonds and bill market with the ISIN code “XS1124323962”.

Bond issued under Euro Medium Term Note Program by the Parent Bank on 2 October 2014 with a nominal value of USD21,800,000 with due date of 5 January 2015 has started to be publicly traded in bonds and bill market with the ISIN code “XS1115428994”.

Bond issued by the Bank on 20 October 2014 with a nominal value of TL254,481, maturity of 176 days, with due date of 15 April 2015, with an interest rate of 9.58505% and with an annual compound rate of 9.82318% has started to be publicly traded in bonds and bill market with the ISIN code “TRQTEBK41519”.

Bond issued by the Bank on 20 October 2014 with a nominal value of TL26,859, maturity of 302 days, with due date of 19 August 2015, with an interest rate of 9.80483% and with an annual compound rate of 9.88609% has started to be publicly traded in bonds and bill market with the ISIN code “TRQTEBK81515”.

Bonds issued under Euro Medium Term Note Program by the Parent Bank on 30 October 2014 with a nominal value of USD31,000,000 with due date of 30 April 2015 and USD28,800,000 with due date of 29 January 2015 have started to be publicly traded in bonds and bill market with the ISIN codes “XS1129620420” and “XS1129546195”.

Bond issued under Euro Medium Term Note Program by the Parent Bank on 06 November 2014 with a nominal value of USD24,400,000 with due date of 06 February 2015 has started to be publicly traded in bonds and bill market with the ISIN code “XS1135141676”.

Bond issued by the Bank on 27 November 2014 with a nominal value of TL241,314, maturity of 166 days, with due date of 13 May 2015, with an interest rate of 8.24530% and with an annual compound rate of 8.43108% has started to be publicly traded in bonds and bill market with the ISIN code “TRQTEBK51518”.

**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 2013: None).**

b) The explanation on modifications in agreements and new obligations resulting from such modifications: None.

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**II. Explanations and Disclosures Related to the Liabilities (Continued)**

**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.
- c) Explanation on finance lease payables: None (31 December 2013: None)
- d) Explanations regarding operational leases:  
For the period ended 31 December 2014, operational lease expenses amounting to TL184,207 (31 December 2013: TL159,858) 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. Negative differences table of derivative financial liabilities for hedging purposes:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair value hedge	11,264	-	15,433	-
Cash flow hedge	302,606	-	53,822	-
Hedge of net investment in foreign operations	-	-	-	-
<b>Total</b>	<b>313,870</b>	<b>-</b>	<b>69,255</b>	<b>-</b>

The Bank has terminated ineffective cash flow hedge that takes into account IRS transactions. According to the related cash flow hedge as of 31 December 2014, accumulated valuation differences negatively amounted TL9,419 is traced on the statement of profit and loss accounted for under equity and these accumulated differences are transferred into income statement, considering periods when hedged transactions have affected or will affect loss and profit.

**7. Information on provisions:**

- a) Information on general provisions:

	Current Period	Prior Period
Provisions for First Group Loans and Receivables	481,658	405,795
Additional Provision for Loans and Receivables with Extended Maturities	16,595	34,222
Provisions for Second Group Loans and Receivables	71,490	60,259
Additional Provision for Loans and Receivables with Extended Maturities	2,590	7,809
Provisions for Non-Cash Loans	34,653	28,504
Other	2,552	1,113
<b>Total</b>	<b>609,538</b>	<b>537,702</b>

- 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 TL15,704 (31 December 2013: TL83,440) is offset from the loans on the balance sheet.
- c) The specific provisions provided for unindemnified non cash loans amount to TL42,821 (31 December 2013: TL34,791).
- d) Liabilities on unused vacation, bonus and employee termination benefits: As of 31 December 2014 TL21,906 (31 December 2013: TL24,808) unused vacation provision, TL97,662 (31 December 2013: TL85,927) employee termination benefit provision, TL88,930 (31 December 2013: TL65,013) bonus for the employee provision for health expenses are presented under “Reserve for Employee Benefit” in financial statements.

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**II. Explanations and Disclosures Related to the Liabilities (Continued)**

**7. Information on provisions: (Continued)**

d) Liabilities on unused vacation, bonus and employee termination benefits: (Continued)

d.1) Movement of employee termination benefits:

	Current Period	Prior Period
As of January 1	85,927	89,898
Service cost	14,181	12,266
Interest cost	9,246	6,566
Settlement cost	2,739	1,675
Actuarial loss/gain	(6,252)	(19,459)
Benefits paid	(8,179)	(5,019)
<b>Total</b>	<b>97,662</b>	<b>85,927</b>

(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. XVI “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 2014 and 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. Based on the determined assumptions

<b>Transferrable Retirement and Health Liabilities:</b>	<b>31 December 2014</b>	<b>31 December 2013</b>
Net Present Value of Transferrable Retirement Liabilities	(1,024,427)	(915,853)
Net Present Value of Transferrable Retirement and Health Contributions	528,309	525,943
General Administration Expenses	(10,243)	(9,159)
Present Value of Pension and Medical Benefits Transferable to SSF (1)	(506,361)	(399,069)
Fair Value of Plan Assets (2)	1,387,693	1,264,472
Asset Surplus over Transferable Benefits ((2)-(1)=(3))	881,332	865,403
Non-Transferable Benefits (4)	(206,832)	(219,301)
Asset Surplus over Total Benefits ((3)-(4))	674,500	646,102

Distribution of total assets of the Retirement Fund as of 31 December 2014 and 31 December 2013 is presented below:

	31 December 2014	31 December 2013
Bank placements	1,299,485	1,159,056
Tangible assets	71,266	68,267
Government Bonds and Treasury Bill, Fund and Accrual Interest Income	15,220	35,742
Other	1,722	1,407
<b>Total</b>	<b>1,387,693</b>	<b>1,264,472</b>

Actuarial assumptions used in valuation of liabilities except for transferrable liabilities based on IAS 19 are as follows:

	31 December 2014	31 December 2013
Discount Rate	8.80%	10.10%
Expected Inflation Rate	5.00%	6.50%

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**II. Explanations and Disclosures Related to the Liabilities (Continued)**

**7. Information on provisions: (Continued)**

As of 31 December 2014, medical inflation is expected more than 20% (31 December 2014 40%). 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 2013: CSO 2001) Female/Male mortality table is used.

e) Information on other provisions:

The breakdown of the subsidiary accounts if other provisions exceed 10% of the grand total of provisions:

	<b>Current Period</b>	<b>Prior Period</b>
Provision for unindemnified non-cash loans	42,821	34,791
Provision for legal cases	37,355	35,502
Provision for promotions of credit cards and banking services	12,625	12,204
Other	58,293	18,032
<b>Total</b>	<b>151,094</b>	<b>100,529</b>

**8. Explanations on taxes payable:**

a) Information on current tax liability:

	<b>Current Period</b>	<b>Prior Period</b>
Corporate Tax Payable	83,863	13,070
Taxation on Securities	35,744	26,875
Property Tax	2,202	1,804
Banking Insurance Transaction Tax (BITT)	35,654	28,977
Foreign Exchange Transaction Tax	13	15
Value Added Tax Payable	5,100	6,062
Other (*)	17,409	15,989
<b>Total</b>	<b>179,985</b>	<b>92,792</b>

(\*) Others include income taxes deducted from wages amounting to TL13,392 (31 December 2013: TL11,777) and stamp taxes payable amounting to TL1,306 (31 December 2013: 1,174).

b) Information on premiums:

	<b>Current Period</b>	<b>Prior Period</b>
Social Security Premiums-Employee	5,209	4,434
Social Security Premiums-Employer	6,030	5,174
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	463	412
Unemployment Insurance-Employer	732	622
Other	-	-
<b>Total</b>	<b>12,434</b>	<b>10,642</b>

c) Explanations on deferred tax liabilities, if any: None (31 December 2013: None).

**9. Information on liabilities regarding assets held for sale and discontinued operations: None (31 December 2013 : None)**

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**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 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 EUR75 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 EUR175 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.

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 USD65 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 EUR100 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 EUR125 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 USD65 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	-	1,128,132	-	1,175,535
From Other Foreign Institutions	-	657,783	-	602,788
<b>Total</b>	-	<b>1,785,915</b>	-	<b>1,778,323</b>

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**II. Explanations and Disclosures Related to the Liabilities (Continued)**

**11. Information on Shareholders’ Equity:**

a) Presentation of Paid-in Capital:

	<b>Current Period</b>	<b>Prior Period</b>
Common stock	2,204,390	2,204,390
Preferred stock	-	-

c) 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:

<b>Capital System</b>	<b>Paid-in capital</b>	<b>Ceiling</b>
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 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:

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
From Associates, Subsidiaries, and Entities Under Common Control (Joint Vent.)	-	-	-	-
Valuation Difference	(18,848)	37	(93,714)	15
Foreign Exchange Difference	-	-	-	-
<b>Total</b>	<b>(18,848)</b>	<b>37</b>	<b>(93,714)</b>	<b>15</b>

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 2013, 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 2014, total accumulated valuation difference of these securities followed under shareholders’ equity is negative TL31,146 (31 December 2013: TL36,973).

**12. Information on minority shares: None (31 December 2013:None)**



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**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:

	<b>Current Period</b>	<b>Prior Period</b>
Loan granting commitments	4,336,542	3,853,759
Commitments for credit card expenditure limits	4,101,473	3,545,841
Payment commitment for checks	2,186,510	2,002,630
Forward asset purchase commitments	1,689,250	1,742,558
Tax and fund liabilities from export commitments	24,189	12,503
Commitments for promotions related with credit cards and banking activities	5,178	4,451
Forward deposit purchase commitments	-	101,194
Other irrevocable commitments	290,703	188,342
<b>Total</b>	<b>12,633,845</b>	<b>11,451,278</b>

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:

	<b>Current Period</b>	<b>Prior Period</b>
Letters of Credit	1,271,645	1,356,355
Bank Acceptances	62,150	271,178
Other Commitments	1,802,337	1,420,669
Other Contingencies	440,207	419,412
<b>Total</b>	<b>3,576,339</b>	<b>3,467,614</b>

b.2) Guarantees, surety ships, and similar transactions:

	<b>Current Period</b>	<b>Prior Period</b>
Guarantee Letters	5,659,329	5,333,081
Advance Guarantee Letters	1,098,182	1,159,907
Temporary Guarantee Letters	481,798	477,487
Guarantee Letters Given for Customs	340,349	377,222
Other Guarantee Letters	704,944	526,708
<b>Total</b>	<b>8,284,602</b>	<b>7,874,405</b>

c) c.1) Total amount of non-cash loans:

	<b>Current Period</b>	<b>Prior Period</b>
Non-cash loans given against achieving cash loans	512,651	781,422
With maturity of 1 year or less than 1 year	24,310	6,361
With maturity of more than 1 year	488,341	775,061
Other non-cash loans	11,348,290	10,560,597
<b>Total</b>	<b>11,860,941</b>	<b>11,342,019</b>

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**III. Explanations and Disclosures Related to the Off-Balance Sheet Contingencies and Commitments  
(Continued)**

**I. Information on off-balance sheet liabilities: (Continued)**

c.2) Information on sectoral risk breakdown of non-cash loans

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	85,575	1.58	33,110	0.51	71,081	1.50	45,051	0.68
Farming and raising livestock	57,315	1.06	32,392	0.50	53,208	1.12	39,686	0.60
Forestry, Wood and Paper	21,836	0.40	718	0.01	16,956	0.36	5,365	0.08
Fishery	6,424	0.12	-	-	917	0.02	-	-
Manufacturing	2,380,447	44.01	3,596,261	55.73	2,165,556	45.56	3,628,615	55.07
Mining and Quarry	140,719	2.60	308,516	4.78	138,368	2.91	120,580	1.83
Production	2,178,218	40.27	3,219,118	49.89	1,972,506	41.50	3,423,583	51.96
Electricity, Gas and Water	61,510	1.14	68,627	1.06	54,682	1.15	84,452	1.28
Construction	1,183,909	21.89	1,287,903	19.96	1,107,734	23.31	1,291,228	19.59
Services	1,659,868	30.70	776,909	12.04	1,323,725	27.85	770,737	11.69
Wholesale and Retail Trade	695,905	12.87	107,900	1.67	601,981	12.67	153,347	2.33
Hotel, Tourism, Food and Beverage Services	46,956	0.87	48,973	0.76	43,405	0.91	17,506	0.27
Transportation and Communication	285,443	5.28	337,210	5.23	242,465	5.10	388,412	5.89
Financial Institutions	217,826	4.03	73,757	1.14	113,596	2.39	92,958	1.41
Real Estate and Renting	163,889	3.03	67,608	1.05	144,737	3.05	64,203	0.97
Self-employment Services	111,835	2.07	69,656	1.08	93,798	1.97	33,518	0.51
Education Services	6,185	0.11	1,405	0.02	5,886	0.12	4,269	0.06
Health and Social Services	131,829	2.44	70,400	1.09	77,857	1.64	16,524	0.25
Other	98,603	1.82	758,356	11.76	84,489	1.78	853,803	12.97
<b>Total</b>	<b>5,408,402</b>	<b>100.00</b>	<b>6,452,539</b>	<b>100.00</b>	<b>4,752,585</b>	<b>100.00</b>	<b>6,589,434</b>	<b>100.00</b>

c.3) Information on Ist and IInd Group non-cash loans:

Non-cash loans	I st Group		II st Group	
	TL	FC	TL	FC
Letters of guarantee	4,134,937	4,075,713	57,041	16,911
Bank acceptances	-	62,150	-	-
Letters of credit	-	1,271,129	-	516
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	1,212,479	1,026,120	3,945	-
<b>Total</b>	<b>5,347,416</b>	<b>6,435,112</b>	<b>60,986</b>	<b>17,427</b>

The Bank provided a reserve of TL74,447 (31 December 2013: TL62,012) for non-cash loans not indemnified yet amounting to TL42,821 (31 December 2013: TL34,791).

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**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
<b>Types of trading transactions</b>				
Foreign currency related derivative transactions (I):	57,417,249	49,187,388	-	-
Forward transactions	7,593,130	8,850,451	-	-
Swap transactions	32,121,791	20,108,295	-	-
Futures transactions	-	-	-	-
Option transactions	17,702,328	20,228,642	-	-
Interest related derivative transactions (II):	4,501,782	6,514,648	-	-
Forward rate transactions	-	-	-	-
Interest rate swap transactions	4,499,458	6,238,386	-	-
Interest option transactions	2,324	276,262	-	-
Futures interest transactions	-	-	-	-
Marketable securities call-put options (III)	-	-	-	-
Other trading derivative transactions (IV)	3,425	-	-	-
<b>A. Total trading derivative transactions (I+II+III+IV)</b>	<b>61,922,456</b>	<b>55,702,036</b>	-	-
Types of hedging transactions				
Fair value hedges	-	-	691,940	599,491
Cash flow hedges	-	-	10,394,271	3,916,034
Net investment hedges	-	-	-	-
<b>B. Total hedging related derivatives</b>	-	-	<b>11,086,211</b>	<b>4,515,525</b>
<b>Total Derivative Transactions (A+B)</b>	<b>61,922,456</b>	<b>55,702,036</b>	<b>11,086,211</b>	<b>4,515,525</b>

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:

The Bank applies fair value hedge accounting in order to avoid the effects of interest rate fluctuations in the market by matching its swap portfolio with its loans and marketable securities. As of 31 December 2014, nominal value of derivative instruments used for hedging purposes is TL691,940 (31 December 2013: TL599,491) and their net fair value is negative TL9,583 (31 December 2013: TL40,563 negative) and their fair value of the hedged loans is TL6,077 (31 December 2013: TL3,404). The Bank accounts TL8,726 income (31 December 2013: TL78,670 income) for derivative instruments used for hedging purposes and TL2,673 income (31 December 2013: TL12,905 expense) from hedged item loans in the financial statements. Regarding the available-for-sale securities, the amount related to the effective portion is accounted TL 150 (31 December 2013: None) which is accounted as TL120 (31 December 2013: None) in the financial statements net-off tax.

	Current Period			Prior Period		
	Fair Value			Fair Value		
	Nominal	Asset	Liability	Nominal	Asset	Liability
Cross Currency Swaps	691,940	1,681	11,264	599,491	56,962	15,433
	<b>691,940</b>	<b>1,681</b>	<b>11,264</b>	<b>599,491</b>	<b>56,962</b>	<b>15,433</b>

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(Continued)**

**2. Information related to derivative financial instruments: (Continued)**

ii) Derivative instruments for cash flow hedge purposes:

The Bank has applied cash flow hedge accounting by matching its swap portfolio having total notional amounting to TL10,394,271 with the deposit portfolio having maturity up to 90 days. Effective portion of TL75,147 (31 December 2013: TL40,332 debit) credit accounted for under equity is presented after deducting its deferred tax effect of TL15,029 (31 December 2013: TL8,046 credit) debit in the financial statements. In 2014, the ineffective portion of TL459 expense (31 December 2013: TL1,427 income) is accounted for under income statement.

	Current Period			Prior Period		
	Nominal	Fair Value		Nominal	Fair Value	
		Asset	Liability		Asset	Liability
Interest Rate Swaps	10,394,271	59,119	302,606	3,916,034	55,283	53,822

**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 2014, there are no contingent assets that need to be explained (31 December 2013: 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.

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.

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(Continued)**

**4. Explanations on contingent liabilities and assets: (Continued)**

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 2014 the total nominal value and number of certificates are TL1,666,807 and 166,680,707 thousand (31 December 2013: TL1,726,140 and 172,614,007 thousand) and the total fair value is TL8,289,815 (31 December 2013: TL8,211,335).

**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: June 2014**

<b>View</b>	Negative
<b>Bank Financial Strength</b>	D
<b>Foreign Currency Deposits</b>	Baa3/P-3

**Fitch Ratings: August 2014**

<b>Foreign Currency Commitments</b>	
Long term	BBB
Short term	F3
View	Stable
<b>Turkish Lira Commitments</b>	
Long term	BBB+
Short term	F2
View	Stable
National	AAA (tur)
View	Stable
<b>Individual Rating</b>	bbb-
<b>Support Points</b>	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 Statement of Income**

**1. a) Information on interest on loans:**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Interest on loans (*)</b>				
Short term loans	2,626,081	127,720	1,768,355	114,767
Medium and long term loans	1,746,284	171,479	1,548,244	171,064
Interest on non-performing loans	34,133	-	35,228	-
Premiums received from Resource Utilization Support Fund	-	-	-	-
<b>Total</b>	<b>4,406,498</b>	<b>299,199</b>	<b>3,351,827</b>	<b>285,831</b>

(\*) Includes fees and commissions obtained from cash loans amounting to TL110,602 (31 December 2013: TL103,255).

**b) Information on interest received from banks:**

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of Turkey	-	-	-	-
Domestic banks	24,485	182	2,959	245
Foreign banks	3,890	823	3,404	862
Branches and head office abroad	-	-	-	-
<b>Total</b>	<b>28,375</b>	<b>1,005</b>	<b>6,363</b>	<b>1,107</b>

**c) Information on interest received from securities portfolio:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets held for Trading	32,586	1,063	61,713	735
Financial Assets Valued at Fair Value through Profit or Loss	-	-	-	-
Financial Assets Available-for-Sale	359,176	67	290,552	43
Investments Held-to-Maturity	29,077	-	7,893	-
<b>Total</b>	<b>420,839</b>	<b>1,130</b>	<b>360,158</b>	<b>778</b>

**d) Interest received from Subsidiaries and Associates:**

	Current Period	Prior Period
Interest received from Subsidiaries and Associates	102	328

**2. a) Information on interest on funds borrowed (\*):**

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
The Central Bank of Turkey	-	-	-	-
Domestic banks	12,001	4,949	7,612	5,793
Foreign banks	16,517	143,861	56,264	117,878
Branches and head office abroad	-	-	-	-
Other financial institutions	-	13,865	-	13,030
<b>Total</b>	<b>28,518</b>	<b>162,675</b>	<b>63,876</b>	<b>136,701</b>

(\*) Includes fees and commission expenses of cash loans amounting to TL5,617 31 December 2013: TL4,138).

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**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	1,335	1,808

**c) Information on interest expenses on securities issued:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expense on securities issued	54,865	656	32,288	-
<b>Total</b>	<b>54,865</b>	<b>656</b>	<b>32,288</b>	<b>-</b>

**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		
<b>TL</b>								
Bank deposits	-	17,502	60	43	918	140	-	18,663
Saving deposits	-	307,926	802,569	43,608	2,529	2,454	-	1,159,086
Public sector deposits	1	140	1,928	3,277	-	-	-	5,346
Commercial deposits	-	102,200	372,797	29,519	725	1,239	-	506,480
Other deposits	-	13,321	196,939	100,202	566	119	-	311,147
7 days call accounts	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1</b>	<b>441,089</b>	<b>1,374,293</b>	<b>176,649</b>	<b>4,738</b>	<b>3,952</b>	<b>-</b>	<b>2,000,722</b>
<b>FC</b>								
Foreign currency deposits	-	32,353	173,043	6,688	3,127	5,287	-	220,498
Bank deposits	-	503	1,390	-	-	-	-	1,893
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	1,051	2,696	154	299	-	-	4,200
<b>Total</b>	<b>-</b>	<b>33,907</b>	<b>177,129</b>	<b>6,842</b>	<b>3,426</b>	<b>5,287</b>	<b>-</b>	<b>226,591</b>
<b>Grand Total</b>	<b>1</b>	<b>474,996</b>	<b>1,551,422</b>	<b>183,491</b>	<b>8,164</b>	<b>9,239</b>	<b>-</b>	<b>2,227,313</b>

**Prior Period**

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		
<b>TL</b>								
Bank deposits	-	21,082	1,484	449	182	253	-	23,450
Saving deposits	-	259,176	494,396	131,814	17,327	4,101	-	906,814
Public sector deposits	1	2,095	10,412	14,184	68	-	-	26,760
Commercial deposits	-	85,488	272,739	46,984	4,805	110	-	410,126
Other deposits	-	5,274	88,404	46,874	30,401	1,542	-	172,495
7 days call accounts	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1</b>	<b>373,115</b>	<b>867,435</b>	<b>240,305</b>	<b>52,783</b>	<b>6,006</b>	<b>-</b>	<b>1,539,645</b>
<b>FC</b>								
Foreign currency deposits	-	47,750	114,248	15,644	4,010	4,787	-	186,439
Bank deposits	-	394	802	84	-	-	-	1,280
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	1,573	2,518	355	258	-	-	4,704
<b>Total</b>	<b>-</b>	<b>49,717</b>	<b>117,568</b>	<b>16,083</b>	<b>4,268</b>	<b>4,787</b>	<b>-</b>	<b>192,423</b>
<b>Grand Total</b>	<b>1</b>	<b>422,832</b>	<b>985,003</b>	<b>256,388</b>	<b>57,051</b>	<b>10,793</b>	<b>-</b>	<b>1,732,068</b>

**3. Information on dividend income:**

	Current Period	Prior Period
Trading Securities	-	-
Financial assets at fair value through profit and loss	-	-
Available-for-sale securities	1,339	1,716
Other	17,939	3,224
<b>Toplam</b>	<b>19,278</b>	<b>4,940</b>

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**IV. Explanations and Disclosures Related to the Statement of Income (Continued)**

**4. Information on net trading income:**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Income</b>	<b>13,164,890</b>	<b>8,875,074</b>
Gains on capital market operations	45,275	136,298
Gains on derivative financial instruments (*)	3,418,651	3,072,440
Foreign exchange gains (**)	9,700,964	5,666,336
<b>Losses (-)</b>	<b>13,521,571</b>	<b>8,803,370</b>
Losses on capital market operations	37,090	94,604
Losses on derivative financial instruments (*)	4,240,400	2,614,321
Foreign exchange losses (**)	9,244,081	6,094,445

(\*) As of 31 December 2014, foreign exchange loss on hedging transactions are TL55,932 (31 December 2013: TL59,485 net profit)

(\*\*) Foreign exchange gains on derivative financial transactions are TL83,998 (31 December 2013: TL98,883 foreign exchange gain).

**5. Information on other operating income:**

Other operating income of the bank consists of reversals of specific provisions which are booked in earlier periods amount to TL87,718 (31 December 2013: TL79,618) and amount to TL19,720 (31 December 2013: 7,709) from selling past due receivables portfolio and all the transaction cost collected from the clients and disposal of assets.

**6. Provision expenses of banks for loans and other receivables:**

	<b>Current Period</b>	<b>Prior Period</b>
Specific provisions for loans and other receivables	461,393	349,371
III. Group Loans and Receivables	115,967	89,683
IV. Group Loans and Receivables	143,354	112,848
V. Group Loans and Receivables	202,072	146,840
General provision expenses	71,836	132,397
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	32,374	577
<b>Total</b>	<b>565,603</b>	<b>482,345</b>



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**IV. Explanations and Disclosures Related to the Statement of Income (Continued)**

**7. Information on other operating expenses:**

	<b>Current Period</b>	<b>Prior Period</b>
Personnel expenses	824,495	729,704
Reserve for employee termination benefits	26,908	20,814
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Depreciation expenses of fixed assets	84,915	69,250
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	25,905	14,132
Impairment for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	2,087	5,463
Depreciation expenses of assets to be disposed	2,352	2,173
Impairment expenses of assets held for sale and discontinued operations	-	-
Other operating expenses	680,993	620,849
Operating lease expenses	184,207	159,858
Maintenance expenses	27,715	27,639
Advertisement expenses	72,203	79,060
Other expenses	396,868	354,292
Loss on sales of assets	4,031	1,266
Other (*)	306,510	238,206
<b>Total</b>	<b>1,958,196</b>	<b>1,701,857</b>

(\*) Included in other TL54,654 (31 December 2013: TL43,951) is premiums paid to the Saving Deposit Insurance Fund, TL81,389 (31 December 2013: TL83,010) is other taxes and duties paid.

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**IV. Explanations and Disclosures Related to the Statement of Income (Continued)**

**8. Information on tax provision for continued and discontinued operations:**

Profit before tax of the Bank consists of net interest income and net fees and commission income amounting to TL2,564,505 (31 December 2013: TL1,972,239) and TL880,821 (31 December 2013: TL647,518), respectively; while operating expenses are TL1,958,196 (31 December 2013: TL1,701,857).

**9. Information on tax provision for continued and discontinued operations:**

- a) As of 31 December 2014, the current tax charge is TL233,494 (31 December 2013: TL60,125 current tax charge). Deferred tax benefit is TL60,999 (31 December 2013: TL103,991 deferred tax charge) and there is no current and deferred tax benefit from discontinued operations.
- b) Deferred tax benefit on temporary differences resulted from continued operations is TL60,999 (31 December 2013: TL103,991 deferred tax charge).
- c) Tax reconciliation:

	<b>Current Period</b>	<b>Prior Period</b>
<b>Profit before tax</b>	<b>795,055</b>	<b>699,164</b>
<b>Additions</b>	<b>96,629</b>	<b>160,167</b>
Nonallowable expenses	25,392	28,658
General loan loss provision	71,237	131,509
<b>Deductions</b>	<b>(28,951)</b>	<b>(38,751)</b>
Dividend income	(19,166)	(4,910)
Other	(9,785)	(33,841)
<b>Taxable Profit / (Loss)</b>	<b>862,733</b>	<b>820,580</b>
Corporate tax rate	20%	20%
<b>Tax calculated</b>	<b>172,547</b>	<b>164,116</b>
Effect of tax account adjustment in the prior period	(52)	-
<b>Tax expense</b>	<b>172,495</b>	<b>164,116</b>

**10. Information on net profit/(loss) from continued and discontinued operations:**

The Bank’s net profit from continued operations for the year ended 31December 2014 is TL622,560 (31 December 2013: TL535,048).

**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 2013: None).
- b) Effect of changes in accounting estimates on income statement for the current and, if any, for subsequent periods: None (31 December 2013: None).
- c) Profit or loss attributable to minority shares: None (31 December 2013: None).

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**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
<b><u>Other fees and commissions received</u></b>		
Card fee and commissions	670,941	445,344
Insurance commissions	88,241	52,091
Intelligence fee and commissions	71,429	61,410
Settlement expense provision, eft, swift, agency commissions	35,323	29,509
Transfer commissions	28,186	26,333
Fund management fees	18,930	22,221
Commissions and fees earned from correspondent banks	4,511	5,726
Other	271,953	208,515
<b>Total</b>	<b>1,189,514</b>	<b>851,149</b>
<b><u>Other fees and commissions paid</u></b>		
Credit cards commissions and fees	340,021	226,183
Settlement expense provision, eft, swift, agency commissions	21,574	10,556
Commissions and fees paid to correspondent banks	8,846	6,792
Other	51,690	59,981
<b>Total</b>	<b>422,131</b>	<b>303,512</b>

**V. Explanations and Disclosures Related to Statement of Changes in Shareholders' Equity**

- a) Shareholders' equity decreased TL93,610 after resulting from revaluation of financial assets available for sale (31 December 2013: TL194,054 decreased) and change effect to deferred tax is TL18,722 (31 December 2013: TL38,310).

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 TL106,490 income (31 December 2013: TL105,299 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): TL10,304 income (31 December 2013: TL71,004 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 2014 is TL115,379 increased (31 December 2013: TL102,314 increased) and change effect to deferred tax is TL23,076 (31 December 2013: TL20,463).

- 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 TL26,752 in 2014 (31 December 2013: TL24,281).
- h) Information on shares issued:

The Bank has not recorded any shares issued in “Share Premium” account in the current period.

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**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 TL2,704,882 (31 December 2013: TL1,283,965) 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 TL753,474 (31 December 2013: TL170,520) 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 TL1,252,038 (31 December 2013: TL1,881,042) consists of changes in sundry debtors, blocked reserved deposits and other assets.

Other items” amounting to TL27,445 (31 December 2013: TL44,644) 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 TL3,981 for the year 2014 (31 December 2013: TL28,013).

**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:

<b>Beginning of the period</b>	<b>Current Period</b>	<b>Prior Period</b>
<b>Cash</b>	<b>1,546,637</b>	<b>1,088,529</b>
Cash in TL/Foreign Currency	673,702	591,035
Central Bank – Unrestricted amount	852,969	447,146
Other	19,966	50,348
<b>Cash equivalents</b>	<b>286,135</b>	<b>2,378,675</b>
Banks	286,135	678,675
Money market placements	-	1,700,000
<b>Total cash and cash equivalents</b>	<b>1,832,772</b>	<b>3,467,204</b>

<b>End of the period</b>	<b>Current Period</b>	<b>Prior Period</b>
<b>Cash</b>	<b>1,994,317</b>	<b>1,546,637</b>
Cash in TL/Foreign Currency	766,643	673,702
Central Bank – Unrestricted amount	1,193,759	852,969
Other	33,915	19,966
<b>Cash equivalents</b>	<b>1,315,849</b>	<b>286,135</b>
Banks	765,849	286,135
Money market placements	550,000	-
<b>Total cash and cash equivalents</b>	<b>3,310,166</b>	<b>1,832,772</b>

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**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 2013; income/expense items of previous periods are presented as of 31 December 2013.

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	97	7,967	20,666	10	12,228	376,434
Balance at end of period	10,603	8,029	9,560	10	78,334	273,557
Interest and commission income	102	176	1,513	106	2,049	272

Direct and indirect shareholders of the Bank balance above includes TL9,016 and other entities included in the risk group balance above includes TL580 placement in “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	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 received	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 “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	55,298	44,929	1,148,318	471,343	667,056	236,958
Balance at end of period	21,928	55,298	964,598	1,148,318	1,170,366	667,056
Interest on deposits	1,335	1,808	37,241	27,654	20,830	9,677

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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

**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	-	-	11,369,222	8,489,076	664,232	3,628
End of period	-	-	9,347,278	11,369,222	673,619	664,232
Total income/loss	-	-	(153,444)	(35,159)	3,020	1,563
Hedging transactions purposes						
Beginning of period	-	-	480,718	830,956	-	-
End of period	-	-	642,633	480,718	-	-
Total income/loss	-	-	11,628	24,388	-	-

d) As of 31 December 2014, the total amount of remuneration and benefits provided for the senior management of the Bank is TL26,082 (31 December 2013: TL25,217).

**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	546	10,077			
Rep-offices abroad	-	-	Country		
Branches abroad	4	62	Cyprus	520,623	20,000
Off-shore branches	1	3	Bahrain	424,931	-

**2. Explanations on Branch and Agency Openings or Closings of the Bank:**

In the year 2014, Bank opened 11 branches , closed 4 branch. According to The Bank’s Board of Directors Resolution, No: 5132/147 and dated 21 October 2014, it was decided to close Türk Ekonomi Bankası A.Ş Bahrain Branch in Bahrain which is registered to Trade Registry, No:50046-1.

**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 2014**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

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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 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 5 February 2015 is presented preceding the financial statements.

**II. Other Footnotes and Explanations Prepared by the Independent Auditors**

None.

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**SECTION IV**

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



**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 2014**



**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 2014 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 and Independent Auditing Standards that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (“POA”). We planned and conducted our audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. 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 2014 and the results of its operations and its cash flows for the period then ended in accordance with accounting principles and standards set out by regulations in conformity with articles 37 and 38 of the Banking Act No. 5411 and other regulations, communiques, interpretations and circulars published by the BRSA on accounting and financial reporting principles.

*Report on independent auditor's other responsibilities arising from regulatory requirements:*

1. In accordance with Article 402 paragraph 4 of the Turkish Commercial Code ("TCC") No. 6102; **no significant matter has come to our attention that causes us to believe that the Bank's bookkeeping activities for the period 1 January - 31 December 2014 are not in compliance with the TCC and provisions of the Bank's articles of association in relation to financial reporting.**
2. In accordance with Article 402 paragraph 4 of TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

*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, 5 February 2015

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED CONSOLIDATED  
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 2014**

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](mailto: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:

	<b>Subsidiaries</b>	<b>Associates</b>	<b>Jointly Controlled Entities</b>
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				
Yavuz Canevi	Givadinovitch	Dr. Akın Akbaygil	Ümit Lelebici	M. Aşkın Dolaştır	Gökhan Kazcılar
Chairman of the	Chairman	Vice Chairman	General	Assistant General	Director
Board of	of the Audit	of the Audit	Manager	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 Çelikbilek / Investor Relations Manager  
Tel No : (0216) 635 24 63  
Fax No : (0216) 636 36 36

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**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 2014**

(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 have 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**

As of 31 December 2014 and 31 December 2013 the shareholders’ structure and their respective ownerships are summarized as follows:

Name of shareholders	31 December 2014		31 December 2013	
	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	518,342	%23.51
BNP Paribas Fortis Yatırımlar Holding A.Ş.	402,517	%18.26	380,311	%17.25
Other Shareholders	71,117	%3.23	93,323	%4.24
	<b>2,204,390</b>	<b>100.00</b>	<b>2,204,390</b>	<b>100.00</b>

As of 31 December 2014, Parent Bank’s paid-in-capital consists of TL2,204,390,000 shares of TL1.00 (full TL) nominal each.

As of 14 November 2014, BNP Paribas Fortis Yatırımlar Holding A.Ş., BNP Paribas Yatırımlar Holding A.Ş., BNP Paribas and TEB Holding A.Ş. acting jointly as the “Controlling Shareholders” according to the Communiqué of the Capital Markets Board No. II-27.2 on Squeeze-out and Sell-Out Rights (“Communiqué”), hold 96.005% of the voting rights of Türk Ekonomi Bankası A.Ş. (“TEB”). Pursuant to Temporary Article 1 of the Communiqué, “the right to sell” and the “squeeze-out right” have become exercisable following the purchase of an additional share by BNP Paribas Fortis Yatırımlar Holding A.Ş, one of the Controlling Shareholders, on 14 November 2014.

Within the three-month statute of limitations that started on 14 November 2014, the date of the purchase of the additional shares(14 November 2014 - 16 February 2015), any shareholders other than the Controlling Shareholders are entitled to sell their shares of the Bank to BNP Paribas Fortis Yatırımlar Holding A.Ş. which is one of the Controlling Shareholders.

BNP Paribas Fortis Yatırımlar Holding A.Ş., one of the Controlling Shareholders, will be entitled to exercise its squeeze-out right following the expiry of the three-month statute of limitations on 16 February 2015. BNP Paribas Fortis Yatırımlar Holding A.Ş. will submit an application to the Bank to exercise its squeeze-out right within three business days of the expiry of the three-month statute of limitations.

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

**TÜRK EKONOMİ BANKASI A.Ş.  
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM  
1 JANUARY TO 31 DECEMBER 2014**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

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The considerations for the right to sell and the squeeze-out right are determined below, in accordance with the principles set forth under Article 6 of the Communiqué.

In order to calculate the fair price for the right to sell, the following information was considered.

- The arithmetic mean of the weighted average market price available on the stock exchange, within thirty days prior to the purchase of the additional share was TL2.0032.
- The price determined in the valuation report prepared for price identification was TL2.437.
- Prior to the disclosure of the purchase of the additional share to the public:

The Weighted average market price for the last six months was TL2.0185,

The weighted average market price for the last year was TL2.0528 and

The weighted average market price for the last five years was TL2.0562.

The fair value for the right to sell was determined to be TL2.437, which is the highest price out of those compared.

The squeeze-out selling price was determined as TL2.0032, which is the arithmetic mean of the weighted average market price available on the stock exchange within thirty days prior to the disclosure of the purchase of the additional.

An application requesting the delisting of the shares of Türk Ekonomi Bankası A.Ş. will be made to BIST at the same time as the application for exercising the squeeze-out right is made to the Capital Markets Board.

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

**TÜRK EKONOMİ BANKASI A.Ş.  
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM  
1 JANUARY TO 31 DECEMBER 2014**

(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 Parent Bank They Possess**

<u>Name</u>	<u>Title</u>	<u>Education</u>
<b>Board of Directors;</b>		
Yavuz Canevi	Chairman of the Board of Directors	Master
PhD.Akın Akbaygil	Vice Chairman of the Board of Directors and Vice Chairman of the Audit Committee and Independent Member of the Board	PhD
Jean-Milan Charles Dominique Givadinovitch	Member of the Board of Directors, Chairman of the Audit Committee and Independent Member of the Board	University
Jean Paul Sabet	Vice Chairman of the Board of Director	Master
Ayşe Aşardağ	Member of the Board of Directors	University
Ümit Leblebici	General Manager and Member of the Board of Directors	Master
Sabri Davaz	Member of the Board of Directors and Audit Committee	Master
Alain Georges Auguste Fonteneau	Member of the Board of Directors	Master
Yvan L.A.M De Cock	Member of the Board of Directors and Audit Committee	University
Musa Erden	Member of the Board of Directors	University
Jacques Roger Jean Marie Rinino	Member of the Board of Directors	University
Henri Simon Andre Foch	Member of the Board of Directors	University
Alain Kokocinski	Independent Member of the Board of Directors	Bank Technical Institute
PhD.Ismail Yanık	Independent Member of the Board of Directors	PhD
<b>Assistant General Managers;</b>		
Turgut Boz	Assistant General Manager Responsible from SME Banking and Vice Chairman of General Manager	University
Gökhan Mendi	Assistant General Manager Responsible from Consumer Banking and Private Banking	Master
PhD. Nilsen Altıntaş	Assistant General Manager Responsible from Human Resources	PhD
Melis Coşan Baban	Chief Legal Counsel and Secretary of the Board of Directors	Master
Mehmet Ali Cer	Assistant Manager Responsible from Information Technologies	Master
Levent Çelebioğlu	Assistant General Manager Responsible from Corporate Banking	University
Mustafa Aşkın Dolaştır	Assistant General Manager Responsible from Financial Control	Master
Osman Durmuş	Assistant General Manager Responsible from Consumer Loans and Business Loans	University
Kubilay Güler	Banking Operations & Facility Services Assistant General Manager	University
Akil Özçay	Assistant Manager Responsible from Financial Markets	Master
Gökhan Özdil	Assistant General Manager Responsible from Corporate Loans	University
Nuri Tuncalı	Assistant General Manager Responsible from SME Loans	University
Eric Patrice Paul Josserand	Assistant General Manager Corporate Investment Banking Group	Master
Ömer Abidin Yenidoğan	Vice Chairman of Corporate Investment Banking Group and Assistant General Manager	Master
<b>Group Heads (*);</b>		
Pascal Alfred J. Gilliard	Chief Risk Officer	University
Birol Deper	Head of Compliance Group and Internal Control Group, Consumer Relations Coordination Officer	Master
<b>Inspection Committee (*);</b>		
Hakan Traşın	Chairman of the Inspection Committee	University

(\*) Group Heads and Chairman of the Inspection Committee are in Assistant General Manager status.

(\*\*) Philippe Bernard Dumel, Chief Operational Officer of the bank, resigned after he has been appointed to different role in 31 December 2014.

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  
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED  
IN TURKISH, SEE NOTE I. OF SECTION THREE**

**TÜRK EKONOMİ BANKASI A.Ş.  
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM  
1 JANUARY TO 31 DECEMBER 2014**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

**IV. Information About the Persons and Institutions That Have Qualified Shares in the Parent Bank**

<b>Name / Commercial Name</b>	<b>Share Amount</b>	<b>Share Ratio</b>	<b>Paid up Shares</b>	<b>Unpaid Shares</b>
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.	402,517	%18.26	402,517	-

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 Cardiff Hayat Sigorta A.Ş. As of 31 December 2014, the Parent Bank has 546 local branches and 5 foreign branches (31 December 2013: 539 local branches, 5 foreign branches).

According to The Bank’s Board of Directors Resolution, No: 5132/147 and dated 21 October 2014, it was decided to close Türk Ekonomi Bankası A.Ş. Bahrain Branch in Bahrain which is registered to Trade Registry, No:50046-1.

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

There is no difference between the communiqué on preparation of consolidated financial statements of Banks and Turkish Accounting for the Bank. Information about consolidated subsidiaries.

The Parent 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.

**VII. 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**

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- 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 2014**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

**I. CONSOLIDATED BALANCE SHEET - ASSETS (STATEMENT OF FINANCIAL POSITION)**

		Audited Current Period 31.12.2014			Audited Prior Period 31.12.2013			
		Section 5 Note Ref.	TL	FC	Total	TL	FC	Total
<b>I.</b>	<b>CASH AND BALANCES WITH THE CENTRAL BANK</b>	<b>(I-1)</b>	<b>861,788</b>	<b>7,605,141</b>	<b>8,466,929</b>	<b>632,299</b>	<b>6,179,313</b>	<b>6,811,612</b>
<b>II.</b>	<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)</b>	<b>(I-2)</b>	<b>589,709</b>	<b>98,027</b>	<b>687,736</b>	<b>1,299,445</b>	<b>84,672</b>	<b>1,384,117</b>
2.1	Financial assets held for trading		589,709	98,027	687,736	1,299,445	84,672	1,384,117
2.1.1	Public sector debt securities		77,774	12,660	90,434	642,579	12,268	654,847
2.1.2	Share certificates		-	-	-	-	-	-
2.1.3	Derivative financial assets held for trading		511,935	85,367	597,302	656,866	72,404	729,270
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		-	-	-	-	-	-
<b>III.</b>	<b>BANKS</b>	<b>(I-3)</b>	<b>595,903</b>	<b>409,246</b>	<b>1,005,149</b>	<b>80,615</b>	<b>379,970</b>	<b>460,585</b>
<b>IV.</b>	<b>MONEY MARKET PLACEMENTS</b>		<b>550,207</b>	-	<b>550,207</b>	<b>245</b>	-	<b>245</b>
4.1	Interbank money market placements		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3	Receivables from reverse repurchase agreements		550,207	-	550,207	245	-	245
<b>V.</b>	<b>FINANCIAL ASSETS AVAILABLE FOR SALE (Net)</b>	<b>(I-4)</b>	<b>4,309,078</b>	<b>179,193</b>	<b>4,488,271</b>	<b>4,267,827</b>	<b>141,058</b>	<b>4,408,885</b>
5.1	Share certificates		21,035	96	21,131	19,695	100	19,795
5.2	Public sector debt securities		4,288,043	112,732	4,400,775	4,246,912	119,574	4,366,486
5.3	Other marketable securities		-	66,365	66,365	1,220	21,384	22,604
<b>VI.</b>	<b>LOANS AND RECEIVABLES</b>	<b>(I-5)</b>	<b>37,881,781</b>	<b>8,627,407</b>	<b>46,509,188</b>	<b>31,410,241</b>	<b>8,233,107</b>	<b>39,643,348</b>
6.1	Loans and receivables		37,480,900	8,624,762	46,105,662	31,070,196	8,231,279	39,301,475
6.1.1	Loans to Risk Group of the Bank		78,295	3	78,298	10,785	7,849	18,634
6.1.2	Public sector debt securities		-	-	-	-	-	-
6.1.3	Other		37,402,605	8,624,759	46,027,364	31,059,411	8,223,430	39,282,841
6.2	Non-performing loans		1,120,411	86,123	1,206,534	868,121	72,593	940,714
6.3	Specific provisions (-)		719,530	83,478	803,008	528,076	70,765	598,841
<b>VII.</b>	<b>FACTORING RECEIVABLES</b>	<b>(I-17)</b>	<b>884,634</b>	<b>448,288</b>	<b>1,332,922</b>	<b>641,838</b>	<b>450,849</b>	<b>1,092,687</b>
<b>VIII.</b>	<b>HELD TO MATURITY INVESTMENTS (Net)</b>	<b>(I-6)</b>	<b>317,360</b>	-	<b>317,360</b>	<b>292,956</b>	-	<b>292,956</b>
8.1	Public sector debt securities		317,360	-	317,360	292,956	-	292,956
8.2	Other marketable securities		-	-	-	-	-	-
<b>IX.</b>	<b>INVESTMENTS IN ASSOCIATES (Net)</b>	<b>(I-7)</b>	-	-	-	-	-	-
9.1	Accounted for under equity method		-	-	-	-	-	-
9.2	Unconsolidated associates		-	-	-	-	-	-
9.2.1	Financial investments		-	-	-	-	-	-
9.2.2	Non-financial investments		-	-	-	-	-	-
<b>X.</b>	<b>INVESTMENTS IN SUBSIDIARIES (Net)</b>	<b>(I-8)</b>	-	-	-	-	-	-
10.1	Unconsolidated financial subsidiaries		-	-	-	-	-	-
10.2	Unconsolidated non-financial subsidiaries		-	-	-	-	-	-
<b>XI.</b>	<b>ENTITIES UNDER COMMON CONTROL (JOINT VENT.) (Net)</b>	<b>(I-9)</b>	<b>5</b>	-	<b>5</b>	<b>5</b>	-	<b>5</b>
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
<b>XII.</b>	<b>FINANCE LEASE RECEIVABLES</b>	<b>(I-10)</b>	-	-	-	-	-	-
12.1	Finance lease receivables		-	-	-	-	-	-
12.2	Operating lease receivables		-	-	-	-	-	-
12.3	Other		-	-	-	-	-	-
12.4	Unearned income (-)		-	-	-	-	-	-
<b>XIII.</b>	<b>DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES</b>	<b>(I-11)</b>	<b>60,800</b>	-	<b>60,800</b>	<b>112,182</b>	<b>63</b>	<b>112,245</b>
13.1	Fair value hedge		1,681	-	1,681	56,899	63	56,962
13.2	Cash flow hedge		59,119	-	59,119	55,283	-	55,283
13.3	Hedge of net investment risks in foreign operations		-	-	-	-	-	-
<b>XIV.</b>	<b>TANGIBLE ASSETS (Net)</b>	<b>(I-12)</b>	<b>317,199</b>	<b>8,920</b>	<b>326,119</b>	<b>323,348</b>	<b>9,609</b>	<b>332,957</b>
<b>XV.</b>	<b>INTANGIBLE ASSETS (Net)</b>	<b>(I-13)</b>	<b>476,834</b>	<b>873</b>	<b>477,707</b>	<b>475,492</b>	<b>1,332</b>	<b>476,824</b>
15.1	Goodwill		421,124	-	421,124	421,124	-	421,124
15.2	Other		55,710	873	56,583	54,368	1,332	55,700
<b>XVI.</b>	<b>INVESTMENT PROPERTIES (Net)</b>	<b>(I-14)</b>	-	-	-	-	-	-
<b>XVII.</b>	<b>TAX ASSET</b>		<b>109,457</b>	<b>286</b>	<b>109,743</b>	<b>41,122</b>	<b>1,574</b>	<b>42,696</b>
17.1	Current tax asset		3,849	286	4,135	274	1,319	1,593
17.2	Deferred tax asset	<b>(I-15)</b>	105,608	-	105,608	40,848	255	41,103
<b>XVIII.</b>	<b>ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)</b>	<b>(I-16)</b>	<b>79,466</b>	-	<b>79,466</b>	<b>83,217</b>	-	<b>83,217</b>
18.1	Held for sale		79,466	-	79,466	83,217	-	83,217
18.2	Discontinued operations		-	-	-	-	-	-
<b>XIX.</b>	<b>OTHER ASSETS</b>		<b>1,060,677</b>	<b>219,583</b>	<b>1,280,260</b>	<b>889,338</b>	<b>172,539</b>	<b>1,061,877</b>
	<b>TOTAL ASSETS</b>		<b>48,094,898</b>	<b>17,596,964</b>	<b>65,691,862</b>	<b>40,550,170</b>	<b>15,654,086</b>	<b>56,204,256</b>

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 2014**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

**I. CONSOLIDATED BALANCE SHEET - LIABILITIES AND EQUITY (STATEMENT OF FINANCIAL POSITION)**

	Section 5 Note Ref.	Audited Current Period 31.12.2014			Audited Prior Period 31.12.2013		
		TL	FC	Total	TL	FC	Total
<b>I. DEPOSITS</b>	(II-1)	27,332,692	13,098,358	40,431,050	24,018,946	11,514,200	35,533,146
1.1 Deposits from Risk Group of the Bank		886,673	1,337,883	2,224,556	1,269,421	624,319	1,893,740
1.2 Other		26,446,019	11,760,475	38,206,494	22,749,525	10,889,881	33,639,406
<b>II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING</b>	(II-2)	312,605	136,053	448,658	437,878	44,953	482,831
<b>III. FUNDS BORROWED</b>	(II-3)	982,230	9,383,235	10,365,465	1,065,147	6,917,400	7,982,547
<b>IV. MONEY MARKET BALANCES</b>		1,796,098	-	1,796,098	1,083,153	-	1,083,153
4.1 Interbank money market takings		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market takings		39,111	-	39,111	20,710	-	20,710
4.3 Funds provided under repurchase agreements	(II-3)	1,756,987	-	1,756,987	1,062,443	-	1,062,443
<b>V. MARKETABLE SECURITIES ISSUED (Net)</b>	(II-3)	696,679	294,904	991,583	710,276	-	710,276
5.1 Bills		696,679	294,904	991,583	507,046	-	507,046
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	203,230	-	203,230
<b>VI. FUNDS</b>		-	-	-	-	-	-
6.1 Borrower funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
<b>VII. SUNDRY CREDITORS</b>		945,501	189,402	1,134,903	966,951	155,761	1,122,712
<b>VIII. OTHER LIABILITIES</b>	(II-4)	1,021,511	3,889	1,025,400	910,875	1,278	912,153
<b>IX. FACTORING PAYABLES</b>	(II-13)	2,502	5,330	7,832	2,942	5,070	8,012
<b>X. FINANCE LEASE PAYABLES</b>	(II-5)	-	-	-	-	-	-
10.1 Finance lease payables		-	-	-	-	-	-
10.2 Operating lease payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred finance lease expenses ( - )		-	-	-	-	-	-
<b>XI. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES</b>	(II-6)	313,870	-	313,870	69,438	-	69,438
11.1 Fair value hedge		11,264	-	11,264	15,616	-	15,616
11.2 Cash flow hedge		302,606	-	302,606	53,822	-	53,822
11.3 Hedge of net investment in foreign operations		-	-	-	-	-	-
<b>XII. PROVISIONS</b>	(II-7)	980,238	16,186	996,424	826,643	17,788	844,431
12.1 General loan loss provisions		610,851	10,443	621,294	539,624	14,983	554,607
12.2 Restructuring reserve		-	-	-	-	-	-
12.3 Reserve for employee benefits		217,620	2,277	219,897	186,048	2,202	188,250
12.4 Insurance technical reserves (Net)		-	-	-	-	-	-
12.5 Other provisions		151,767	3,466	155,233	100,971	603	101,574
<b>XIII. TAX LIABILITY</b>	(II-8)	198,901	1,203	200,104	107,782	333	108,115
13.1 Current tax liability		198,901	47	198,948	107,782	333	108,115
13.2 Deferred tax liability		-	1,156	1,156	-	-	-
<b>XIV. PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)</b>	(II-9)	-	-	-	-	-	-
14.1 Held for sale		-	-	-	-	-	-
14.2 Discontinued operations		-	-	-	-	-	-
<b>XV. SUBORDINATED LOANS</b>	(II-10)	-	1,785,915	1,785,915	-	1,778,323	1,778,323
<b>XVI. SHAREHOLDERS' EQUITY</b>	(II-11)	5,988,356	206,204	6,194,560	5,416,436	152,683	5,569,119
16.1 Paid-in capital		2,204,390	-	2,204,390	2,204,390	-	2,204,390
16.2 Supplementary capital		699,075	1,035	700,110	714,670	(2,126)	712,544
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		(25,613)	1,035	(24,578)	(100,521)	(2,126)	(102,647)
16.2.4 Tangible assets revaluation differences		91,991	-	91,991	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)		(60,118)	-	(60,118)	32,185	-	32,185
16.2.9 Accumulated valuation differences from assets held for sale and from discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		689,723	-	689,723	678,523	-	678,523
16.3 Profit reserves		2,426,458	205,169	2,631,627	1,911,073	154,809	2,065,882
16.3.1 Legal reserves		196,866	-	196,866	170,419	-	170,419
16.3.2 Status reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		1,927,004	205,169	2,132,173	1,425,595	154,809	1,580,404
16.3.4 Other profit reserves		302,588	-	302,588	315,059	-	315,059
16.4 Profit or loss		651,043	-	651,043	578,313	-	578,313
16.4.1 Prior years' income/ (loss)		9,497	-	9,497	9,497	-	9,497
16.4.2 Current year income/ (loss)		641,546	-	641,546	568,816	-	568,816
16.5 Minority shares	(II-12)	7,390	-	7,390	7,990	-	7,990
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>40,571,183</b>	<b>25,120,679</b>	<b>65,691,862</b>	<b>35,616,467</b>	<b>20,587,789</b>	<b>56,204,256</b>

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 2014**

(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 31.12.2014			Audited Prior Period 31.12.2013		
		TL	FC	Total	TL	FC	Total
<b>A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)</b>		<b>49,294,310</b>	<b>50,198,673</b>	<b>99,492,983</b>	<b>41,848,805</b>	<b>43,482,396</b>	<b>85,331,201</b>
<b>I. GUARANTEES</b>	(III-1)	<b>5,409,460</b>	<b>6,690,175</b>	<b>12,099,635</b>	<b>4,752,585</b>	<b>6,943,361</b>	<b>11,695,946</b>
1.1 Letters of guarantee		4,193,036	4,093,358	8,286,394	3,910,749	3,985,049	7,895,798
1.1.1 Guarantees subject to State Tender Law		122,191	109,163	231,354	124,446	47,427	171,873
1.1.2 Guarantees given for foreign trade operations		305,083	295,414	600,497	345,982	101,790	447,772
1.1.3 Other letters of guarantee		3,765,762	3,688,781	7,454,543	3,440,321	3,835,832	7,276,153
1.2 Bank loans		-	62,150	62,150	-	271,178	271,178
1.2.1 Import letter of acceptance		-	62,150	62,150	-	271,178	271,178
1.2.2 Other bank acceptances		-	-	-	-	-	-
1.3 Letters of credit		-	1,508,547	1,508,547	381	1,688,508	1,688,889
1.3.1 Documentary letters of credit		-	382,477	382,477	381	608,042	608,423
1.3.2 Other letters of credit		-	1,126,070	1,126,070	-	1,080,466	1,080,466
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		1,209,108	593,229	1,802,337	839,960	580,709	1,420,669
1.9 Other collaterals		7,316	432,891	440,207	1,495	417,917	419,412
<b>II. COMMITMENTS</b>	(III-1)	<b>11,237,037</b>	<b>1,507,676</b>	<b>12,744,713</b>	<b>10,230,483</b>	<b>1,318,648</b>	<b>11,549,131</b>
2.1 Irrevocable commitments		11,237,037	1,507,676	12,744,713	10,230,483	1,318,648	11,549,131
2.1.1 Forward asset purchase commitments		221,352	1,467,899	1,689,251	566,850	1,175,708	1,742,558
2.1.2 Forward deposit purchase and sales commitments		-	-	-	-	101,194	101,194
2.1.3 Share capital commitment to associates and subsidiaries		-	-	-	-	-	-
2.1.4 Loan granting commitments		4,336,448	94	4,336,542	3,853,680	79	3,853,759
2.1.5 Securities underwriting commitments		-	-	-	-	-	-
2.1.6 Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7 Payment commitment for checks		2,186,510	-	2,186,510	2,002,630	-	2,002,630
2.1.8 Tax and fund liabilities from export commitments		24,189	-	24,189	12,503	-	12,503
2.1.9 Commitments for credit card expenditure limits		4,101,473	-	4,101,473	3,545,841	-	3,545,841
2.1.10 Commitments for promotions related with credit cards and banking activities		5,178	-	5,178	4,451	-	4,451
2.1.11 Receivables from short sale commitments		-	-	-	-	-	-
2.1.12 Payables for short sale commitments		-	-	-	-	-	-
2.1.13 Other irrevocable commitments		361,887	39,683	401,570	244,528	41,667	286,195
2.2 Revocable commitments		-	-	-	-	-	-
2.2.1 Revocable loan granting commitments		-	-	-	-	-	-
2.2.2 Other revocable commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>	(III-2)	<b>32,647,813</b>	<b>42,000,822</b>	<b>74,648,635</b>	<b>26,865,737</b>	<b>35,220,387</b>	<b>62,086,124</b>
3.1 Derivative financial instruments for hedging purposes		10,757,751	328,460	11,086,211	4,200,388	327,712	4,528,100
3.1.1 Fair value hedge		363,480	328,460	691,940	284,354	327,712	612,066
3.1.2 Cash flow hedge		10,394,271	-	10,394,271	3,916,034	-	3,916,034
3.1.3 Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2 Held for trading transactions		21,890,062	41,672,362	63,562,424	22,665,349	34,892,675	57,558,024
3.2.1 Forward foreign currency buy/sell transactions		3,519,394	4,399,375	7,918,769	3,914,050	4,993,564	8,907,614
3.2.1.1 Forward foreign currency transactions-buy		1,176,887	2,678,599	3,855,486	1,289,744	3,183,977	4,473,721
3.2.1.2 Forward foreign currency transactions-sell		2,342,507	1,720,776	4,063,283	2,624,306	1,809,587	4,433,893
3.2.2 Swap transactions related to f.c. and interest rates		12,929,284	25,000,435	37,929,719	9,993,386	18,150,946	28,144,332
3.2.2.1 Foreign currency swap-buy		4,453,732	12,230,315	16,684,047	3,812,213	6,671,784	10,483,997
3.2.2.2 Foreign currency swap-sell		7,855,634	8,525,662	16,381,296	3,969,991	6,395,332	10,365,323
3.2.2.3 Interest rate swaps-buy		300,000	2,126,718	2,426,718	1,085,790	2,578,291	3,664,081
3.2.2.4 Interest rate swaps-sell		919,918	2,117,740	2,437,658	1,125,392	2,505,539	3,630,931
3.2.3 Foreign currency, interest rate and securities options		5,441,384	12,269,127	17,710,511	8,757,913	11,748,165	20,506,078
3.2.3.1 Foreign currency options-buy		3,286,819	5,630,784	8,917,603	3,969,496	6,256,411	10,225,917
3.2.3.2 Foreign currency options-sell		2,154,565	6,636,019	8,790,584	4,576,617	5,427,292	10,003,909
3.2.3.3 Interest rate options-buy		-	-	-	111,800	32,231	144,031
3.2.3.4 Interest rate options-sell		-	2,324	2,324	100,000	32,231	132,231
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		-	3,425	3,425	-	-	-
<b>B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>		<b>138,891,704</b>	<b>20,338,707</b>	<b>159,230,411</b>	<b>119,812,537</b>	<b>22,597,297</b>	<b>142,409,834</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>28,952,363</b>	<b>1,653,942</b>	<b>30,606,305</b>	<b>26,419,033</b>	<b>1,712,075</b>	<b>28,131,108</b>
4.1 Assets under management		1,666,897	20	1,666,917	1,726,150	56	1,726,206
4.2 Investment securities held in custody		16,934,690	410,826	17,345,516	15,714,865	399,512	16,114,377
4.3 Checks received for collection		9,910,466	968,716	10,879,182	8,587,081	879,545	9,466,626
4.4 Commercial notes received for collection		369,231	107,040	476,271	390,735	112,718	503,453
4.5 Other assets received for collection		-	167,340	167,340	103	320,244	320,347
4.6 Assets received for public offering		-	-	-	-	-	-
4.7 Other items under custody		71,079	-	71,079	99	-	99
4.8 Custodians		-	-	-	-	-	-
<b>V. PLEDGED ITEMS</b>		<b>109,768,918</b>	<b>18,643,929</b>	<b>128,412,847</b>	<b>93,267,521</b>	<b>20,845,763</b>	<b>114,113,284</b>
5.1 Marketable securities		773,354	16,333	789,687	583,589	19,982	603,571
5.2 Guarantee notes		52,933,771	13,909,835	66,843,606	47,924,350	13,954,626	61,878,976
5.3 Commodity		53,640	211,098	264,738	70,351	166,369	236,720
5.4 Warranty		-	-	-	-	-	-
5.5 Properties		49,443,763	3,131,992	52,575,755	38,664,915	4,912,365	43,577,280
5.6 Other pledged items		6,564,390	1,374,671	7,939,061	6,024,316	1,792,421	7,816,737
5.7 Pledged items-depository		-	-	-	-	-	-
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>170,423</b>	<b>40,836</b>	<b>211,259</b>	<b>125,983</b>	<b>39,459</b>	<b>165,442</b>
<b>TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)</b>		<b>188,186,014</b>	<b>70,537,380</b>	<b>258,723,394</b>	<b>161,661,342</b>	<b>66,079,693</b>	<b>227,741,035</b>

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 31 DECEMBER 2014**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

**III. CONSOLIDATED STATEMENT OF INCOME**

	Section 5 Note Ref.	Audited Current Period 01.01-31.12.2014	Audited Prior Period 01.01-31.12.2013
<b>I. INTEREST INCOME</b>	<b>(IV-1)</b>	<b>5,379,387</b>	<b>4,171,277</b>
1.1 Interest on loans		4,786,115	3,705,072
1.2 Interest received from reserve deposits		1,775	-
1.3 Interest received from banks		31,953	8,344
1.4 Interest received from money market placements		32,844	11,176
1.5 Interest received from marketable securities portfolio		426,309	364,175
1.5.1 Held-for-trading financial assets		33,714	63,463
1.5.2 Financial assets at fair value through profit and loss		-	-
1.5.3 Available-for-sale financial assets		363,518	292,347
1.5.4 Investments held-to-maturity		29,077	8,365
1.6 Finance lease Income		-	-
1.7 Other interest income	(IV-12)	100,391	82,510
<b>II. INTEREST EXPENSE</b>	<b>(IV-2)</b>	<b>2,704,377</b>	<b>2,106,816</b>
2.1 Interest on deposits		2,247,109	1,757,158
2.2 Interest on funds borrowed		234,947	235,124
2.3 Interest on money market borrowings		141,169	47,987
2.4 Interest on securities issued		55,521	32,288
2.5 Other interest expense		25,631	34,259
<b>III. NET INTEREST INCOME/EXPENSE (I - II)</b>		<b>2,675,010</b>	<b>2,064,461</b>
<b>IV. NET FEES AND COMMISSIONS INCOME/EXPENSE</b>		<b>933,158</b>	<b>701,692</b>
4.1 Fees and commissions received		1,369,779	1,024,069
4.1.1 Non-cash loans		123,100	109,303
4.1.2 Other	(IV-12)	1,246,679	914,766
4.2 Fees and commissions paid		436,621	322,377
4.2.1 Non-cash loans		2,069	1,646
4.2.2 Other	(IV-12)	434,552	320,731
<b>V. DIVIDEND INCOME</b>	<b>(IV-3)</b>	<b>1,339</b>	<b>1,761</b>
<b>VI. NET TRADING GAIN/(LOSS)</b>	<b>(IV-4)</b>	<b>(372,359)</b>	<b>66,520</b>
6.1 Securities trading gains/ (losses)		13,098	40,831
6.2 Gains/ (losses) from derivative financial instruments		(843,449)	452,086
6.3 Foreign exchange gains/ (losses)		457,992	(426,397)
<b>VII. OTHER OPERATING INCOME</b>	<b>(IV-5)</b>	<b>209,802</b>	<b>182,270</b>
<b>VIII. NET OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>3,446,950</b>	<b>3,016,704</b>
<b>IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)</b>	<b>(IV-6)</b>	<b>575,846</b>	<b>496,196</b>
<b>X. OTHER OPERATING EXPENSES (-)</b>	<b>(IV-7)</b>	<b>2,044,503</b>	<b>1,775,151</b>
<b>XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)</b>		<b>826,601</b>	<b>745,357</b>
<b>XII. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER</b>		-	-
<b>XIII. GAIN / (LOSS) ON EQUITY METHOD</b>		-	-
<b>XIV. GAIN / (LOSS) ON NET MONETARY POSITION</b>		-	-
<b>XV. PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)</b>	<b>(IV-8)</b>	<b>826,601</b>	<b>745,357</b>
<b>XVI. TAX PROVISION FOR CONTINUED OPERATIONS(±)</b>	<b>(IV-9)</b>	<b>(184,147)</b>	<b>(174,813)</b>
16.1 Current income tax (charge)/benefit (*)		(246,967)	(71,155)
16.2 Deferred tax (charge)/benefit		62,820	(103,658)
<b>XVII. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)</b>	<b>(IV-10)</b>	<b>642,454</b>	<b>570,544</b>
<b>XVIII. INCOME ON DISCONTINUED OPERATIONS</b>		-	-
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		-	-
<b>XIX. LOSS FROM DISCONTINUED OPERATIONS (-)</b>		-	-
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		-	-
<b>XX. PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)</b>	<b>(IV-8)</b>	-	-
<b>XXI. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>		-	-
21.1 Current income tax (charge)/benefit		-	-
21.2 Deferred tax (charge)/benefit		-	-
<b>XXII. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)</b>	<b>(IV-10)</b>	-	-
<b>XXIII. NET PROFIT/LOSS (XVII±XXII)</b>	<b>(IV-11)</b>	<b>642,454</b>	<b>570,544</b>
23.1 Group's profit/loss		641,546	568,816
23.2 Minority shares		908	1,728
Earnings per share		0.2910	0.2580

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 2014**  
(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 01.01-31.12.2014	Audited Prior Period 01.01-31.12.2013
<b>I. Additions to marketable securities revaluation differences for available for sale financial assets</b>	<b>109,999</b>	<b>(108,114)</b>
<b>II. Tangible assets revaluation differences</b>	<b>-</b>	<b>-</b>
<b>III. Intangible assets revaluation differences</b>	<b>-</b>	<b>-</b>
<b>IV. Foreign exchange differences for foreign currency transactions</b>	<b>(12,472)</b>	<b>57,465</b>
<b>V. Profit/Loss from derivative financial instruments for cash flow hedge purposes (Effective portion of fair value differences)</b>	<b>(115,379)</b>	<b>102,314</b>
<b>VI. Profit/Loss from derivative financial instruments for hedge of net investment in foreign operations (Effective portion of fair value differences)</b>		
<b>VII. The effect of corrections of errors and changes in accounting policies</b>		
<b>VIII. Other profit loss items accounted for under equity due to TAS (*)</b>	<b>13,964</b>	<b>24,151</b>
<b>IX. Deferred tax of valuation differences (*)</b>	<b>(1,888)</b>	<b>(3,533)</b>
<b>X. Total Net Profit/Loss accounted under equity (I+II+...+IX)</b>	<b>(5,776)</b>	<b>72,283</b>
<b>XI. Profit/Loss</b>	<b>(9,713)</b>	<b>(72,032)</b>
11.1 Change in fair value of marketable securities (Transfer to Profit/Loss)	(9,713)	(72,032)
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	-	-
<b>XII. Total Profit/Loss accounted for the period (X±XI)</b>	<b>(15,489)</b>	<b>251</b>

(\*) Minority Shares are included.

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		Paid-in Capital	Effect of Inflation Accounting on Capital and Reserves	Share Premium	Share Certificate 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	
<b>I. Prior Period - 01.01-31.12.2013</b>																				
	<b>Beginning Balance 31.12.2012</b>	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	
<b>II. Corrections according to TAS 8</b>																				
2.1	The effect of corrections of errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	The effects of changes in accounting policy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. New Balance (I+II)</b>		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	
<b>Changes in period</b>																				
<b>IV. Increase/Decrease related to merger</b>																				
V.	Marketable securities valuation differences	(V-a)	-	-	-	-	-	-	-	-	-	(158,386)	-	-	-	-	(158,386)	(43)	(158,429)	
VI.	Hedging Funds (Effective Portion)	(V-b)	-	-	-	-	-	-	-	-	-	-	-	-	81,851	-	81,851	-	81,851	
6.1	Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	81,851	-	81,851	-	81,851	
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.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
X.	Foreign exchange differences	(V-c)	-	-	-	-	-	-	57,465	-	-	-	-	-	-	-	57,465	-	57,465	
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XV.	Share premium	(V-h)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XVI.	Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XVII.	Inflation adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XVIII.	Other	-	-	-	-	-	-	-	19,321	-	-	-	-	-	-	-	19,321	-	19,321	
XIX.	Period net income/(loss)	-	-	-	-	-	-	-	-	568,816	-	-	-	-	-	-	568,816	1,728	570,544	
XX.	Profit distribution	-	-	-	-	26,864	-	297,377	163,156	-	(487,397)	-	-	-	-	-	-	(1,397)	(1,397)	
20.1	Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20.2	Transfers to reserves	-	-	-	-	26,864	-	297,377	163,156	-	(487,397)	-	-	-	-	-	-	(1,397)	(1,397)	
20.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Closing Balance 31.12.2013</b>																				
<b>(III+IV+V+VI+VII+VIII+IX+X+XI+XII+XIII+XIV+XV+XVI+XVII+XVIII+XIX+XX)</b>		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 CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2014**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

**V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Continued)**

Audited		Effect of Inflation Accounting on Capital and Reserves	Share Cancellation Premium	Share Certificate 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	
<b>I</b>	<b>Current Period- 01.01-31.12.2014</b>																		
	<b>Beginning balance – 31.12.2013</b>	2,204,390	200,262	2,565	-	170,419	-	1,580,404	793,320	-	578,313	(102,647)	101,391	527	32,185	-	5,561,129	7,990	5,569,119
	Changes in period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>II.</b>	<b>Increase/Decrease related to merger</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III.</b>	<b>Marketable securities valuation differences</b>	(V-a)	-	-	-	-	-	-	-	-	78,069	-	-	-	-	78,069	45	78,114	
<b>IV.</b>	<b>Hedging Funds (Effective Portion)</b>	(V-b)	-	-	-	-	-	-	-	-	-	-	-	(92,303)	-	(92,303)	-	(92,303)	
4.1	Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	(92,303)	-	(92,303)	-	(92,303)	
4.2	Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>V.</b>	<b>Tangible assets revaluation differences</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>VI.</b>	<b>Intangible assets revaluation differences</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>VII.</b>	<b>Bonus shares obtained from associates, subsidiaries and jointly controlled entities (Joint vent.)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>VIII.</b>	<b>Foreign exchange differences</b>	(V-c)	-	-	-	-	-	(12,472)	-	-	-	-	-	-	-	(12,472)	-	(12,472)	
<b>IX.</b>	<b>The disposal of assets</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>X.</b>	<b>The reclassification of assets</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>XI.</b>	<b>The effect of change in associate's equity</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>XII.</b>	<b>Capital increase</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12.1	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12.2	Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>XIII.</b>	<b>Share premium</b>	(V-h)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>XIV.</b>	<b>Share cancellation profits</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>XV.</b>	<b>Inflation adjustment to paid-in capital</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>XVI.</b>	<b>Other</b>	-	-	-	-	-	9,400	11,201	-	-	-	(9,400)	-	-	-	11,201	(29)	11,172	
<b>XVII.</b>	<b>Period net income/(loss)</b>	-	-	-	-	-	-	-	641,546	-	-	-	-	-	-	641,546	908	642,454	
<b>XVIII.</b>	<b>Profit distribution</b>	-	-	-	-	26,447	-	542,369	-	(568,816)	-	-	-	-	-	-	(1,524)	(1,524)	
18.1	Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,524)	(1,524)	
18.2	Transfers to reserves	-	-	-	-	26,447	-	542,369	-	(568,816)	-	-	-	-	-	-	-	-	
18.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>Closing Balance 31.12.2014</b>																		
	<b>(I+II+III+IV+V+VI+VII+VIII+IX+X+XI+XII+ XIII+XIV+XV+XVI+XVII+XVIII)</b>	2,204,390	200,262	2,565	-	196,866	-	2,132,173	792,049	641,546	9,497	(24,578)	91,991	527	(60,118)	-	6,187,170	7,390	6,194,560

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
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**TÜRK EKONOMİ BANKASI A.Ş.  
CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2014**  
(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 01.01-31.12.2014	Audited Prior Period 01.01-31.12.2013
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1 Operating profit before changes in operating assets and liabilities</b>		<b>2,091,521</b>	<b>1,515,984</b>
1.1.1 Interest received		5,242,198	3,559,819
1.1.2 Interest paid		(2,444,640)	(1,965,628)
1.1.3 Dividend received		-	55
1.1.4 Fees and commissions received		1,996,238	1,214,409
1.1.5 Other income		691,852	597,913
1.1.6 Collections from previously written off loans		445,072	390,110
1.1.7 Payments to personnel and service suppliers		(874,750)	(771,042)
1.1.8 Taxes paid		(172,218)	(117,592)
1.1.9 Others	(VI-1)	(2,792,231)	(1,392,060)
<b>1.2 Changes in operating assets and liabilities</b>		<b>(876,062)</b>	<b>(2,761,426)</b>
1.2.1 Net decrease (increase) in financial assets held for trading		565,077	(195,060)
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		(83,368)	194,910
1.2.4 Net (increase) in loans		(7,062,956)	(8,930,049)
1.2.5 Net (increase) in other assets	(VI-1)	(1,442,992)	(2,226,953)
1.2.6 Net increase (decrease) in bank deposits		447,534	1,722,359
1.2.7 Net increase in other deposits		5,104,841	4,879,912
1.2.8 Net increase (decrease) in funds borrowed		2,389,200	1,970,433
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities	(VI-1)	(793,398)	(176,978)
<b>I. Net cash provided from / (used in) banking operations</b>		<b>1,215,459</b>	<b>(1,245,442)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net cash provided from / (used in) investing activities</b>		<b>(20,094)</b>	<b>(741,320)</b>
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		(82,244)	(145,952)
2.4 Fixed assets sales		10,571	1,746
2.5 Cash paid for purchase of financial assets available for sale		(3,905,754)	(6,909,289)
2.6 Cash obtained from sale of financial assets available for sale		3,985,310	6,331,629
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)	(27,977)	(45,596)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net cash provided from / (used in) financing activities</b>		<b>282,481</b>	<b>288,616</b>
3.1 Cash obtained from funds borrowed and securities issued		1,604,439	765,060
3.2 Cash used for repayment of funds borrowed and securities issued		(1,321,806)	(476,286)
3.3 Capital increase		-	-
3.4 Dividends paid		-	-
3.5 Payments for finance leases		(152)	(158)
3.6 Other		-	-
<b>IV. Effect of change in foreign exchange rate on cash and cash equivalents</b>	(VI-1)	<b>9,874</b>	<b>67,874</b>
<b>V. Net increase / (decrease) in cash and cash equivalents</b>		<b>1,487,720</b>	<b>(1,630,272)</b>
<b>VI. Cash and cash equivalents at beginning of the period</b>	(VI-2)	<b>1,951,502</b>	<b>3,581,774</b>
<b>VII. Cash and cash equivalents at end of the period</b>	(VI-2)	<b>3,439,222</b>	<b>1,951,502</b>

The accompanying notes are an integral part of these financial statements

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**TÜRK EKONOMİ BANKASI A.Ş.  
CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION  
FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2014**  
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

**VII. PROFIT DISTRIBUTION TABLE**

	Current Audited Period 31.12.2014(*)	Prior Audited Period 31.12.2013(*)
<b>I. DISTRIBUTION OF CURRENT YEAR INCOME</b>		
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	-	-
<b>A. NET INCOME FOR THE YEAR (1.1-1.2)</b>	-	-
1.3 PRIOR YEARS' LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	-
1.5 OTHER STATUTORY RESERVES (-)	-	-
<b>B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5))]</b>	-	-
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	-	-
<b>II. DISTRIBUTION OF RESERVES</b>		
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 (-)	-	-
<b>III. EARNINGS PER SHARE</b>		
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 ( % )	-	-
<b>IV. DIVIDEND PER SHARE</b>		
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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**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 format and the details of the publicly announced financial statements and related disclosures to these statements have been prepared in accordance with the “Communiqué Related to Publicly Announced Financial Statements of Banks and Explanations and Notes Related to these Financial Statements” and changes and notes to this communiqué published in the Official Gazette No.28337 dated June 28, 2012.

The 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.

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**II. Explanations on Usage Strategy of Financial Assets and Foreign Currency Transactions  
(Continued)**

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.

**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 2014 are TL2.8144 in full TL per EUR and TL2.3244 in full TL per USD, respectively (31 December 2013: Euro 2.9346 in full TL, while the USD exchange rate is TL2.1297 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 III.

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 loss arising from the consolidated subsidiaries’ inflation and devaluation differences amounting to TL12,472 (31 December 2013: TL57,465 foreign exchange difference gain on currency translation) foreign exchange difference has been recorded in “Other Profit Reserves” under shareholders’ equity.

**III. Information about the Parent Bank and its Consolidated Subsidiaries**

The Bank, with no difference in practice between TAS and IFRS, and also the subsidiaries are consolidated by using 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.

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(Unless otherwise stated amounts are expressed in thousands o Turkish Lira (“TL”))

**III. Information about the Parent Bank and its Consolidated Subsidiaries(Continued)**

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

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 2014 and 31 December 2013.

The transactions and balances between the consolidated entities and the Parent Bank are eliminated.

**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.

The Parent Bank has adopted fair value and cash flow hedge accounting in order to avoid the effects of fair value and cash flow risks. The Parent Bank documents relations between hedging instrument and hedged item on transaction date, in conjunction with strategies on objectives of the Parent Bank's risk management and hedging transactions for hedging purposed transactions. Besides, the Parent Bank that effectively values fair value changes of hedged items that are balanced by derivative transactions for hedging purposes documented regularly. In case that the hedging transactions do not meet the hedging accounting conditions, adjustments to fair value of hedged item, which are rediscounted within days to maturity, are reflected in Income Statement.

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**IV. Explanations on Forward and Option Contracts and Derivative Instruments (Continued)**

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.

**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.

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**VII. Explanations on Financial Assets (Continued)**

*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.

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.



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**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. 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.

Current period provisions are booked in “Provision for Loan Losses and Other Receivables” account. Reversals of specific provisions which are allocated in earlier periods are booked in “Other Operating Income”. Income realized through the sale of non-performing loans are booked in “Other Operating Income” account.

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 provisions are provided by TEB Faktoring based on the Communiqué on “Uniform Accounting Plan and Registration Statement to be applied by Financial Leasing, Factoring and Financing Companies” published in the Official Gazette No: 28861 on 24 December 2013.

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**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 2014, the Group has reverse repo amounting to TL550,207 (31 December 2013: TL245).

As of 31 December 2014, the Group does not have any marketable securities lending transaction (31 December 2013: None).

**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 2014, assets held for sale of the Group are TL79,466 (31 December 2013: TL83,217). As per the appraisals performed for the real estate’s held for sale included “Assets Held for Sale” in the financial statements, TL2,064 (31 December 2013: TL4,961) 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.

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**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.

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 TL421,124, which is the difference between TL2,385,482 which is the fair value of transferred amount and TL1,964,358 which is the identifiable net asset value is accounted as goodwill in the financial statements of the Bank and the equity impact is shown under other shareholder's equity section.

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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**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 fifty 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.

**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”.

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**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 active 12 banks 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 16 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.

**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 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 2014 is TL101,658 (31 December 2013: TL89,348).

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 2014, actuarial profit amounting to TL11,201 (1 January - 31 December 2013: TL19,321 actuarial profit) was classified as “Other Comprehensive Income” and as of 31 December 2014, a total of TL19,553 (31 December 2013: TL8,354 actuarial profit) actuarial profit was accounted under “Other Reserves”.

	<b>31 December 2014</b>	<b>31 December 2013</b>
Discount Rate (%)	8.60	9.92
Expected Inflation Rate (%)	5.00	6.45
Salary Increase Rate above Inflation Rate (%)	1.00	1.00

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**XVI. Explanations on Liabilities Regarding Employee Benefits (Continued)**

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 2014, the Pension Fund has 2,166 employees and 959 pensioners (31 December 2013: 2,401 employees and 918 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. Upon the Council of Ministers’ resolution dated 24 February 2014 issued in the Official Gazette No:28987 on 30 April 2014, mentioned transfer period has been extended for one more year while it has been extended for one year upon the Council of Ministers’ resolution dated 08 April 2013 issued in the Official Gazette No:28636 on 3 May 2013.

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 2014. 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*

Based on the decision of the Foundation’s Extraordinary General Assembly and approval by the Board of Directors of the Bank, Güvenlik Vakfı a second foundation whose members joined the bank after the merger with Fortis Bank, transferred the retirement commitments to Individual Pension System after necessary legal procedures has been completed at 31 March 2014. From this date on, contributions by the bank to the Güvenlik Vakfı has been ended.

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**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 2014 and 31 December 2013, 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.

After net off the net deferred tax asset is presented as deferred tax asset on the balance sheet and net deferred tax liability presented as deferred tax liability on balance sheet. Deferred tax income has been presented on statement of profit and loss amounting to TL62,820 (31 December 2013: TL103,658 deferred tax expense). Portion of deferred tax accounted for under equity related to valuation differences which is presented in the table below has been netted and presented within relevant accounts in statement of profit and loss accounted for under equity.

	<b>Current Period</b>	<b>Prior Period</b>
Available-for-sale financial assets	(19,789)	39,852
Cash flow hedge	23,076	(20,463)
Actuarial profit or loss	(2,793)	(4,830)
<b>Total</b>	<b>494</b>	<b>14,559</b>

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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**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.

**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:

<b>Current Period</b>	<b>Retail</b>	<b>Corporate</b>	<b>SME</b>	<b>Treasury/ Head Office</b>	<b>Elimination</b>	<b>Total</b>
Net interest income	374,180	315,724	893,452	1,091,655	(1)	2,675,010
Net fees and commissions income and other operating income	246,054	179,920	430,871	288,010	(1,895)	1,142,960
Trading profit/loss	269	755	(1,005)	(372,378)	-	(372,359)
Dividend income	-	-	-	20,528	(19,189)	1,339
Impairment provision for loans and other receivables (-)	145,306	41,893	283,474	105,173	-	575,846
Other operating expenses (-)	353,185	77,048	458,668	1,157,497	(1,895)	2,044,503
<b>Profit before taxes</b>	<b>122,012</b>	<b>377,458</b>	<b>581,176</b>	<b>(234,855)</b>	<b>(19,190)</b>	<b>826,601</b>
Tax provision (-)	-	-	-	184,147	-	184,147
<b>Net profit for the period</b>	<b>122,012</b>	<b>377,458</b>	<b>581,176</b>	<b>(419,002)</b>	<b>(19,190)</b>	<b>642,454</b>

<b>Current Period</b>	<b>Retail</b>	<b>Corporate</b>	<b>SME</b>	<b>Treasury/ Head Office</b>	<b>Elimination</b>	<b>Total</b>
Segment assets	11,335,554	12,557,264	20,839,272	21,016,717	(56,950)	65,691,857
Investments in associates, subsidiaries and jointly controlled entities	-	-	-	184,177	(184,172)	5
<b>Total Assets</b>	<b>11,335,554</b>	<b>12,557,264</b>	<b>20,839,272</b>	<b>21,200,894</b>	<b>(241,122)</b>	<b>65,691,862</b>
Segment liabilities	23,050,692	11,876,649	6,826,822	17,800,445	(57,306)	59,497,302
Shareholders' equity	-	76,941	297,028	6,004,407	(183,816)	6,194,560
<b>Total Liabilities</b>	<b>23,050,692</b>	<b>11,953,590</b>	<b>7,123,850</b>	<b>23,804,852</b>	<b>(241,122)</b>	<b>65,691,862</b>



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**XXII. Explanations on Reporting According to Segmentation (Continued)**

<b>Prior Period</b>	<b>Retail</b>	<b>Corporate</b>	<b>SME</b>	<b>Treasury/ Head Office</b>	<b>Elimination</b>	<b>Total</b>
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	285,777	(6,814)	883,962
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	220,365	-	496,196
Other operating expenses (-)	292,867	70,432	406,179	1,012,487	(6,814)	1,775,151
<b>Profit before taxes</b>	<b>54,488</b>	<b>378,078</b>	<b>490,689</b>	<b>(173,689)</b>	<b>(4,209)</b>	<b>745,357</b>
Tax provision (-)	-	-	-	174,813	-	174,813
<b>Net profit for the period</b>	<b>54,488</b>	<b>378,078</b>	<b>490,689</b>	<b>(348,502)</b>	<b>(4,209)</b>	<b>570,544</b>

<b>Prior Period</b>	<b>Retail</b>	<b>Corporate</b>	<b>SME</b>	<b>Treasury/ Head Office</b>	<b>Elimination</b>	<b>Total</b>
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
<b>Total Assets</b>	<b>9,541,184</b>	<b>11,016,982</b>	<b>17,004,574</b>	<b>18,903,923</b>	<b>(262,407)</b>	<b>56,204,256</b>
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
<b>Total Liabilities</b>	<b>19,520,348</b>	<b>11,416,185</b>	<b>6,227,269</b>	<b>19,302,861</b>	<b>(262,407)</b>	<b>56,204,256</b>

**XXIII. Explanations on Other Matters**

It has been resolved in the Ordinary General Assembly dated 25 March 2014 of the Parent Bank, TL535,048 that constitutes the 2013 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, TL26,752 as legal reserves, TL0.43(full TL) as profit distributed to the holders of the founder jouissance certificates, TL0.05(full TL) as legal reserves.

**XXIV. Classifications**

In the current year, the Grup has classified reversals in current period from specific provisions which are booked in “Loans and Other Receivable Provision” in prior periods and selling past due receivables portfolio. To conform to changes in presentation of the financial statements the bank has made reclassifications amounting to TL88,867 between related accounts in the income statement as of 31 December 2013.

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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 6 September 2014 and Official Gazette numbered 29111 and “Communiqué on Equities of Banks” published on 5 September 2013 in the Official Gazette numbered 28756. The Group’s consolidated capital adequacy ratio is occurred 13.79% (31 December 2013: 13.99%) in accordance with the related Communiqué as of 31 December 2014.

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 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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**I. Explanations Related to the Consolidated Capital Adequacy Standard Ratio (Continued)**

**Information related to the capital adequacy ratio:**

	<b>Risk Weight</b>										
	<b>Consolidated</b>										
<b>Current Period - 31.12.2014</b>	<b>0%</b>	<b>10%</b>	<b>20%</b>	<b>50%</b>	<b>75%</b>	<b>100%</b>	<b>150%</b>	<b>200%</b>	<b>250%</b>	<b>1250%</b>	
<b>Value at Credit Risk Exposure Categories</b>											
Conditional and unconditional receivables from central governments or central bank	14,075,631	-	59,095	63,839	-	215,542	-	-	105,252	-	-
Conditional and unconditional receivables from regional or local Governments	-	-	346,119	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	2	-	-	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international Organizations	-	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage Houses	-	-	1,667,866	1,073,242	-	917,224	6,854	-	-	-	-
Conditional and unconditional receivables from corporate	-	-	-	-	-	22,008,952	-	-	-	-	-
Conditional and unconditional retail Receivables	-	-	-	-	19,804,474	407,034	-	-	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	5,848,221	-	-	-	-	-	-	-
Past due receivables	-	-	-	20,149	-	263,983	125,331	-	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	7,753	-	2,127	1,526,331	2,715,622	1,705	-	-
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporate	-	-	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-	-
Other receivables	770,711	-	29,849	-	2	1,161,546	-	-	-	-	-
<b>Total Value at Risk</b>	<b>14,846,342</b>	<b>-</b>	<b>2,102,929</b>	<b>7,013,204</b>	<b>19,804,476</b>	<b>24,976,410</b>	<b>1,658,516</b>	<b>2,715,622</b>	<b>106,957</b>	<b>-</b>	<b>-</b>
<b>Total Risk Weighted Assets</b>	<b>-</b>	<b>-</b>	<b>420,586</b>	<b>3,506,602</b>	<b>14,853,357</b>	<b>24,976,410</b>	<b>2,487,774</b>	<b>5,431,244</b>	<b>267,393</b>	<b>-</b>	<b>-</b>

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**I. Explanations Related to the Consolidated Capital Adequacy Standard Ratio (Continued)**

**Information related to the capital adequacy ratio: (Continued)**

Prior Period - 31.12.2013	Risk Weight									
	0%	10%	20%	50%	75%	100%	150%	200%	250%	1250%
<b>Value at Credit Risk Exposure Categories</b>										
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	-	-	-	-
<b>Total Value at Risk</b>	<b>11,510,997</b>	<b>-</b>	<b>1,469,146</b>	<b>5,781,317</b>	<b>12,092,627</b>	<b>26,231,468</b>	<b>1,284,863</b>	<b>2,775,002</b>	<b>40,018</b>	<b>-</b>
<b>Total Risk Weighted Assets</b>	<b>-</b>	<b>-</b>	<b>293,829</b>	<b>2,890,659</b>	<b>9,069,470</b>	<b>26,231,468</b>	<b>1,927,295</b>	<b>5,550,004</b>	<b>100,045</b>	<b>-</b>

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**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)	4,155,469	3,685,022	3,965,965	3,488,023
Capital Requirement for Market Risk (CRMR)	78,051	88,399	59,032	69,240
Capital Requirement for Operational Risk CROR (*)	357,590	319,382	337,591	300,586
Total Capital	7,914,108	7,156,976	7,614,824	6,860,593
Total Capital /((CRCR+CRMR+CROR)*12.5)*100	13.79	13.99	13.96	14.23
Tier 1 Capital/((CRCR+CRMR+CROR)*12.5)*100	10.25	-	10.26	-
Common Equity Tier 1 Capital/((CRCR+CRMR+CROR)*12.5)*100	10.25	-	10.26	-

(\*) Operational risk has been calculated by using the Basic Indicator Approach.

**Information related to the components of shareholders' equity:**

	Current Period
	31.12.2014
<b>Core Capital</b>	
<b>Common Equity Tier 1 Capital</b>	
Paid-in Capital to be Entitled for Compensation after All Creditors	2,404,652
Share Premium	2,565
Share Cancellation Profits	-
Reserves	3,072,305
Income recognized under equity in accordance with TAS	91,991
Profit	651,043
Current Period's Profit	641,546
Prior Period's Profit	9,497
General Reserves for Possible Losses	-
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	527
Minority Shares	5,763
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>6,228,846</b>
<b>Deductions from Common Equity Tier 1 Capital</b>	
Net loss for the prior year losses and uncovered portion of the total reserves and losses that are recognized under equity in accordance with TAS (-)	24,578
Leasehold Improvements on Operational Leases (-)	80,037
Goodwill and intangible asset and the related deferred tax liability (-)	241,105
Net Deferred Tax Asset / Liability (-)	-
Excess amount expressed in the law (Article 56 4th paragraph) (-)	-
Bank's direct or indirect investments on its own Tier 1 Capital (-)	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-
Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions (amount above 10% threshold) of Tier 1 Capital	-
Mortgage servicing rights (amount above 10% threshold) of Tier 1 Capital	-
Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-
Amounts exceeding 15% of Tier 1 Capital according to Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (2nd article temporary second paragraph) (-)	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-
Amounts related to mortgage servicing rights (-)	-
Excess amount of deferred tax assets from temporary differences (-)	-
Other Items Determined by BRSA (-)	-
The amount to be deducted from common equity tier 1 capital (-)	-
<b>Total Deductions from common equity tier 1 Capital</b>	<b>345,720</b>
<b>Total Common Equity Tier 1 Capital</b>	<b>5,883,126</b>

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**I. Explanations Related to the Consolidated Capital Adequacy Standard Ratio (Continued)**

**Information related to the components of shareholders' equity: (Continued)**

	<b>Current Period 31.12.2014</b>
<b>Additional Tier 1 Capital</b>	-
Premiums that are not included in Common Equity Tier 1 capital	-
Bank's borrowing instruments and related issuance premium (issued after 1.1.2014 )	-
Bank's borrowing instruments and related issuance premium (issued before 1.1.2014 )	232,440
Third parties shares in Additional Tier 1 Capital	41
<b>Additional Tier 1 Capital before deductions</b>	<b>232,481</b>
<b>Deductions from Additional Tier 1 Capital</b>	-
Banks a direct or indirect investment in Tier 1 Capital (-)	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of Common Equity Tier I Capital (-)	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital (-)	-
Other Items Determined by BRSA(-)	-
The amount to be deducted from Additional Tier 1 Capital (-)	-
<b>Total Deductions from Additional Tier 1 Capital</b>	-
<b>Total Additional Tier 1 Capital</b>	<b>232,481</b>
<b>Deductions From Tier 1 Capital</b>	-
The amount related to goodwill or other intangible assets not deducted from Common Equity Tier 1 Capital (-)	232,440
The amount related to deferred tax assets not deducted from Common Equity Tier 1 Capital (-)	-
<b>Tier 1 Capital</b>	<b>5,883,167</b>
<b>Tier 2 Capital</b>	-
Bank's borrowing instruments and related issuance premium (issued after 1.1.2014 )	-
Bank's borrowing instruments and related issuance premium (issued before 1.1.2014 )	1,419,147
Pledged assets of the shareholders to be used for the Bank's capital increases	-
General Provisions	621,294
Third parties share in Tier 2 capital	55
<b>Tier 2 Capital Before Deductions</b>	<b>2,040,496</b>
<b>Deductions From Tier 2 Capital</b>	-
Bank's direct or indirect investment in Tier 2 capital (-)	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of Common EquityTier I Capital (-)	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Core Capital and Tier II Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier I Capital (-)	-
Other Items Determined by BRSA(-)	-
<b>Total Deductions From Tier 2 Capital</b>	-
<b>Tier 2 Capital</b>	<b>2,040,496</b>

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**I. Explanations Related to the Consolidated Capital Adequacy Standard Ratio (Continued)**

**Information related to the components of shareholders' equity: (Continued)**

	<b>Current Period 31.12.2014</b>
<b>TOTAL CAPITAL BEFORE REGULATORY DEDUCTIONS</b>	<b>7,923,663</b>
Loan granted to Customer against the Articles 50 and 51 of the Banking Law	6,347
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(-)	3,192
Loans extended to banks, financial institutions (domestic and abroad) and qualified shareholders, like secondary subordinated loan and debt instruments purchased from these institutions issued, like primary and secondary subordinated loan (-)	-
Securitization positions that is deducted -preferably- from the shareholders' equity (Article 20 paragraph 2 ) (-)	-
Other items to be defined by BRSA (-)	16
The sum of partnership share on banks and financial institutions, with shareholding of less than 10%, but exceeding 10% of Common Equity Tier 1 not deducted from Common Equity Tier 1, Tier 1 or Tier 2 (-)	-
The sum of partnership share on banks and financial institutions, with shareholding of more than 10%, but exceeding 10% of the bank (-)	-
The sum of partnership share on banks and financial institutions, with shareholding of more than 10%, but exceeding 10% of bank (-)	-
<b>TOTAL CAPITAL</b>	<b>7,914,108</b>
<b>Amounts below deduction thresholds</b>	<b>-</b>
The sum of partnership share on banks and financial institutions, with shareholding of less than 10%	9,226
The sum of partnership share on banks and financial institutions, with shareholding of more than 10%	-
Mortgage servicing rights	-
Deferred tax assets arising from temporary differences (net of related tax liability)	105,608

**Information related to the components of shareholders' equity:**

	<b>Parent Bank</b>		<b>Consolidated</b>	
	<b>Amount to be considered in equity calculation in current period</b>	<b>Total</b>	<b>Amount to be considered in equity calculation in current period</b>	<b>Total</b>
Minority shares in Common Equity Tier 1 Capital	-	-	5,763	7,269
Third parties in Additional Tier 1 Capital	-	-	-	-
Third parties in Tier 2 Capital	-	-	-	-
Bank's borrowing instruments and related premium (issued before 1.1.2014 ) (*)	1,651,587	1,651,587	1,651,587	1,651,587

(\*) Borrowing items that are not possessed to Communiqué on Equities of Banks ( article 7 and 8) will be deducted 10% for each year as of 1 January 2015.

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**I. Explanations Related to the Consolidated Capital Adequacy Standard Ratio (Continued)**

**Information related to the components of prior period shareholders' equity:**

	<b>Prior Period 31.12.2013</b>
<b>CORE CAPITAL</b>	
Paid-in Capital	2,204,390
Nominal Capital	2,204,390
Capital Commitments (-)	-
Inflation Adjustments to Paid-in Capital	200,262
Share Premium	2,565
Share Cancellation Profits	-
Reserves	2,495,360
Inflation Adjustments to Reserves	-
Profit	578,313
Current Period's Profit	568,816
Prior Period's Profit	9,497
Provision for Possible Losses (up to 25% of Core Capital)	-
Income on Sale of Equity Shares and Real Estates	101,391
Primary Subordinated Debts	212,970
Minority Shares	8,037
Loss (in excess of Reserves) (-)	-
Current Period's Losses	-
Prior Period's Losses	-
Leasehold Improvements on Operational Leases (-)	77,281
Intangible Assets (-)	55,700
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 (-)	-
Consolidation Goodwill	421,124
<b>Total Core Capital</b>	<b>5,249,183</b>
<b>SUPPLEMENTARY CAPITAL</b>	
General Provisions	554,607
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
Primary Subordinated Debts excluding the portion included in Core Capital	-
Secondary Subordinated Debts	1,462,838
45% of Securities Value Increase Fund	(102,647)
Inflation Adjustments to Other Capital and Profit Reserves and Prior Periods' Profit/Loss (excluding inflation adjustment of reserves)	-
Minority Shares	(47)
<b>Total Supplementary Capital</b>	<b>1,915,278</b>
<b>CAPITAL</b>	<b>7,164,461</b>
<b>DEDUCTIONS FROM CAPITAL</b>	<b>7,485</b>
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
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
Securitization Positions to be Deducted from Equity	-
Other Deduction Items	91
<b>TOTAL SHAREHOLDER'S EQUITY</b>	<b>7,156,976</b>



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**I. Explanations Related to the Consolidated Capital Adequacy Standard Ratio (Continued)**

**Information related to the components of shareholders' equity:**

<b>Issuer</b>	<b>IFC</b>	<b>IFC</b>	<b>BNP Paribas</b>	<b>BNP Paribas</b>	<b>EBRD</b>	<b>BNP Paribas</b>	<b>EBRD</b>
Unique identifier (eg CUSIP, ISIN)	-	-	XS0700889081	XS0808626013	XS0780562665	XS0947781315	XS0947781828
Governing law(s) of the instrument	Turkey	Turkey	Turkey	Turkey	Turkey	Turkey	Turkey
<b>Regulatory treatment</b>							
Subject to 10% deduction as of 1/1/2015	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Eligible at solo/group/group&solo	Available	Available	Available	Available	Available	Available	Available
Instrument type	Credit	Credit	Borrowing Instrument	Borrowing Instrument	Borrowing Instrument	Borrowing Instrument	Borrowing Instrument
Amount recognised in regulatory capital (TL Currency in mil, as of most recent reporting date)	232.4	-	483.7	281.4	151.1	351.8	151.1
Par value of instrument (TL Currency in mil)	232.4	116.2	492.5	281.4	151.1	351.8	151.1
Accounting classification	34700001	34701030	34701100	34701100	34701100	34701100	34701100
Original date of issuance	31.07.2007	29.06.2005	04.11.2011	20.07.2012	14.05.2012	27.06.2013	28.06.2013
Perpetual or dated	Demand	Time	Time	Time	Time	Time	Time
Original maturity date	Demand	15.07.2015	04.11.2023	20.07.2024	14.05.2024	27.06.2023	28.06.2023
Issuer call subject to prior supervisory approval	Available	Available	Available	Available	Available	Available	Available
Optional call date, contingent call dates and redemption amount	31.07.2017	15.07.2010	04.11.2018	20.07.2019	14.05.2019	27.06.2018	28.06.2018
Subsequent call dates, if applicable	-	-	-	-	-	-	-
<b>Coupons / dividends</b>							
Fixed or floating dividend/coupon	Floating LIBOR +	Floating LIBOR +	Floating Euribor+4.75%	Floating Euribor+4.75%	Floating LIBOR +	Floating Euribor +	Floating LIBOR +
Coupon rate and any related index	3.5%	3.18%			5.75%	2.10%	3.40%
Existence of a dividend stopper	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
Existence of step up or other incentive to redeem	Available	Nil	Nil	Nil	Nil	Nil	Nil
Noncumulative or cumulative	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Convertible or non-convertible</b>							
Repayment option (*)							
If convertible, fully or partially	Fully	-	-	-	-	-	-
If convertible, conversion rate	(*)	-	-	-	-	-	-
If convertible, mandatory or optional conversion	Optional	-	-	-	-	-	-
If convertible, specify instrument type convertible into	Share	-	-	-	-	-	-
If convertible, specify issuer of instrument it converts into	TEB	-	-	-	-	-	-
<b>Write-down feature</b>							
If write-down, write-down trigger(s)	-	-	-	-	-	-	-
If write-down, full or partial	-	-	-	-	-	-	-
If write-down, permanent or temporary	-	-	-	-	-	-	-
If temporary write-down, description of write-up mechanism	-	-	-	-	-	-	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	tier 2 debt instruments	Deposit and other receivables	Deposit and other receivables	Deposit and other receivables	Deposit and other receivables	Deposit and other receivables	Deposit and other receivables
Whether conditions which stands in article of 7 and 8 of Banks' shareholder equity law are possessed or not	Not Possess	Not Possess	Not Possess	Not Possess	Not Possess	Not Possess	Not Possess
According to article 7 and 8 of Banks' shareholders equity law that are not possessed (**)	Article 7/2 (ç), (f), (i), (j)	Article 8/2 (ğ)	Article 8/2 (ğ)	Article 8/2 (ğ)	Article 8/2 (ğ)	Article 8/2 (ğ)	Article 8/2 (ğ)

(\*) The additional tier 1 borrowing obtained from IFC on 31 July 2007 was structured in such a manner that entitle IFC to convert the borrowing to common shares in case of not paying back on 31 July 2017, at call option date. Conversion ratio will be calculated through valid market data if right is exercised.

(\*\*) Under article 7/2; in subsection Ç, clauses on step-up and incentive to redeem; in subsection F delegating to the bank about cancellation of interest and dividend payment; in subsection İ and J conditions of conversion to common shares and write-down are stated. Under article 8/2 in subsection Ğ mechanism of write-down or conversion to common shares are stated.

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**I. Explanations Related to the Consolidated Capital Adequacy Standard Ratio (Continued)**

**Information related to the components of shareholders' equity:**

**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 defination 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 56 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 Managemet Regulation.

Process and Evaluation Report is submitted to Board of Directors after being approved by Risk Policies Committe 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 28906 dated 7 February 2014; 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 Parent 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 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:

<b>Exposure classifications</b>	<b>Current Period Risk Amount (*)</b>	<b>Average Risk Amount (*, **)</b>
Conditional and unconditional receivables from central governments or central banks	14,428,198	13,615,084
Conditional and unconditional receivables from regional or local governments	381,286	351,273
Conditional and unconditional receivables from administrative units and non-commercial enterprises	2	1,161
Conditional and unconditional receivables from multilateral development banks	-	-
Conditional and unconditional receivables from international organizations	-	-
Conditional and unconditional receivables from banks and brokerage houses	3,683,014	3,935,884
Conditional and unconditional corporate receivables	23,082,341	24,233,341
Conditional and unconditional retail receivables	20,656,917	16,974,515
Conditional and unconditional secured mortgage receivables	5,848,221	5,343,898
Past due receivables	410,450	390,394
Receivables in high risk category defined by BRSA	4,253,538	4,165,801
Securities collateralised by mortgages	-	-
Securitisation positions	-	-
Short-term receivables from banks, stockbrokers and corporate	-	-
Investments of natured collective investment enterprise	-	-
Other receivables	1,962,166	1,875,413

(\*) 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.

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**II. Explanations Related to the Consolidated Credit Risk (Continued)**

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 2014, the receivables of the Bank from its top 100 and top 200 cash loan customers amount to TL5,072,322 and TL7,176,594 and share in total cash loans respectively 11.09% and 15.65%.

As of 31 December 2014, the receivables of the Group from its top 100 ve top 200 non-cash loan customers amount to TL4,571,693 and TL5,802,268 with a share of 37.78% and 47.95% respectively in the total non-cash loans.

As of 31 December 2014, 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 4.46% and 6.31% respectively.

As of 31 December 2014, the general loan loss provision related with the credit risk taken by the Bank is TL621,294 (31 December 2013: TL554,607).

**The table below shows the maximum exposure to credit risk for the components of the financial statements:**

	<b>Current Period</b>	<b>Prior Period</b>
Central Bank of Turkey	7,666,370	6,117,942
Due from banks	1,005,149	460,585
Other money markets	550,207	245
Trading financial assets	90,434	654,847
Derivative financial instruments held for trading	597,302	729,270
Derivative financial instruments for hedging purposes	60,800	112,245
Financial assets available-for-sale	4,488,271	4,408,885
Held-to-maturity investments	317,360	292,956
Loans (*)	47,842,110	40,736,035
<b>Total</b>	<b>62,618,003</b>	<b>53,513,010</b>
Contingent liabilities	12,099,635	11,695,946
Commitments	12,744,713	11,549,131
<b>Total</b>	<b>24,844,348</b>	<b>23,245,077</b>
<b>Total credit risk exposure</b>	<b>87,462,351</b>	<b>76,758,087</b>

(\*) Loans included factoring receivables amounting to TL1,332,922 ( 31December 2013: TL1,092,687).

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**II. Explanations Related to the Consolidated Credit Risk (Continued)**

Credit quality per class of financial assets as of 31 December 2014 and 31 December 2013 is as follows:

<b>Current Period</b>	<b>Neither past due nor impaired</b>	<b>Past due or individually impaired</b>	<b>Total</b>
Loans and receivables			
Commercial loans	30,323,337	1,372,120	31,695,457
Consumer loans	11,451,372	710,433	12,161,805
Credit cards	2,386,647	143,513	2,530,160
Other loans	121,766	-	121,766
<b>Total</b>	<b>44,283,122</b>	<b>2,226,066</b>	<b>46,509,188</b>

<b>Prior Period</b>	<b>Neither past due nor impaired</b>	<b>Past due or individually impaired</b>	<b>Total</b>
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
<b>Total</b>	<b>37,739,805</b>	<b>1,903,543</b>	<b>39,643,348</b>

Carrying amount per class of financial assets whose terms have been renegotiated:

	<b>Current Period</b>	<b>Prior Period</b>
Loans and receivables		
Commercial loans	740,105	609,055
Consumer loans	233,525	440,937
Credit cards	2,295	3,642
<b>Total</b>	<b>975,925</b>	<b>1,053,634</b>

**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 2014, consumer loans and business loans are excluded from the internal rating system of the Parent Bank and those loans are about 39.57% of total loan portfolio.

The risks that are subject to rating models can be allocated as follows:

<b>Category</b>	<b>Description of Category</b>	<b>Share in the Total %</b>
1 <sup>st</sup> Category	The borrower has a very strong financial structure	35.54
2 <sup>nd</sup> Category	The borrower has a good financial structure	27.68
3 <sup>rd</sup> Category	The borrower has an intermediate level of financial structure	31.96
4 <sup>th</sup> Category	The financial structure of the borrower has to be closely monitored in the medium term	4.82
<b>Total</b>		<b>100.00</b>

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**II. Explanations Related to the Consolidated Credit Risk (Continued)**

**Profile of significant exposures in major regions:**

	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, brokerage houses and corporates	Exposures in the form of collective investment undertakings	Others	
<b>Current Period</b>																	
Domestic	370,604	75,622	-	-	-	1,322,636	16,791,629	13,512,717	2,854,301	478,321	7,615,519	-	-	-	-	1,067,822	44,089,171
European Union (EU) Countries	43,738	-	-	-	-	168,757	421,606	11,831	1,708	9	6,659	-	-	-	-	29,741	684,049
OECD Countries (*)	-	-	-	-	-	64,787	72,814	2,008	460	-	1,248	-	-	-	-	-	141,317
Off-Shore Banking Regions	108,069	-	-	-	-	3,990	181,699	30,948	26,710	2,245	76,211	-	-	-	-	326	430,198
USA, Canada	-	-	-	-	-	-	44,609	173	-	-	-	-	-	-	-	-	44,782
Other Countries	-	-	-	-	-	22,040	73,442	933	1,137	-	1,797	-	-	-	-	-	99,349
Associates, Subsidiaries and Joint – Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assets/Liabilities (**)	-	636	2	-	-	235,767	5,496,540	2,037,006	39,794	-	29,573	-	-	-	-	69,687	7,909,005
<b>Total</b>	<b>522,411</b>	<b>76,258</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>1,817,977</b>	<b>23,082,339</b>	<b>15,595,616</b>	<b>2,924,110</b>	<b>480,575</b>	<b>7,731,007</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,167,576</b>	<b>53,397,871</b>

(\*) 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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**II. Explanations Related to the Consolidated Credit Risk (Continued)**

**Profile of significant exposures in major regions:**

	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 exposures to 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	Others	
<b>Prior Period</b>																	
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	38,736,646
European Union (EU) Countries	83,561	-	-	-	-	136,940	443,384	5,530	67	260	-	-	-	-	-	21,985	691,727
OECD Countries (*)	-	-	-	-	-	103,747	108,614	-	-	-	-	-	-	-	-	780	213,141
Off-Shore Banking Regions	142,825	-	-	-	-	20,982	123,107	28,479	18,812	26	-	-	-	-	-	-	334,231
USA, Canada	-	-	-	-	-	-	7,558	126	-	-	-	-	-	-	-	-	7,684
Other Countries	-	-	-	-	-	78,712	152,604	6,519	759	1,749	-	-	-	-	-	-	240,343
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	7,259,942
<b>Total</b>	<b>276,134</b>	<b>57,162</b>	<b>4,286</b>	<b>-</b>	<b>-</b>	<b>1,776,469</b>	<b>22,825,339</b>	<b>9,239,349</b>	<b>2,381,050</b>	<b>355,883</b>	<b>8,093,790</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,474,252</b>	<b>47,483,714</b>

(\*) 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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**II. Explanations Related to the Consolidated Credit Risk (Continued)**

**Risk profile by Sectors or Counterparties:**

Current 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	-	-	-	-	-	-	1,090,987	1,052,885	219,959	27,406	1,953	-	-	-	-	-	2,202,810	190,380	2,393,190
Farming and Stockbreeding	-	-	-	-	-	-	1,059,745	1,038,581	216,788	27,257	1,612	-	-	-	-	-	2,161,911	182,072	2,343,983
Forestry	-	-	-	-	-	-	8,470	1,381	-	80	-	-	-	-	-	-	9,590	341	9,931
Fishery	-	-	-	-	-	-	22,772	12,923	3,171	69	341	-	-	-	-	-	31,309	7,967	39,276
Manufacturing	-	1	-	-	-	-	12,906,569	4,996,388	472,910	142,911	70,506	-	-	-	-	-	11,906,733	6,682,552	18,589,285
Minning and Quarrying	-	-	-	-	-	-	638,474	293,229	28,197	12,065	4,395	-	-	-	-	-	571,005	405,355	976,360
Production	-	1	-	-	-	-	12,106,174	4,674,853	441,108	130,536	65,411	-	-	-	-	-	11,216,967	6,201,116	17,418,083
Electricity, Gas and Water	-	-	-	-	-	-	161,921	28,306	3,605	310	700	-	-	-	-	-	118,761	76,081	194,842
Construction	-	-	-	-	-	-	2,580,141	962,336	193,648	37,868	13,486	-	-	-	-	-	2,473,902	1,313,577	3,787,479
Services	522,411	76,257	2	-	-	1,817,977	5,538,889	3,323,894	466,391	121,612	183,295	-	-	-	-	986,999	9,562,167	3,475,560	13,037,727
Wholesale and Retail Trade	-	10,510	-	-	-	-	2,193,363	1,210,179	136,897	37,288	9,595	-	-	-	-	838	2,848,626	750,044	3,598,670
Accomodation and Dining	-	-	-	-	-	-	556,578	225,305	87,488	4,302	15,304	-	-	-	-	-	533,176	355,801	888,977
Transportation and Telecom.	-	-	-	-	-	-	1,240,196	722,991	68,246	47,516	10,781	-	-	-	-	5	1,575,964	513,771	2,089,735
Financial Institutions	522,411	-	-	-	-	1,817,977	179,077	39,734	7,245	444	10,519	-	-	-	-	985,782	2,515,603	1,047,586	3,563,189
Real Estate and Rental Services	-	2,906	-	-	-	-	758,793	606,889	110,127	19,474	3,986	-	-	-	-	-	826,745	675,430	1,502,175
Self-Employment Services	-	1,937	2	-	-	-	271,100	330,865	33,303	9,158	109,377	-	-	-	-	19	681,684	74,077	755,761
Educational Services	-	1	-	-	-	-	33,968	52,777	8,809	445	9,544	-	-	-	-	180	92,033	13,691	105,724
Health and Social Services	-	60,903	-	-	-	-	305,814	135,154	14,276	2,985	14,189	-	-	-	-	175	488,336	45,160	533,496
Other	-	-	-	-	-	-	965,753	5,260,113	1,571,202	150,778	7,461,767	-	-	-	-	180,577	14,493,841	1,096,349	15,590,190
<b>Total</b>	<b>522,411</b>	<b>76,258</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>1,817,977</b>	<b>23,082,339</b>	<b>15,595,616</b>	<b>2,924,110</b>	<b>480,575</b>	<b>7,731,007</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,167,576</b>	<b>40,639,453</b>	<b>12,758,418</b>	<b>53,397,871</b>

(\*) 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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**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 exposures to 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	-	-	-	-	-	-	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	
<b>Total</b>	<b>276,134</b>	<b>57,162</b>	<b>4,286</b>	-	-	<b>1,776,469</b>	<b>22,825,339</b>	<b>9,239,349</b>	<b>2,381,050</b>	<b>355,883</b>	<b>8,093,790</b>	-	-	-	-	<b>2,474,252</b>	<b>35,148,031</b>	<b>12,335,683</b>	<b>47,483,714</b>	

(\*) 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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**II. Explanations Related to the Consolidated Credit Risk (Continued)**

**Analysis of maturity-bearing exposures according to remaining maturities:**

Current Period	Term To Maturity				
	Up to 1Month	1–3 Months	3–6 Months	6–12 Months	Over 1 year
Exposure Categories					
Conditional and unconditional exposures to central governments or central banks	139,057	879	830	7,251	129,850
Conditional and unconditional exposures to regional governments or local authorities	47	252	591	669	74,062
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	1,030,752	106,911	70,949	122,587	77,928
Conditional and unconditional exposures to corporates	6,019,520	1,460,898	1,333,002	2,934,178	5,750,657
Conditional and unconditional retail exposures	5,080,254	974,422	720,265	1,320,173	5,458,896
Conditional and unconditional exposures secured by real estate property	430,679	44,912	61,265	127,019	2,220,311
Past due receivables	-	-	-	-	-
Items in regulatory high-risk category defined by BRSA	-	-	-	85,483	7,615,951
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	39,826	845	100	-	87
<b>Total</b>	<b>12,740,135</b>	<b>2,589,119</b>	<b>2,187,002</b>	<b>4,597,360</b>	<b>21,327,742</b>

Prior Period	Term To Maturity				
	Up to 1Month	1–3 Months	3–6 Months	6–12 Months	Over 1 year
Exposure Categories					
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
<b>Total</b>	<b>12,351,227</b>	<b>2,278,934</b>	<b>2,266,445</b>	<b>3,869,385</b>	<b>18,037,879</b>

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**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	14,755,181	-	2,119,054	7,018,622	20,245,207	26,072,053	1,673,436	2,715,622	106,957	-	563,137
Exposures after											
Credit Risk											
Mitigation	14,846,342	-	2,102,929	7,013,204	19,804,477	24,976,410	1,658,516	2,715,622	106,957	-	563,137

**Prior Period**

Risk Weights	0%	10%	20%	50%	75%	100%	150%	200%	250%	1250%	Deductions from Equity
Exposures before											
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
Exposures after											
Credit Risk											
Mitigation	11,510,997	-	1,469,146	5,781,317	12,092,627	26,231,467	1,284,863	2,775,002	40,018	-	561,590

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**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	59,304	184,683	1,947	37,178
Farming and Stockbreeding	58,944	178,991	1,887	36,868
Forestry	-	4,912	52	-
Fishery	360	780	8	310
Manufacturing	398,767	500,114	5,247	288,743
Mining and Quarrying	23,526	24,544	259	16,594
Production	366,713	473,253	4,964	263,742
Electricity, Gas and Water	8,528	2,317	24	8,407
Construction	70,669	106,228	1,120	42,585
Services	252,667	388,578	4,090	161,414
Wholesale and Retail Trade	81,914	124,056	1,308	55,257
Accommodation and Dining	29,123	44,256	467	25,445
Transportation and Telecom.	89,051	93,867	990	53,342
Financial Institutions	960	3,253	27	592
Real Estate and Rental Services	25,904	62,907	663	10,663
Professional Services	16,915	33,447	353	10,132
Educational Services	948	4,839	51	599
Health and Social Services	7,852	21,953	231	5,384
Other	425,127	642,937	6,781	273,088
<b>Total</b>	<b>1,206,534</b>	<b>1,822,540</b>	<b>19,185</b>	<b>803,008</b>

Prior Period Major Sectors / Counterparties	Credits		Value Adjustments	Provisions
	Impaired Credits	Past Due Credits		
Agriculture	48,380	126,551	3,407	28,206
Farming and Stockbreeding	47,639	120,715	3,250	27,917
Forestry	-	4,494	121	-
Fishery	741	1,342	36	289
Manufacturing	335,737	384,349	10,333	224,156
Mining and Quarrying	19,254	28,606	770	14,635
Production	308,641	355,111	9,546	201,770
Electricity, Gas and Water	7,842	632	17	7,751
Construction	54,568	85,179	2,293	27,918
Services	205,316	333,335	8,974	132,783
Wholesale and Retail Trade	65,600	99,021	2,666	42,067
Accommodation and Dining	24,966	35,631	959	21,426
Transportation and Telecom.	75,593	96,728	2,604	47,017
Financial Institutions	614	2,339	63	477
Real Estate and Rental Services	16,052	39,239	1,056	8,270
Professional Services	16,213	38,610	1,040	10,085
Educational Services	849	3,512	95	530
Health and Social Services	5,429	18,255	491	2,911
Other	296,713	632,256	17,024	185,778
<b>Total</b>	<b>940,714</b>	<b>1,561,670</b>	<b>42,031</b>	<b>598,841</b>

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**II. Explanations Related to the Consolidated Credit Risk (Continued)**

**Information about Value Adjustment and Change in Provisions**

	<b>31.12.2013 Balance</b>	<b>Provision for Period</b>	<b>Provision Reversals</b>	<b>Write off from Asset</b>	<b>Other Adjustments*</b>	<b>31.12.2014 Balance</b>
Specific Provisions	598,841	518,222	(145,982)	(174,477)	6,404	803,008
General Provisions	554,607	78,624	(8,295)	-	(3,642)	621,294

(\*) Determined according to currency differences, business merger, acquisition and disposition of affiliate company

	<b>31.12.2012 Balance</b>	<b>Provision for Period</b>	<b>Provision Reversals</b>	<b>Write off from Asset</b>	<b>Other Adjustments*</b>	<b>31.12.2013 Balance</b>
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

**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.

i) Information Related to Market Risk:

	<b>Consolidated</b>	<b>Parent Bank</b>
(I) Capital Requirement to be Employed For General Market Risk - Standard Method	20,491	20,403
(II) Capital Requirement to be Employed For Specific Risk - Standard Method	1,015	786
Capital requirement against Specific Risks of Securitization Positions– Standard Method	-	-
(III) Capital Requirement to be Employed For Currency Risk – Standard Method	25,824	7,402
(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	1,124	1,124
(VII) Capital requirement against Counterparty Credit Risks - Standard Method	29,597	29,317
(VIII) Total Capital Requirement to be Employed For Market Risk	-	-
(IX) Total Capital Requirement against Market Risk (I+II+III+IV+V+VI+VII)	78,051	59,032
<b>(X) Amount Subject to Market Risk (12.5 x VIII) or (12.5 x IX)</b>	<b>975,638</b>	<b>737,900</b>

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**III. Explanations Related to the Consolidated Market Risk (Continued)**

ii) Average market risk table calculated at month edns during the period:

	Current Period			Prior Period		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	20,796	25,017	16,766	19,888	25,390	15,878
Common Stock Risk	-	-	-	-	-	-
Currency Risk	23,024	30,941	6,681	20,013	24,918	13,432
Commodity Risk	-	-	-	-	-	-
Exchange Risk	-	-	-	-	-	-
Counterparty Credit Risk	851	1,131	525	1,204	1,942	831
Option Risk	35,252	56,594	28,126	35,775	44,338	17,887
<b>Total Value Subject to Risk (*)</b>	<b>999,034</b>	<b>1,327,771</b>	<b>709,975</b>	<b>960,993</b>	<b>1,140,132</b>	<b>700,325</b>

(\*) “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.

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.

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**III. Explanations Related to the Consolidated Market Risk (Continued)**

b) Information on Counterparty Credit Risk: (Continued)

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:**

	<b>Trading Book</b>	<b>Banking Book</b>	<b>Total</b>
Agreement Based on Interest Rate	7,009	24,573	31,582
Agreement Based on Foreign Exchange Currency	278,852	103,785	382,637
Agreement Based on Commodity	-	-	-
Agreement Based on Marketable Securities	-	-	-
Other	-	-	-
Gross Positive Fair Value	409,189	83,944	493,133
Benefits of Netting	-	-	-
Current Net Risk Amount	-	-	-
Reserved Guarantee	-	-	-
Net Position of Derivatives	695,050	212,302	907,352

c) Capital Requirement is not calculated with a measurement model permitted by Banking Regulation and Supervision Agency.

**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:

	<b>31.12.2011</b>	<b>31.12.2012</b>	<b>31.12.2013</b>	<b>Total/Positive Year</b>	<b>Rate (%)</b>	<b>Total</b>
GROSS Income	1,805,354	2,510,493	2,835,960	2,383,936	15	357,590
Amount subject to Operational Risk (Total*12,5)						4,469,879

	<b>31.12.2010</b>	<b>31.12.2011</b>	<b>31.12.2012</b>	<b>Total/Positive Year</b>	<b>Rate (%)</b>	<b>Total</b>
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

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.

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**V. Explanations Related to the Consolidated Currency Risk (Continued)**

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 2014, the Group’s net short position is TL4,567,111 (31 December 2013: TL2,227,237 short position) resulting from long position on the balance sheet amounting to TL4,032,889 (31 December 2013: TL2,956,845 long position) and short position on the off-balance sheet amounting to TL534,222 (31 December 2013: TL729,608 net long position).

The announced current foreign exchange buying rates of the Parent Bank at 31 December 2014 and the previous five working days in full TL are as follows:

	24.12.2014	25.12.2014	26.12.2014	29.12.2014	30.12.2014	31.12.2014
<b>USD</b>	2.3142	2.3139	2.3125	2.3172	2.3212	2.3244
<b>JPY</b>	0.0192	0.0193	0.0192	0.0192	0.0195	0.0195
<b>EURO</b>	2.8216	2.8288	2.8092	2.8242	2.8207	2.8144

The simple arithmetic averages of the major current foreign exchange buying rates of the Parent Bank for the thirty days before 31 December 2014 are as follows:

	Monthly Average Foreign Exchange Rate
<b>USD</b>	2.2912
<b>JPY</b>	0.0192
<b>EURO</b>	2.8196

**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 2014	31 December 2013	31 December 2014	31 December 2013
USD	10 increase	(46,641)	(13,286)	6	(60)
USD	10 decrease	46,641	13,286	(6)	60
EURO	10 increase	3,230	82,628	103	(127)
EURO	10 decrease	(3,230)	(82,628)	(103)	127

(\*) 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:**

<b>Current Period</b>	<b>EUR</b>	<b>USD</b>	<b>OTHER</b>	<b>TOTAL</b>
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1,667,627	5,028,459	909,055	7,605,141
Banks	167,350	155,257	86,639	409,246
Financial Assets at Fair Value Through Profit and Loss (****)	15,142	16,133	78	31,353
Money Market Placements	-	-	-	-
Available-For-Sale Financial Assets	84,964	88,080	6,149	179,193
Loans (**)	4,606,759	5,776,474	885,455	11,268,688
Subsidiaries, Associates and Entities Under Common Control	-	-	-	-
Held-To-Maturity Investments	-	-	-	-
Derivative Financial Assets for Hedging Purposes	-	-	-	-
Tangible Assets	8,920	-	-	8,920
Intangible Assets	873	-	-	873
Other Assets (***)	536,805	183,841	7,095	727,741
<b>Total Assets</b>	<b>7,088,440</b>	<b>11,248,244</b>	<b>1,894,471</b>	<b>20,231,155</b>
<b>Liabilities</b>				
Bank Deposits	621,539	77,771	89,389	788,699
Foreign Currency Deposits (*)	3,417,128	7,993,550	898,981	12,309,659
Money Market Borrowings	-	-	-	-
Funds Provided From Other Financial Institutions (*****)	6,312,055	3,646,275	1,212,521	11,170,851
Marketable Securities Issued	-	294,904	-	294,904
Sundry Creditors	68,117	120,270	1,015	189,402
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities (**)	31,349	12,680	722	44,751
<b>Total Liabilities</b>	<b>10,450,188</b>	<b>12,145,450</b>	<b>2,202,628</b>	<b>24,798,266</b>
<b>Net Balance Sheet Position</b>	<b>(3,361,748)</b>	<b>(897,206)</b>	<b>(308,157)</b>	<b>(4,567,111)</b>
<b>Net Off-Balance Sheet Position</b>	<b>3,394,046</b>	<b>430,800</b>	<b>208,043</b>	<b>4,032,889</b>
Financial Derivative Assets (****)	8,145,626	14,293,467	1,030,272	23,469,365
Financial Derivative Liabilities (****)	4,751,580	13,862,667	822,229	19,436,476
Non-Cash Loans (*****)	2,613,474	3,936,175	140,526	6,690,175
<b>Prior Period</b>				
Total Assets	7,459,711	8,773,277	1,921,003	18,153,991
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

- (\*) Precious metal accounts amounting to TL477,622 (31 December 2013: TL671,360) are included in the foreign currency deposits.
- (\*\*) Foreign currency indexed loans amounting to TL2,641,281 (31 December 2013: TL2,508,336) are included in the loan portfolio.
- (\*\*\*) TL59,584 (31 December 2013: TL23,715) foreign currency indexed factoring receivables is included in other assets, while TL107,973 (31 December 2013: TL39,826) expense accruals from derivative financial instruments, and TL10,443 (31 December 2013: TL14,983) provision for general loan losses are deducted from other liabilities. TL506 (31 December 2013: TL931) 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 TL472,776 (31 December 2013: TL626,064) are added to derivative financial assets and TL432,243 (31 December 2013: TL549,644) has been added to derivative financial liabilities.
- (\*\*\*\*\*) TL66,674 (31 December 2013: TL32,146) 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.
- (\*\*\*\*\*) Foreign currency indexed funds amounting TL1,701(31 December 2013: None) are included in the funds provided from other financial institutions.

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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
<b>Current Period</b>							
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	532,270	-	-	-	7,934,659	8,466,929
Banks	792,752	8,540	8,317	-	-	195,540	1,005,149
Financial Assets at Fair Value Through Profit and Loss	46,909	24,359	56,716	63,864	67,510	428,378	687,736
Money Market Placements	550,207	-	-	-	-	-	550,207
Available-For-Sale Financial Assets	581,136	1,011,391	1,739,495	1,065,431	69,687	21,131	4,488,271
Loans and Receivables (*)	13,780,022	3,111,131	7,483,882	16,640,941	5,055,750	437,462	46,509,188
Factoring Receivables	689,041	372,816	264,141	-	-	6,924	1,332,922
Held-To-Maturity Investments	31,583	87,344	198,433	-	-	-	317,360
Other Assets	838	-	10,370	50,383	48	2,272,461	2,334,100
<b>Total Assets</b>	<b>16,472,488</b>	<b>5,147,851</b>	<b>9,761,354</b>	<b>17,820,619</b>	<b>5,192,995</b>	<b>11,296,555</b>	<b>65,691,862</b>
<b>Liabilities</b>							
Bank Deposits	725,475	603,921	2,122	-	-	40,299	1,371,817
Other Deposits	28,310,143	4,880,585	280,179	131,174	683	5,456,469	39,059,233
Money Market Borrowings	1,796,098	-	-	-	-	-	1,796,098
Sundry Creditors	-	-	-	-	-	1,134,903	1,134,903
Marketable Securities Issued	165,887	262,196	563,500	-	-	-	991,583
Funds Provided From Other Financial Institutions	3,416,171	4,983,523	3,494,009	145,006	112,671	-	12,151,380
Factoring Payables	-	-	-	-	-	7,832	7,832
Other Liabilities	11,608	2,721	48,229	332,145	9,294	8,775,019	9,179,016
<b>Total Liabilities</b>	<b>34,425,382</b>	<b>10,732,946</b>	<b>4,388,039</b>	<b>608,325</b>	<b>122,648</b>	<b>15,414,522</b>	<b>65,691,862</b>
<b>Balance Sheet Long Position</b>							
Balance Sheet Short Position	(17,952,894)	(5,585,095)	-	-	-	(4,117,967)	(27,655,956)
Off-Balance Sheet Long Position	5,377,361	1,186,195	-	-	-	-	6,563,556
Off-Balance Sheet Short Position	-	-	(1,364,462)	(5,084,500)	(26,250)	-	(6,475,212)
<b>Total Position</b>	<b>(12,575,533)</b>	<b>(4,398,900)</b>	<b>4,008,853</b>	<b>12,127,794</b>	<b>5,044,097</b>	<b>(4,117,967)</b>	<b>88,344</b>

(\*) Loans with floating interest rates of the Parent Bank amounting to TL7,098,120 are included in “Up to 1 Month” while mark to market differences from hedged loans amounting to TL6,077 are included in “1-5 Years”.

The other assets line in the non-interest bearing column consists of tangible assets amounting to TL326,119 , intangible assets amounting to TL477,707, assets held for resale amounting to TL79,466, entities under common control (joint vent.) amounting to TL5, and the other liabilities line includes the shareholders’ equity of TL6,194,560.

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**VI. Explanations Related to Consolidated Interest Rate Risk (Continued)**

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non- interest Bearing	Total
<b>Prior Period</b>							
<b>Assets</b>							
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
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
<b>Total Assets</b>	<b>14,043,610</b>	<b>3,876,157</b>	<b>8,957,929</b>	<b>14,897,864</b>	<b>4,240,066</b>	<b>10,188,630</b>	<b>56,204,256</b>
<b>Liabilities</b>							
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
<b>Total Liabilities</b>	<b>25,096,619</b>	<b>11,091,794</b>	<b>5,137,202</b>	<b>353,210</b>	<b>120,760</b>	<b>14,404,671</b>	<b>56,204,256</b>
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)
<b>Total Position</b>	<b>(10,411,392)</b>	<b>(4,590,283)</b>	<b>2,009,583</b>	<b>13,379,949</b>	<b>3,961,289</b>	<b>(4,216,041)</b>	<b>133,105</b>

(\*) 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)**

**Average interest rates applied to monetary financial instruments:**

	EURO %	USD %	YEN %	TL %
<b>Current Period</b>				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	1.51
Banks	0.11	0.22	-	10.89
Financial Assets at Fair Value Through Profit and Loss	1.13	3.64	-	8.41
Money Market Placements	-	-	-	11.24
Available-For-Sale Financial Assets	1.09	3.72	-	9.44
Loans	3.43	3.71	2.94	12.88
Factoring Receivables	1.89	2.36	-	11.76
Held-To-Maturity Investments	-	-	-	12.58
Liabilities				
Bank Deposits	0.28	0.54	-	4.66
Other Deposits	1.31	1.92	1.75	9.91
Money Market Borrowings	-	-	-	8.36
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	1.16	-	9.10
Funds Provided From Other Financial Institutions	1.08	1.60	2.23	9.80
	EURO %	USD %	YEN %	TL %
<b>Prior Period</b>				
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
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

**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.

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**VI. Explanations Related to Consolidated Interest Rate Risk (Continued)**

**Interest rate risk on banking accounts: (Continued)**

- 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)	787,367	10.34%
TRY	500	(850,320)	(11.17)%
EURO	(200)	24,024	0.32%
EURO	200	(21,301)	(0.28)%
USD	(200)	74,226	0.97%
USD	200	(64,730)	(0.85)%
<b>Total (of negative shocks)</b>	<b>(800)</b>	<b>885,617</b>	<b>11.63%</b>
<b>Total (of positive shocks)</b>	<b>900</b>	<b>(936,351)</b>	<b>(12.30)%</b>

**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.

**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 Period	First Maturity (Weekly)		Second Maturity (Monthly)	
	FC	FC+TL	FC	FC+TL
<b>31 December 14</b>				
Average (%)	162	143	144	109
Maximum (%)	229	164	172	116
Minimum (%)	126	125	124	104

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**VII. Explanations Related to Consolidated Liquidity Risk (Continued)**

<b>Current Period</b> <b>31 December 14</b>	<b>First Maturity (Weekly)</b>		<b>Second Maturity (Monthly)</b>	
	<b>FC</b>	<b>FC+TL</b>	<b>FC</b>	<b>FC+TL</b>
Average (%)	142	161	112	115
Maximum (%)	185	193	146	129
Minimum (%)	109	132	80	107

**Presentation of assets and liabilities according to their remaining maturities:**

<b>Current Period</b>	<b>Demand Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>Over Undistributed 5 Years</b>	<b>(*)</b>	<b>Total</b>
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1,994,318	6,472,611	-	-	-	-	8,466,929
Banks	347,715	640,577	8,540	8,317	-	-	1,005,149
Financial Assets at Fair Value Through Profit and Loss	-	144,540	120,348	198,001	148,423	76,424	687,736
Money Market Placements	-	550,207	-	-	-	-	550,207
Available-For-Sale Financial Assets	20,971	249,908	630,428	1,208,130	1,523,271	855,403	4,488,271
Loans (**)	3,119	13,654,986	2,829,759	7,488,828	17,036,615	5,092,355	46,509,188
Factoring Receivables	-	689,041	372,816	264,141	-	-	1,332,922
Held-To-Maturity Investments	-	-	-	-	-	317,360	317,360
Other Assets	-	2,413	580	10,470	50,470	48	2,334,100
<b>Total Assets</b>	<b>2,366,123</b>	<b>22,404,283</b>	<b>3,962,471</b>	<b>9,177,887</b>	<b>18,758,779</b>	<b>6,341,590</b>	<b>2,680,729 65,691,862</b>
<b>Liabilities</b>							
Bank Deposits	40,299	725,475	603,921	2,122	-	-	1,371,817
Other Deposits	5,932,632	27,833,982	4,880,585	280,179	131,174	681	39,059,233
Funds Provided From Other Financial Institutions	-	2,748,674	3,991,877	3,410,941	455,687	1,544,201	12,151,380
Money Market Borrowings	-	1,796,098	-	-	-	-	1,796,098
Marketable Securities Issued	-	165,887	262,196	563,500	-	-	991,583
Sundry Creditors	3,048	1,124,397	45	3	-	-	1,134,903
Factoring Payables	-	7,832	-	-	-	-	7,832
Other Liabilities	1,984	1,151,434	80,273	357,757	388,285	11,126	7,188,157 9,179,016
<b>Total Liabilities</b>	<b>5,977,963</b>	<b>35,553,779</b>	<b>9,818,897</b>	<b>4,614,502</b>	<b>975,146</b>	<b>1,556,008</b>	<b>7,195,567 65,691,862</b>
<b>Liquidity Gap</b>	<b>(3,611,840)</b>	<b>(13,149,496)</b>	<b>(5,856,426)</b>	<b>4,563,385</b>	<b>17,783,633</b>	<b>4,785,582</b>	<b>(4,514,838) -</b>
<b>Prior Period</b>							
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
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
<b>Liquidity Gap</b>	<b>(4,156,728)</b>	<b>(7,370,561)</b>	<b>(6,754,836)</b>	<b>3,324,419</b>	<b>15,590,744</b>	<b>3,445,554</b>	<b>(4,078,592) -</b>

(\*) 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 TL7,098,120 (31 December 2013: TL6,850,037) are included in “Up to 1 Month” while mark to market differences from hedged loans amounting to TL6,077 (31 December 2013: TL3,404) 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	Adjustme nts	Total
<b>As of 31 December 2014,</b>								
Money Market Borrowings	-	1,797,283	-	-	-	-	(1,185)	1,796,098
Deposit	5,932,632	27,912,117	4,929,278	285,773	138,130	928	(139,625)	39,059,233
Bank Deposit	40,299	725,679	604,257	2,202	-	-	(620)	1,371,817
Funds provided from other financial instutions	-	2,763,915	3,999,797	3,509,075	735,781	1,797,708	(654,896)	12,151,380
<b>Total</b>	<b>5,972,931</b>	<b>33,198,994</b>	<b>9,533,332</b>	<b>3,797,050</b>	<b>873,911</b>	<b>1,798,636</b>	<b>(796,326)</b>	<b>54,378,528</b>
<b>As of 31 December 2013,</b>								
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 instutions	-	1,585,464	1,823,724	4,322,872	906,174	1,915,467	(792,831)	9,760,870
<b>Total</b>	<b>6,044,901</b>	<b>24,044,085</b>	<b>9,322,158</b>	<b>4,936,338</b>	<b>1,062,622</b>	<b>1,915,467</b>	<b>(948,402)</b>	<b>46,377,169</b>

**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
<b>As of 31 December 2014,</b>						
<b>Derivative financial instruments for hedging purposes</b>						
Fair value hedge	-	14,542	452,124	225,274	-	691,940
Cash flow hedge	23,264	99,107	365,013	543,056	68	1,030,508
<b>Held for trading transactions</b>						
Foreign exchange forward contracts-sell	1,017,883	1,010,757	1,238,720	761,673	34,250	4,063,283
Currency swaps-sell	7,736,262	2,913,414	3,504,691	2,240,117	117,201	16,511,685
Interest rate swaps-sell	1,226	7,676	156,261	75,159	669	240,991
Foreign currency futures-sell	-	-	-	-	-	-
Foreign currency options-sell	2,604,407	1,993,953	4,179,510	12,714	-	8,790,584
<b>Total</b>	<b>11,383,042</b>	<b>6,039,449</b>	<b>9,896,319</b>	<b>3,857,993</b>	<b>152,188</b>	<b>31,328,991</b>
<b>As of 31 December 2013,</b>						
<b>Derivative financial instruments for hedging purposes</b>						
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
<b>Held for trading transactions</b>						
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
<b>Total</b>	<b>7,464,167</b>	<b>7,787,435</b>	<b>8,908,623</b>	<b>1,664,433</b>	<b>3,730</b>	<b>25,828,388</b>

Table above shows cash outflows of derivative instruments

**Securitization positions:**

The Group does not apply securitization as of 31 December 2014 (31 December 2013: 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.

- f) Collaterals in terms of Risk Categories:

**Current Period**

<b>Exposure classifications</b>	<b>Amount</b>	<b>Financial Collaterals</b>	<b>Other/Physical Collaterals</b>	<b>Guarantees and Credit Derivatives</b>
Conditional and unconditional receivables from central governments or central banks	522,411	-	-	-
Conditional and unconditional receivables from regional or local governments	69,224	35,494	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	2	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	1,797,699	95,365	-	-
Conditional and unconditional corporate receivables	22,008,952	1,171,642	-	-
Conditional and unconditional retail receivables	15,260,390	461,735	-	-
Conditional and unconditional secured mortgage receivables	2,924,110	-	-	-
Past due receivables	462,054	364	-	-
Receivables in high risk category defined by BRSA	7,731,007	-	-	-
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, stockbrokers and corporate	-	-	-	-
Investments of natured collective investment enterprise	-	-	-	-
Other receivables	1,167,517	58	-	-
<b>Total</b>	<b>51,943,366</b>	<b>1,764,658</b>	-	-



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**VII. Explanations Related to Consolidated Liquidity Risk (Continued)**

**Credit Risk Mitigation Techniques: (Continued)**

**Prior Period**

<b>Exposure classifications</b>	<b>Amount</b>	<b>Financial Collaterals</b>	<b>Other/Physical Collaterals</b>	<b>Guarantees and Credit Derivatives</b>
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	-	-	-
Past due receivables	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	-	-
<b>Total</b>	<b>46,062,767</b>	<b>1,801,745</b>	-	-

**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.

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**VII. Explanations Related to Consolidated Liquidity Risk (Continued)**

**Risk management objectives and policies (Continued)**

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.
- 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

The 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 currency 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 the Parent Bank’s assets, liabilities and off balance sheet items values. The Parent 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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**VII. Explanations Related to Liquidity Risk (Continued)**

**Risk management objectives and policies (Continued)**

ii) Market Risk (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.

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.

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**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
<b>Financial Assets</b>	<b>54,203,097</b>	<b>45,898,706</b>	<b>54,292,137</b>	<b>46,251,462</b>
Money Market Placements	550,207	245	550,207	245
Banks	1,005,149	460,585	1,005,149	519,726
Available-For-Sale Financial Assets	4,488,271	4,408,885	4,488,271	4,408,886
Held-To-Maturity Investments	317,360	292,956	341,671	288,676
Loans(**)	47,842,110	40,736,035	47,906,839	41,033,929
<b>Financial Liabilities</b>	<b>56,505,014</b>	<b>48,210,157</b>	<b>56,490,894</b>	<b>48,279,714</b>
Bank Deposit	1,371,817	1,635,572	1,371,888	1,645,530
Other Deposit	39,059,233	33,897,574	39,064,041	33,948,265
Funds Borrowed From Other Financial (*)	13,947,478	10,844,023	13,947,489	10,872,508
Marketable Securities Issued	991,583	710,276	972,573	690,309
Sundry Creditors	1,134,903	1,122,712	1,134,903	1,123,102

(\*) 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.

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.

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**VIII. Explanations Related to Presentation of Financial Assets and Liabilities at Fair Value (Continued)**

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.

<b>31 December 2014</b>	<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 3</b>	<b>Total</b>
<b>Financial Assets</b>	<b>4,549,789</b>	<b>675,113</b>	-	<b>5,224,902</b>
Financial assets at fair value through profit and loss	90,434	597,302	-	687,736
<i>Public sector debt securities</i>	90,434	-	-	90,434
<i>Derivative financial assets held for trading</i>	-	597,302	-	597,302
Derivative financial assets for hedging purposes	-	60,800	-	60,800
Available-for-sale financial assets	4,459,355	17,011	-	4,476,366
<i>Public sector debt securities</i>	4,392,990	7,785	-	4,400,775
<i>Other available-for-sale financial assets(*)</i>	66,365	9,226	-	75,591
<b>Financial Liabilities</b>	-	<b>762,528</b>	-	<b>762,528</b>
Derivative financial liabilities held for trading	-	448,658	-	448,658
Derivative financial liabilities for hedging purposes	-	313,870	-	313,870
<b>31 December 13</b>	<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 3</b>	<b>Total</b>
<b>Financial Assets</b>	<b>5,036,311</b>	<b>858,367</b>	-	<b>5,894,678</b>
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
<b>Financial Liabilities</b>	-	<b>552,269</b>	-	<b>552,269</b>
Derivative financial liabilities held for trading	-	482,831	-	482,831
Derivative financial liabilities for hedging purposes	-	69,438	-	69,438

(\*) All unquoted share certificates of TL11,905 which are recorded at fair value and at cost since its fair value cannot be reliably estimated are not included. (31 December 2013: TL10,569).

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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1 JANUARY TO 31 DECEMBER 2014**

(Unless otherwise stated amounts are expressed in thousands o Turkish Lira (“TL”).)

**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	329,518	437,126	307,324	366,380
Balances with the Central Bank of Turkey	532,270	7,134,100	324,975	5,792,967
Other	-	33,915	-	19,966
<b>Total</b>	<b>861,788</b>	<b>7,605,141</b>	<b>632,299</b>	<b>6,179,313</b>

**b) Information related to the account of the Central Bank of Turkey:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposit	532,270	-	324,975	-
Unrestricted time deposit	-	661,489	-	527,994
Restricted time deposit	-	6,472,611	-	5,264,973
<b>Total</b>	<b>532,270</b>	<b>7,134,100</b>	<b>324,975</b>	<b>5,792,967</b>

TL661,489 (31 December 2013: TL527,994) foreign currency unrestricted deposit, TL6,472,611 (31 December 2013: TL5,264,973) foreign currency restricted deposit and TL532,270 (31 December 2013: TL324,975) TL unrestricted deposit balance comprises of reserve deposits. As of 31 December 2014, the Turkish lira required reserve ratios are determined to be within the range of 5%-11.5% depending on the maturity structure of deposits denominated in Turkish lira (31 December 2013: 5%-11.50% 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 2013: 6%-13% for all foreign currency liabilities).

Based upon press announcement of Central Bank of Turkey with the number of 2014-72 on 21 October 2014, there will be interest payment on TRY reserve deposits starting from November 2014.

**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 2013: None).

a.2) Financial assets at fair value through profit and loss subject to repurchase agreements: None.

Net book value of unrestricted financial assets at fair value through profit and loss is TL90,434 (31 December 2013: TL654,847).

a.3) Positive differences related to derivative financial assets held-for-trading:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	49,328	7,934	166,900	11,336
Swap Transactions	388,667	52,559	254,056	46,610
Futures Transactions	-	-	-	-
Options	73,940	24,874	235,910	14,458
Other	-	-	-	-
<b>Total</b>	<b>511,935</b>	<b>85,367</b>	<b>656,866</b>	<b>72,404</b>

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**I. Explanations and Disclosures Related to the Consolidated Assets (Continued)**

**3. Information on banks:**

a) Information on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	545,021	59,573	12,898	56,502
Foreign	50,882	349,673	67,717	323,468
Branches and head office abroad	-	-	-	-
<b>Total</b>	<b>595,903</b>	<b>409,246</b>	<b>80,615</b>	<b>379,970</b>

b) Information on foreign banks :

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	193,379	158,656	-	-
USA and Canada	94,122	75,000	-	-
OECD Countries(*)	4,832	3,597	-	-
Off-Shore Banking Regions	104,274	152,289	-	-
Other	3,948	1,643	-	-
<b>Total</b>	<b>400,555</b>	<b>391,185</b>	-	-

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

**4. Information on financial assets available-for-sale:**

a) 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	391,750	-	738,372	-
Other	-	-	-	-
<b>Total</b>	<b>391,750</b>	-	<b>738,372</b>	-

a.2) Financial assets available-for-sale subject to repurchase agreements:

	Current Period		Prior Period	
	TL	FC	TL	FC
Government bonds	1,761,323	-	1,097,509	-
Treasury bills	-	-	-	-
Other public sector debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>1,761,323</b>	-	<b>1,097,509</b>	-

Net book value of debt securities and share certificates in unrestricted financial assets available-for-sale is TL2,335,198 (31 December 2013: TL2,573,004).

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**I. Explanations and Disclosures Related to the Consolidated Assets (Continued)**

**4. Information on financial assets available-for-sale: (Continued)**

b) Information on financial assets available for sale portfolio:

	<b>Current Period</b>	<b>Prior Period</b>
Debt securities	4,467,140	4,387,870
Quoted on a stock exchange	4,467,140	4,387,870
Not quoted	-	-
Share certificates	21,131	21,015
Quoted on a stock exchange (*)	-	1,220
Not quoted	21,131	19,795
Impairment provision (-)	-	-
<b>Total</b>	<b>4,488,271</b>	<b>4,408,885</b>

(\*) As of 31 December 2014, mutual fund participation certificate amount TL1,220 (31 December 2013: None).

All unquoted available for sale equities of the Group are recorded at fair value except for the investment of TL11,905 which is recorded at cost since its fair value cannot be reliably estimated (31 December 2013: TL10,569).

**5. Information on loans:**

a) Information on all types of loans and advances given to shareholders and employees of the Bank:

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>Cash Loans</b>	<b>Non-Cash Loans</b>	<b>Cash Loans</b>	<b>Non-Cash Loans</b>
Direct loans granted to shareholders	544	-	7,130	10
Corporate shareholders	3	-	6,540	-
Real person shareholders	541	-	590	10
Indirect loans granted to shareholders	-	-	-	-
Loans granted to employees	60,593	-	57,035	-
<b>Total</b>	<b>61,137</b>	<b>-</b>	<b>64,165</b>	<b>10</b>



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**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:

Cash Loans	Standard Loans and Other Receivables			Loans and Other Receivables Under Close Monitoring (*)				
	Loans and Other Restructured Receivables		or Rescheduled	Other	Loans and Other Restructured Receivables		or Rescheduled	Other
	(Total)				(Total)			
<b>Non-specialized loans</b>	44,283,122	572,570	-	-	1,822,540	403,355	-	-
Working Capital Loans	-	-	-	-	-	-	-	-
Export loans	4,869,485	24,967	-	-	16,525	4,250	-	-
Import loans	-	-	-	-	-	-	-	-
Loans given to financial sector	874,390	-	-	-	15	-	-	-
Consumer loans (**)	11,451,372	208,100	-	-	608,991	25,425	-	-
Credit cards	2,386,647	-	-	-	85,757	2,295	-	-
Other	24,701,228	339,503	-	-	1,111,252	371,385	-	-
<b>Specialized loans</b>	-	-	-	-	-	-	-	-
<b>Other receivables</b>	-	-	-	-	-	-	-	-
<b>Total</b>	<b>44,283,122</b>	<b>572,570</b>	<b>-</b>	<b>-</b>	<b>1,822,540</b>	<b>403,355</b>	<b>-</b>	<b>-</b>

(\*) 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.

(\*\*) TL6,077 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	569,542	397,707
3,4 or 5 times	996	2,972
Over 5 times	2,032	2,676
<b>Total</b>	<b>572,570</b>	<b>403,355</b>

Extension Periods	Performing Loans and Other Receivables (*)	Loans and Other Receivables under Follow-up(*)
0-6 months	343,706	351,335
6-12 months	27,829	6,397
1-2 years	74,367	25,394
2-5 years	101,971	18,415
5 years and over	24,697	1,814
<b>Total</b>	<b>572,570</b>	<b>403,355</b>

(\*) 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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**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:

	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
<b>Cash Loans</b>				
<b>Short-term loans and other receivables</b>	<b>24,623,370</b>	<b>229,569</b>	<b>914,425</b>	<b>174,716</b>
Non-specialized loans	24,623,370	229,569	914,425	174,716
Specialized loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Medium and long-term loans and other receivables</b>	<b>19,659,752</b>	<b>343,001</b>	<b>908,115</b>	<b>228,639</b>
Non-specialized loans	19,659,752	343,001	908,115	228,639
Specialized loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Total</b>	<b>44,283,122</b>	<b>572,570</b>	<b>1,822,540</b>	<b>403,355</b>

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**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:

	<b>Short Term</b>	<b>Medium and Long Term</b>	<b>Total</b>
<b>Consumer Loans-TL</b>	<b>214,577</b>	<b>11,301,429</b>	<b>11,516,006</b>
Housing Loans	4,092	6,760,984	6,765,076
Vehicle Loans	4,217	522,130	526,347
General Purpose Loans	206,268	4,017,950	4,224,218
Other	-	365	365
<b>Consumer Loans –Indexed to FC</b>	<b>-</b>	<b>43,775</b>	<b>43,775</b>
Housing Loans	-	41,319	41,319
Vehicle Loans	-	-	-
General Purpose Loans	-	2,456	2,456
Other	-	-	-
<b>Consumer Loans-FC (**)</b>	<b>54</b>	<b>30,532</b>	<b>30,586</b>
Housing Loans	-	9,037	9,037
Vehicle Loans	-	8,712	8,712
General Purpose Loans	54	12,783	12,837
Other	-	-	-
<b>Individual Credit Cards-TL</b>	<b>1,725,716</b>	<b>-</b>	<b>1,725,716</b>
With Installments	618,022	-	618,022
Without Installments	1,107,694	-	1,107,694
<b>Individual Credit Cards-FC</b>	<b>7,379</b>	<b>-</b>	<b>7,379</b>
With Installments	852	-	852
Without Installments	6,527	-	6,527
<b>Personnel Loans-TL</b>	<b>6,067</b>	<b>28,636</b>	<b>34,703</b>
Housing Loans	-	82	82
Vehicle Loans	-	-	-
General Purpose Loans	6,067	28,554	34,621
Other	-	-	-
<b>Personnel Loans- Indexed to FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Personnel Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Personnel Credit Cards-TL</b>	<b>21,813</b>	<b>-</b>	<b>21,813</b>
With Installments	8,436	-	8,436
Without Installments	13,377	-	13,377
<b>Personnel Credit Cards-FC</b>	<b>194</b>	<b>-</b>	<b>194</b>
With Installments	-	-	-
Without Installments	194	-	194
<b>Overdraft Accounts-TL(Real Persons) (*)</b>	<b>434,408</b>	<b>-</b>	<b>434,408</b>
<b>Overdraft Accounts-FC(Real Persons)</b>	<b>885</b>	<b>-</b>	<b>885</b>
<b>Total</b>	<b>2,411,093</b>	<b>11,404,372</b>	<b>13,815,465</b>

(\*) Overdraft accounts include personnel loans amounting to TL3,883.

(\*\*) 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:

	<b>Short Term</b>	<b>Medium and Long Term</b>	<b>Total</b>
<b>Commercial loans with installment facility-TL</b>	<b>5,247,330</b>	<b>2,180,603</b>	<b>7,427,933</b>
Business Loans	133,736	127,633	261,369
Vehicle Loans	673,470	257,660	931,130
General Purpose Loans	4,440,124	1,795,310	6,235,434
Other	-	-	-
<b>Commercial loans with installment facility - Indexed to FC</b>	<b>703,049</b>	<b>224,786</b>	<b>927,835</b>
Business Loans	9,634	25,603	35,237
Vehicle Loans	76,569	69,911	146,480
General Purpose Loans	616,846	129,272	746,118
Other	-	-	-
<b>Commercial loans with installment facility –FC</b>	<b>9,434</b>	<b>-</b>	<b>9,434</b>
Business Loans	-	-	-
Vehicle Loans	2,395	-	2,395
General Purpose Loans	7,039	-	7,039
Other	-	-	-
<b>Corporate Credit Cards-TL</b>	<b>714,908</b>	<b>-</b>	<b>714,908</b>
With Installments	172,857	-	172,857
Without Installments	542,051	-	542,051
<b>Corporate Credit Cards-FC</b>	<b>2,394</b>	<b>-</b>	<b>2,394</b>
With Installments	-	-	-
Without Installments	2,394	-	2,394
<b>Overdraft Accounts-TL(Legal Entities)</b>	<b>1,027,817</b>	<b>-</b>	<b>1,027,817</b>
<b>Overdraft Accounts-FC(Legal Entities)</b>	<b>75</b>	<b>-</b>	<b>75</b>
<b>Total</b>	<b>7,705,007</b>	<b>2,405,389</b>	<b>10,110,396</b>

f) Allocation of loans by customers:

	<b>Current Period</b>	<b>Prior Period</b>
Public sector	533,265	477,256
Private sector	45,572,397	38,824,219
<b>Total</b>	<b>46,105,662</b>	<b>39,301,475</b>

g) Domestic and foreign loans:

	<b>Current Period</b>	<b>Prior Period</b>
Domestic Loans	45,433,238	38,569,042
Foreign Loans	672,424	732,433
<b>Total</b>	<b>46,105,662</b>	<b>39,301,475</b>

h) Loans granted to subsidiaries and associates:

Eliminated in consolidated financial statements.

i) Specific provisions provided against loans:

	<b>Current Period</b>	<b>Prior Period</b>
Loans and receivables with limited collectability	30,950	23,408
Loans and receivables with doubtful collectability	117,053	88,774
Uncollectible loans and receivables	655,005	486,659
<b>Total</b>	<b>803,008</b>	<b>598,841</b>

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**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:

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and receivables with limited collectability</b>	<b>Loans and receivables with doubtful collectability</b>	<b>Uncollectable loans and receivables</b>
<b>Current Period</b>			
(Gross amount before specific provisions)			
Non-performing loans and receivables which are restructured	-	-	-
Non-performing loans and receivables which are rescheduled	18,258	10,121	3,140
<b>Prior period</b>			
(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

j.2) The movement of non-performing loans:

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and receivables with limited collectability</b>	<b>Loans and receivables with doubtful collectability</b>	<b>Uncollectable loans and receivables</b>
<b>Prior period end balance</b>	<b>139,393</b>	<b>222,303</b>	<b>579,018</b>
Additions (+)	809,200	6,580	73,534
Transfers from other categories of non-performing loans (+)	-	613,359	431,575
Transfers to other categories of non-performing loans (-)	613,359	431,575	-
Collections (-)	152,979	142,105	149,988
Write-offs (-)(*)	31	73	178,318
Corporate and commercial loans	-	-	67,300
Retail loans	14	42	60,903
Credit cards	17	31	50,115
Other	-	-	-
<b>Current period end balance</b>	<b>182,224</b>	<b>268,489</b>	<b>755,821</b>
Specific provision (-)	30,950	117,053	655,005
<b>Net Balances on Balance Sheet</b>	<b>151,274</b>	<b>151,436</b>	<b>100,816</b>

(\*) The Bank’s amounting to TL174,635 of past due receivables portfolio for which TL174,477 provision had been allocated is sold to TURKASSET Varlık Yönetim A.Ş. for TL19,800 and after all the sales procedures were completed at 26 August 2014 with the completion of the necessary procedures, and such past due receivables 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:

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and receivables with limited collectability</b>	<b>Loans and receivables with doubtful collectability</b>	<b>Uncollectible loans and receivables</b>
<b>31 December 2014 :</b>			
Current period end balance	497	1,974	99,159
Specific provision (-)	49	328	95,122
<b>Net Balance on Balance Sheet</b>	<b>448</b>	<b>1,646</b>	<b>4,037</b>
<b>31 December 2013 :</b>			
Prior period end balance	1,854	5,514	86,291
Specific provision (-)	299	1,503	81,649
<b>Net Balance on Balance Sheet</b>	<b>1,555</b>	<b>4,011</b>	<b>4,642</b>

j.4) Information regarding gross and net amounts of non-performing loans with respect to user groups:

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and receivables with limited collectability</b>	<b>Loans and receivables with doubtful collectability</b>	<b>Uncollectible loans and receivables</b>
<b>Current Period (Net)</b>			
Loans to Real Persons and Legal Entities (Gross)	182,224	268,489	755,821
Specific provision (-)	30,950	117,053	655,005
<b>Loans to Real Persons and Legal Entities (Net)</b>	<b>151,274</b>	<b>151,436</b>	<b>100,816</b>
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
<b>Banks (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
<b>Other Loans and Receivables (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Prior Period (Net)</b>			
Loans to Real Persons and Legal Entities (Gross)	139,393	222,303	579,018
Specific provision (-)	23,408	88,774	486,659
<b>Loans to Real Persons and Legal Entities (Net)</b>	<b>115,985</b>	<b>133,529</b>	<b>92,359</b>
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
<b>Banks (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
<b>Other Loans and Receivables (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**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:

<b>Current Period</b>	<b>Commercial</b>	<b>Consumer</b>	<b>Credit Cards</b>	<b>Other</b>	<b>Total</b>
Neither past due nor impaired	30,323,337	11,451,372	2,386,647	121,766	44,283,122
Past due not impaired	1,127,792	608,991	85,757	-	1,822,540
Individually impaired	756,261	263,494	186,779	-	1,206,534
<b>Total</b>	<b>32,207,390</b>	<b>12,323,857</b>	<b>2,659,183</b>	<b>121,766</b>	<b>47,312,196</b>
Specific Provision	511,933	162,052	129,023	-	803,008
<b>Total</b>	<b>511,933</b>	<b>162,052</b>	<b>129,023</b>	<b>-</b>	<b>803,008</b>
<b>Total allowance for impairment</b>	<b>31,695,457</b>	<b>12,161,805</b>	<b>2,530,160</b>	<b>121,766</b>	<b>46,509,188</b>

<b>Prior Period</b>	<b>Commercial</b>	<b>Consumer</b>	<b>Credit Cards</b>	<b>Other</b>	<b>Total</b>
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
<b>Total</b>	<b>26,923,284</b>	<b>10,479,450</b>	<b>2,765,411</b>	<b>74,044</b>	<b>40,242,189</b>
Specific Provision	396,758	99,643	102,440	-	598,841
<b>Total</b>	<b>396,758</b>	<b>99,643</b>	<b>102,440</b>	<b>-</b>	<b>598,841</b>
<b>Total allowance for impairment</b>	<b>26,526,526</b>	<b>10,379,807</b>	<b>2,662,971</b>	<b>74,044</b>	<b>39,643,348</b>

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**I. Explanations and Disclosures Related to the Consolidated Assets (Continued)**

**5. Information on loans: (Continued)**

m) Other explanations and disclosures: (continued)

Based on classification, movement of allowance for loan losses and other receivables is presented as follows;

	<b>Commercial</b>	<b>Consumer</b>	<b>CreditCards</b>	<b>Total</b>
1 January 2014	396,758	99,643	102,440	598,841
Change for the period	271,406	144,957	101,859	518,222
Recoveries	(65,617)	(54,288)	(26,077)	(145,982)
Amounts written-off(*)	(97,018)	(28,260)	(49,199)	(174,477)
Foreign Currency Differences	6,404	-	-	6,404
<b>31 December 2014 Balance</b>	<b>511,933</b>	<b>162,052</b>	<b>129,023</b>	<b>803,008</b>
	<b>Commercial</b>	<b>Consumer</b>	<b>CreditCards</b>	<b>Total</b>
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
<b>31 December 2013 Balance</b>	<b>396,758</b>	<b>99,643</b>	<b>102,440</b>	<b>598,841</b>

(\*) TL174,635 of the non-performing loans portfolio of the Bank with TL174,477 provision has been sold to Girişim Varlık Yönetim A.Ş. for TL19,800 which has been collected as of 26 August 2014 with the completion of the necessary procedures, and the related non-performing loans have been written off from the records.

(\*\*) 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.

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 2014 is TL236,874 (31 December 2013: TL226,038).

**The fair value of collaterals, capped with the respective outstanding loan balance relating to loans individually determined to be impaired:**

	<b>Current Period</b>	<b>Prior Period</b>
Mortgage	176,746	176,808
Vehicle	56,043	43,046
Cash	201	211
Other	3,884	5,973
<b>Total</b>	<b>236,874</b>	<b>226,038</b>



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**I. Explanations and Disclosures Related to the Consolidated Assets (Continued)**

**5. Information on loans: (Continued)**

As of 31 December 2014 and 31 December 2013, detail of commodities and properties held for sale related to loan receivables of the Bank is as follows:

<b>31 December 2014</b>	<b>Commercial</b>	<b>Consumer</b>	<b>Total</b>
Residential, commercial or industrial property	72,087	6,988	79,075
Other	391	-	391
<b>Total</b>	<b>72,478</b>	<b>6,988</b>	<b>79,466</b>

<b>31 December 2013</b>	<b>Commercial</b>	<b>Consumer</b>	<b>Total</b>
Residential, commercial or industrial property	75,541	7,516	83,057
Other	160	-	160
<b>Total</b>	<b>75,701</b>	<b>7,516</b>	<b>83,217</b>

Aging analysis of past due but not impaired loans per classes of financial statements is as follows:

<b>31 December 2014</b>	<b>Less than 30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>Total</b>
Loans and Receivables				
Commercial Loans	715,205	231,125	181,462	1,127,792
Consumer Loans	275,799	239,728	93,464	608,991
Credit Cards	83,641	107	2,009	85,757
<b>Total</b>	<b>1,074,645</b>	<b>470,960</b>	<b>276,935</b>	<b>1,822,540</b>

<b>31 December 2013</b>	<b>Less than 30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>Total</b>
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
<b>Total</b>	<b>997,903</b>	<b>376,162</b>	<b>187,605</b>	<b>1,561,670</b>

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 2014 is TL861,640 (31 December 2013: TL1,049,199).

**The fair value of collaterals, capped with the respective outstanding loan balance relating to those that are past due but not impaired:**

	<b>Current Period</b>	<b>Prior Period</b>
Mortgage	611,346	775,253
Vehicle	117,862	179,319
Cash	14,267	11,439
Other	118,165	83,188
<b>Total</b>	<b>861,640</b>	<b>1,049,199</b>

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**I. Explanations and Disclosures Related to the Consolidated Assets (Continued)**

**6. Information on held-to-maturity investments:**

a) 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	-	-	-	-
<b>Total</b>	-	-	-	-

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	271,749	-	197,274	-
Other	-	-	-	-
<b>Total</b>	<b>271,749</b>	-	<b>197,274</b>	-

Unrestricted financial assets held-to maturity amounting to TL45,611 (31 December 2013: TL95,682).

a.3) Information on held to maturity debt securities:

	Current Period	Prior Period
Government bonds	317,360	292,956
Treasury bills	-	-
Other public sector debt securities	-	-
<b>Total</b>	<b>317,360</b>	<b>292,956</b>

a.4) Information on held to maturity investments:

	Current Period	Prior Period
Debt securities	317,360	292,956
Quoted on a stock exchange	317,360	292,956
Unquoted	-	-
Impairment provision(-)	-	-
<b>Total</b>	<b>317,360</b>	<b>292,956</b>

b) Movement of investments held-to-maturity:

	Current Period	Prior Period
Beginning balance	292,956	20,415
Foreign currency differences on monetary assets	-	5,727
Purchases during the year (*)	24,404	292,956
Disposals through sales and redemptions	-	(26,142)
Impairment provision (-)	-	-
Change in amortized cost income	-	-
<b>Closing Balance</b>	<b>317,360</b>	<b>292,956</b>

(\*) Accruals are included in purchases during the year.

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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 2013: None).
- a.2) Information on the unconsolidated associates: None (31 December 2013: None).
- a.3) Information on the consolidated associates: None (31 December 2013: None).
- a.4) Valuation of consolidated associates: None (31 December 2013: None).
- a.5) Consolidated associates which are quoted on the stock exchange: None (31 December 2013: 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 subjection to the reasonable justifications of non-consolidate and minimum capital requirements: None (31 December 2013: None).
- c) Information on the unconsolidated subsidiaries: None (31 December 2013: 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.(*)	Holland	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	Shareholder’ Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit / Loss	Prior Period Profit / Loss (**)	Fair Value
1,420,508	297,028	9,793	74,519	3,814	13,281	12,529	-
1,355,151	76,941	1,250	89,750	-	15,831	14,259	-
146,940	85,101	1,763	14,724	431	7,966	9,098	-
18,496	16,326	420	1,516	95	2,006	3,818	-

(\*) Represents financial figures of foreign currency statutory financial statements translated at period end foreign exchange rates for balance sheet and twelve months’ average rates for profit and loss as of 31 December 2014. The Economy Bank NV has two consolidated subsidiaries named Stichting Effecten Dienstverlening and Kronenburg Vastgoed B.V.

(\*\*) These figures are shown per BRSA financial statements as of 31 December 2013.

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d.2) Information on consolidated subsidiaries:

	Current Period	Prior Period
Balance at the beginning of the period	199,281	173,922
Movements during the period	9,362	25,359
Purchases	-	25,275
Bonus shares obtained	9,379	-
Share in current year income	-	-
Sales	-	-
Revaluation increase	-	-
Provision for impairment	(17)	84
<b>Balance at the end of the period</b>	<b>208,643</b>	<b>199,281</b>
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.	68,691	59,312
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 (*)	352	367
	Kronenburg Vastgoed B.V. (*)	51	53
<b>Total</b>		<b>208,643</b>	<b>199,281</b>

(\*) 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 2013: 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	12,884	10,662	753	67,020	(64,017)

b) Accounting method of the reasonable justification of unconsolidated in Joint Ventures that booked on the unconsolidated parent bank’s financial statements.

The Parent 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 2013: None).

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**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	1,681	-	56,899	63
Cash flow hedge	59,119	-	55,283	-
Hedge of net investment in foreign operations	-	-	-	-
<b>Total</b>	<b>60,800</b>	<b>-</b>	<b>112,182</b>	<b>63</b>

The Parent Bank has terminated ineffective cash flow hedge that takes into account IRS transactions. According to the related cash flow hedge as of 31 December 2014, accumulated valuation differences negatively amounted TL9,419 is traced on the statement of profit and loss accounted for under equity and these accumulated differences are transferred into income statement, considering periods when hedged transactions have affected or will affect loss and profit.

**12. Information on investment property:**

	31 December 2013	Additions	Disposals	Other	31 December 2014
Cost:					
Land and buildings	119,322	-	(2,276)	(490)	116,556
Leased tangible assets	43,119	-	(6,315)	-	36,804
Other	825,536	82,244	(41,107)	(186)	866,487
<b>Total Cost</b>	<b>987,977</b>	<b>82,244</b>	<b>(49,698)</b>	<b>(676)</b>	<b>1,019,847</b>
		Period			
	31 December 2013	Charge	Disposals	Other	31 December 2014
Accumulated Depreciation:					
Land and buildings	37,590	3,898	(773)	(109)	40,606
Leased tangible assets	43,056	24	(6,315)	-	36,765
Other	574,374	81,999	(39,834)	(182)	616,357
<b>Total Accumulated Depreciation</b>	<b>655,020</b>	<b>85,921</b>	<b>(46,922)</b>	<b>(291)</b>	<b>693,728</b>
<b>Net Book Value</b>	<b>332,957</b>				<b>326,119</b>

- 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.

**13. Information on intangible assets:**

	31 December 2013	Additions	Disposals	Other	31 December 2014
Cost:					
Other intangibele assets	177,345	27,977	-	(142)	205,180
<b>Total Cost</b>	<b>177,345</b>	<b>27,977</b>	<b>-</b>	<b>(142)</b>	<b>205,180</b>
		Period			
	31 December 2013	Charge	Disposals	Other	31 December 2014
Accumulated Depreciation:					
Other intangibele assets	121,645	27,049	-	(97)	148,597
<b>Total Accumulated Depreciation</b>	<b>121,645</b>	<b>27,049</b>	<b>-</b>	<b>(97)</b>	<b>148,597</b>
<b>Net Book Value</b>	<b>55,700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56,583</b>

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**I. Explanations and Disclosures Related to the Consolidated Assets (Continued)**

**13. Information on intangible assets: (Continued)**

- a) Disclosures for book value, description and remaining useful life for a specific intangible fixed asset that is material to the financial statements: None.
- b) Disclosure for intangible fixed assets acquired through government grants and accounted for at fair value at initial recognition: None.
- c) The method of subsequent measurement for intangible fixed assets that are acquired through government incentives and recorded at fair value at the initial recognition : None.
- d) The book value of intangible fixed assets that are pledged or restricted for use: None.
- e) Amount of purchase commitments for intangible fixed assets: None
- f) Information on revalued intangible assets according to their types: None.
- g) Amount of total research and development expenses recorded in income statement within the period if any: None.
- h) Positive or negative consolidation goodwill on entity basis: None
- 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.

	<b>Current Period</b>	<b>Prior Period</b>
Beginning balance	421,124	421,124
Foreign Currency Differences	-	-
Acquired	-	-
<b>End Balance</b>	<b>421,124</b>	<b>421,124</b>

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**I. Explanations and Disclosures Related to the Consolidated Assets (Continued)**

**14. Information on investment property:** None (31 December 2013: None).

**15. Information on held deferred tax asset:**

- a) As of 31 December 2014, deferred tax asset computed on the temporary differences and reflected to the balance sheet is TL105,608 (31 December 2013: TL41,103). 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 asset:

	Current Period	Prior Period
<b>At January 1</b>	<b>41,103</b>	<b>132,396</b>
Deferred tax benefit / (charge)	62,820	(103,658)
Deferred tax accounted for under equity	494	14,559
Other	35	(2,194)
<b>Deferred Tax Asset(*)</b>	<b>104,452</b>	<b>41,103</b>

(\*) In current period, TL105,608 deferred tax asset and TL1,156 deferred tax liability presented as net amount on movement of deferred tax. Information on deferred tax liability is stated in Section Five Note II.8.c.

**16. Information on held for sale fixed assets and discontinued operations:**

	Current Period	Previous Period
Beginning of Period Cost	86,505	64,091
Beginning of Period Accumulated Depreciation (-)	3,288	2,501
<b>Net Book Value</b>	<b>83,217</b>	<b>61,590</b>
Opening Balance	83,217	61,590
Acquired	64,855	67,064
Disposed(-)	64,167	37,801
Impairment (-)	2,087	5,463
Depreciation Value (-)	2,352	2,173
End of Period Cost	83,187	86,505
End of Period Accumulated Depreciation (-)	3,721	3,288
<b>Closing Net Book Value</b>	<b>79,466</b>	<b>83,217</b>

**17. Information on factoring receivables of Group:**

- a) Maturity Analysis:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short term (*)	907,446	449,121	659,865	451,690
Medium and Long Term	-	-	-	-
Specific provisions (-)	22,812	833	18,027	841
<b>Total</b>	<b>884,634</b>	<b>448,288</b>	<b>641,838</b>	<b>450,849</b>

(\*) Amounting to TL30,568 (31 December 2013: TL24,416) impaired factoring receivable included.

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**I. Explanations and Disclosures Related to the Consolidated Assets (Continued)**

b) Other explanations and disclosures:

<b>Current Period</b>	<b>Commercial</b>	<b>Consumer</b>	<b>Total</b>
Neither past due nor impaired	1,312,975	-	1,312,975
Past due not impaired	13,024	-	13,024
Individually impaired	30,568	-	30,568
<b>Total</b>	<b>1,356,567</b>	<b>-</b>	<b>1,356,567</b>
Specific Provision	23,645	-	23,645
<b>Total allowance for impairment</b>	<b>23,645</b>	<b>-</b>	<b>23,645</b>
<b>Net credit balance on balance sheet</b>	<b>1,332,922</b>	<b>-</b>	<b>1,332,922</b>

<b>Prior Period</b>	<b>Commercial</b>	<b>Consumer</b>	<b>Total</b>
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
<b>Total</b>	<b>1,111,555</b>	<b>-</b>	<b>1,111,555</b>
Specific Provision	18,868	-	18,868
<b>Total allowance for impairment</b>	<b>18,868</b>	<b>-</b>	<b>18,868</b>
<b>Net credit balance on balance sheet</b>	<b>1,092,687</b>	<b>-</b>	<b>1,092,687</b>



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**II. Explanations and Disclosures Related to the Consolidated Liabilities**

**1. a) Information on maturity structure of deposits:**

**a.1) Current period:**

	Demand	7 Day Call Accounts	Up to 1 month	1-3 Month	3-6 Month	6 Month- 1 Year	1 Year and Over	Accumulated Deposits	Total
Saving deposits	928,314	-	3,744,377	9,897,136	396,187	26,609	28,648	-	15,021,271
Foreign currency deposits	2,551,598	-	2,135,214	6,498,671	207,751	206,362	232,441	-	11,832,037
Residents in Turkey	1,969,153	-	1,840,428	6,210,638	162,519	118,822	129,515	-	10,431,075
Residents abroad	582,445	-	294,786	288,033	45,232	87,540	102,926	-	1,400,962
Public sector deposits	247,153	-	37,999	13,682	7,954	-	-	-	306,788
Commercial deposits	1,941,294	-	1,555,010	4,309,923	240,927	9,982	4,130	-	8,061,266
Other institutions deposits	41,975	-	47,241	2,954,090	315,810	1,088	45	-	3,360,249
Precious metals deposits	222,298	-	70,470	152,932	24,197	7,725	-	-	477,622
Interbank deposits	40,299	-	619,179	638,234	42,220	29,763	2,122	-	1,371,817
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	33	-	-	-	-	6,507	2,122	-	8,662
Foreign Banks	38,233	-	619,179	638,234	42,220	23,256	-	-	1,361,122
Special finance houses	2,033	-	-	-	-	-	-	-	2,033
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>5,972,931</b>	<b>-</b>	<b>8,209,490</b>	<b>24,464,668</b>	<b>1,235,046</b>	<b>281,529</b>	<b>267,386</b>	<b>-</b>	<b>40,431,050</b>

**a.2) Prior period:**

	Demand	7 Day Call Accounts	Up to 1 month	1-3 Month	3-6 Month	6 Month- 1 Year	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	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>6,044,898</b>	<b>-</b>	<b>8,931,979</b>	<b>16,826,760</b>	<b>3,003,781</b>	<b>297,371</b>	<b>428,357</b>	<b>-</b>	<b>35,533,146</b>

**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	6,971,655	5,759,987	7,594,770	6,148,459
Foreign currency saving deposits	1,345,618	1,097,403	4,300,796	4,162,071
Other deposits in the form of saving deposits	184,386	282,197	250,282	327,503
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore banking regions' deposits under foreign authorities' insurance	-	-	-	-
<b>Total</b>	<b>8,501,659</b>	<b>7,139,587</b>	<b>12,145,848</b>	<b>10,638,033</b>

(\*) 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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**II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)**

ii) Deposit of real persons not under the guarantee of saving deposit insurance:

	<b>Current Period</b>	<b>Prior Period</b>
Deposits and accounts in branches abroad	212,102	208,053
Deposits of ultimate shareholders and their close families	1,108,411	766,595
Deposits of chairman and members of the Board of Directors and their close families	25,856	27,526
Deposits obtained through illegal acts defined in the 282 <sup>nd</sup> 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:

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Forward Transactions	83,456	15,036	56,913	5,435
Swap Transactions	173,297	107,236	233,404	32,373
Futures Transactions	-	-	-	-
Options	55,852	13,781	147,561	7,145
Other	-	-	-	-
<b>Total</b>	<b>312,605</b>	<b>136,053</b>	<b>437,878</b>	<b>44,953</b>

3. a) Information on banks and other financial institutions:

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Loans from Central Bank of Turkey	-	-	-	-
From Domestic Banks and Institutions	373,102	161,717	231,503	220,561
From Foreign Banks, Institutions and Funds	609,128	9,221,518	833,644	6,696,839
<b>Total</b>	<b>982,230</b>	<b>9,383,235</b>	<b>1,065,147</b>	<b>6,917,400</b>

As of 31 December 2014 the Group has borrowings from its related parties amounting to TL5,560,693 (31 December 2013: TL3,846,609).

b) Maturity analysis of borrowings:

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Short-term	730,272	8,997,587	754,335	6,435,764
Medium and long-term	251,958	385,648	310,812	481,636
<b>Total</b>	<b>982,230</b>	<b>9,383,235</b>	<b>1,065,147</b>	<b>6,917,400</b>

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**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 2014 foreign borrowings of the Bank includes syndication loan obtained with the agreement dated 21 August 2015 and 26 August 2015 maturity amounting to EUR335,000,000 and USD180,000,000.

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
<b>From domestic transactions</b>	<b>1,756,987</b>	-	<b>1,062,443</b>	-
Financial institutions and organizations	1,756,987	-	1,062,443	-
Other institutions and organizations	-	-	-	-
Real persons	-	-	-	-
<b>From foreign transactions</b>	-	-	-	-
Financial institutions and organizations	-	-	-	-
Other institutions and organizations	-	-	-	-
Real persons	-	-	-	-
<b>Total</b>	<b>1,756,987</b>	-	<b>1,062,443</b>	-

e) Explanations on debt securities issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bonds	696,679	294,904	507,046	-
Treasury Bills	-	-	203,230	-
<b>Total</b>	<b>696,679</b>	<b>294,904</b>	<b>710,276</b>	-

The bond issued by the Parent Bank on 11 September 2014 with a nominal value of TL228,205 maturity of 173 days, with due date of 4 March 2015, with an interest rate of 9.42573% and with an annual compound rate of 9.65978% has started to be publicly traded in bonds and bills markets with the ISIN code “TRQTEBK31510”.

The bond issued under Euro Medium Term Note Program by the Parent Bank on 17 October 2014 with a nominal value of USD20,600,000 with due date of 22 January 2015 has started to be publicly traded in bonds and bill market with the ISIN code “XS1124323962”.

The bond issued under Euro Medium Term Note Program by the Parent Bank on 2 October 2014 with a nominal value of USD21,800,000 with due date of 5 January 2015 has started to be publicly traded in bonds and bill market with the ISIN code “XS1115428994”.

The bond issued by the Parent Bank on 20 October 2014 with a nominal value of TL254,481 maturity of 176 days, with due date of 15 April 2015, with an interest rate of 9.58505% and with an annual compound rate of 9.82318% has started to be publicly traded in bonds and bills markets with the ISIN code “TRQTEBK41519”.

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**II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)**

**3. Maturity analysis of borrowings: (Continued)**

The bond issued by the Parent Bank on 20 October 2014 with a nominal value of TL26,859 maturity of 302 days, with due date of 19 August 2015, with an interest rate of 9.80483% and with an annual compound rate of 9.88609% has started to be publicly traded in bonds and bills markets with the ISIN code “TRQTEBK81515”.

The bonds issued under Euro Medium Term Note Program by the Parent Bank on 30 October 2014 with a nominal value of USD31,000,000 with due date of 30 April 2015 and USD28,800,000 with due date of 29 January 2015 have started to be publicly traded in bonds and bill market with the ISIN codes “XS1129620420” and “XS1129546195”.

The bond issued under Euro Medium Term Note Program by the Parent Bank on 06 November 2014 with a nominal value of USD24,400,000 with due date of 06 February 2015 has started to be publicly traded in bonds and bill market with the ISIN code “XS1135141676”.

The bond issued by the Parent Bank on 27 November 2014 with a nominal value of TL241,314 maturity of 166 days, with due date of 13 May 2015, with an interest rate of 8.24530% and with an annual compound rate of 8.43108% has started to be publicly traded in bonds and bill market with the ISIN code “TRQTEBK51518”.

**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 2013: 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: None (31 December 2013: None).

d) Explanations regarding operational leases:

For the period ended 31 December 2014, operational lease expenses amounting to TL186,770 (31 December 2013: TL161,997) 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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**II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)**

**6. Information on derivative financial liabilities for hedging purposes:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair value hedge	11,264	-	15,616	-
Cash flow hedge	302,606	-	53,822	-
Hedge of net investment in foreign operations	-	-	-	-
<b>Total</b>	<b>313,870</b>	<b>-</b>	<b>69,438</b>	<b>-</b>

The Parent Bank has terminated ineffective cash flow hedge that takes into account IRS transactions. According to the related cash flow hedge as of 31 December 2014, accumulated valuation differences negatively amounted TL9,419 is traced on the statement of profit and loss accounted for under equity and these accumulated differences are transferred into income statement, considering periods when hedged transactions have affected or will affect loss and profit.

**7. Information on provisions:**

a) Information on general provisions:

	Current Period	Prior Period
Provisions for First Group Loans and Receivables	491,561	420,060
Additional Provision for Loans and Receivables with Extended Maturities	16,595	34,222
Provisions for Second Group Loans and Receivables	71,552	60,270
Additional Provision for Loans and Receivables with Extended Maturities	2,590	7,809
Provisions for Non-Cash Loans	35,130	29,212
Other	3,866	3,034
<b>Total</b>	<b>621,294</b>	<b>554,607</b>

b) Foreign exchange losses on the foreign currency indexed loans amounting to TL15,704 (31 December 2013: TL83,440) is offset from the loans on the balance sheet.

c) The specific provisions provided for unindemnified non cash loans amount to TL42,821 (31 December 2013: TL34,791).

d) Liabilities on unused vacation, bonus and employee termination benefits:

As of 31 December 2014 TL23,588 (31 December 2013: TL26,725) unused vacation provision, TL101,658 (31 December 2013: TL89,348) employee termination benefit provision, TL94,651 (31 December 2013: TL72,177) 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	89,348	93,125
Service cost	14,599	12,590
Interest cost	9,570	6,789
Settlement cost	2,900	1,745
Actuarial loss	(5,971)	(19,609)
Benefits paid	(8,788)	(5,356)
Increase due to merger	-	64
<b>Total</b>	<b>101,658</b>	<b>89,348</b>

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**II. Explanations and Disclosures Related to the Consolidated 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 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 2014 and 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.

Based on the determined assumptions,

	<b>31 December 2014</b>	<b>31 December 2013</b>
<b>Transferrable Retirement and Health Liabilities:</b>		
Net Present Value of Transferrable Retirement Liabilities	(1,024,427)	(915,853)
Net Present Value of Transferrable Retirement and Health Contributions	528,309	525,943
General Administration Expenses	(10,243)	(9,159)
Present Value of Pension and Medical Benefits Transferable to SSF (1)	(506,361)	(399,069)
Fair Value of Plan Assets (2)	1,387,693	1,264,472
Asset Surplus over Transferable Benefits ((2)-(1)=(3))	881,332	865,403
Non-Transferable Benefits (4)	(206,832)	(219,301)
Asset Surplus over Total Benefits ((3)-(4))	674,500	646,102

Distribution of total assets of the Retirement Fund as of 31 December 2014 and 31 December 2013 is presented below:

	<b>31 December 2014</b>	<b>31 December 2013</b>
Bank placements	1,299,485	1,159,056
Tangible assets	71,266	68,267
Government Bonds and Treasury Bill, Fund and Accrual Interest Income	15,220	35,742
Other	1,722	1,407
<b>Total</b>	<b>1,387,693</b>	<b>1,264,472</b>

Actuarial assumptions used in valuation of liabilities except for transferrable liabilities based on IAS 19 are as follows:

	<b>31 December 2014</b>	<b>31 December 2013</b>
Discount Rate	8.80%	10.10%
Expected Inflation Rate	5.00%	6.50%

As of 31 December 2014, medical inflation is expected more than 20% (31 December 2013: 40%). 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 2013: CSO 2001) Female/Male mortality table is used.

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**II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)**

**7. Information on provisions: (Continued)**

e) Information on other provisions:

The breakdown of the subsidiary accounts if other provisions exceed 10% of the grand total of provisions:

	<b>Current Period</b>	<b>Prior Period</b>
Provision for unindemnified non-cash loans	42,821	34,791
Provision for legal cases	37,704	35,796
Provision for promotions of credit cards and banking services	12,625	12,204
Other	62,083	18,783
<b>Total</b>	<b>155,233</b>	<b>101,574</b>

**8. Explanations on taxes payable:**

a) Information on taxes payable:

	<b>Current Period</b>	<b>Prior Period</b>
Corporate Tax Payable	87,155	15,169
Taxation on Securities	35,744	26,948
Property Tax	2,202	1,804
Banking Insurance Transaction Tax (BITT)	36,559	29,518
Foreign Exchange Transaction Tax	13	15
Value Added Tax Payable	5,229	6,435
Other (*)	20,177	17,088
<b>Total</b>	<b>187,079</b>	<b>96,977</b>

(\*) Others include income taxes deducted from wages amounting to TL14,101 (31 December 2013: TL12,436) and stamp taxes payable amounting to TL1,361 (31 December 2013: TL1,233).

b) Information on premiums:

	<b>Current Period</b>	<b>Prior Period</b>
Social Security Premiums-Employee	5,465	4,646
Social Security Premiums-Employer	6,310	5,410
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	481	430
Unemployment Insurance-Employer	769	652
Other	-	-
<b>Total</b>	<b>13,025</b>	<b>11,138</b>

c) Explanations on deferred tax liabilities, if any: As of 31 December 2014, deferred tax liabilities amounting to TL1,156 (31 December 2013: None).

**9. Information on liabilities regarding assets held for sale and discontinued operations:**

None (31 December 2013: None).

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**II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)**

**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 EUR75 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 EUR175 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 EUR852,537.78 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 EUR96,878,527.78 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 USD65 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 EURO125 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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**II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)**

**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 Instutions	-	-	-	-
From Foreign Banks	-	1,128,132	-	1,175,535
From Other Foreign Instutions	-	657,783	-	602,788
<b>Total</b>	-	<b>1,785,915</b>	-	<b>1,778,323</b>

**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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**II. 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	(25,613)	1,035	(100,521)	(2,126)
Foreign Exchange Difference	-	-	-	-
<b>Total</b>	<b>(25,613)</b>	<b>1,035</b>	<b>(100,521)</b>	<b>(2,126)</b>

Government debt securities nominal amounting to TL224,275 which had been accounted as financial assets available for sale, as of 25 September 2013, The Parent Bank classified these securities with the market value amounting to TL287,008 in held to maturity investment. As of 25 September 2013, accrued valuation difference amounting to negatively TL38,362 of reclassified securities available for sale has been following under shareholders’ equity. This accrued valuation difference is subjected to amortization according to days to maturity and transferred to profit/loss accounts. As of 31 December 2014, total accrued valuation difference of these securities following under shareholders’ equity is negatively TL31,146 (31 December 2013: TL36,973).

**12. Information on minority shares:** As of 31 December 2014, part of the group equity that belongs to minority shares is TL7,390 (31 December 2013: TL7,990).

**13. Information on factoring liabilities:** As of 31 December 2014 group has factoring debt of TL7,832 (31 December 2013: TL8,012).

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**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:

	<b>Current Period</b>	<b>Prior Period</b>
Loan granting commitments	4,336,542	3,853,759
Commitments for credit card expenditure limits	4,101,473	3,545,841
Payment commitment for checks	2,186,510	2,002,630
Forward asset purchase commitments	1,689,251	1,742,558
Tax and fund liabilities from export commitments	24,189	12,503
Commitments for promotions related with credit cards and banking activities	5,178	4,451
Forward deposit purchase commitments	-	101,194
Other irrevocable commitments	401,570	286,195
<b>Total</b>	<b>12,744,713</b>	<b>11,549,131</b>

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:

	<b>Current Period</b>	<b>Prior Period</b>
Letters of Credit	1,508,547	1,688,889
Bank Acceptances	62,150	271,178
Other Commitments	1,802,337	1,420,669
Other Contingencies	440,207	419,412
<b>Total</b>	<b>3,813,241</b>	<b>3,800,148</b>

b.2) Guarantees, surety ships, and similar transactions:

	<b>Current Period</b>	<b>Prior Period</b>
Guarantee Letters	5,659,329	5,333,081
Advance Guarantee Letters	1,098,182	1,159,907
Temporary Guarantee Letters	481,798	477,487
Guarantee Letters Given for Customs	340,349	377,222
Other Guarantee Letters	706,736	548,101
<b>Total</b>	<b>8,286,394</b>	<b>7,895,798</b>

c) c.1) Total amount of non-cash loans:

	<b>Current Period</b>	<b>Prior Period</b>
Non-cash loans given against achieving cash loans	512,651	782,270
With maturity of 1 year or less than 1 year	24,310	7,209
With maturity of more than 1 year	488,341	775,061
Other non-cash loans	11,586,984	10,913,676
<b>Total</b>	<b>12,099,635</b>	<b>11,695,946</b>

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**III. Explanations and Disclosures Related to the Consolidated Off-Balance Sheet Contingencies and Commitments (Continued)**

**1. Information on off-balance sheet liabilities: (Continued)**

c.2) Information on sectoral risk breakdown of non-cash loans:

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	85,575	1.58	38,463	0.57	71,081	1.50	45,051	0.65
Farming and raising livestock	57,315	1.06	32,392	0.48	53,208	1.12	39,686	0.57
Forestry, Wood and Paper	21,836	0.40	6,071	0.09	16,956	0.36	5,365	0.08
Fishery	6,424	0.12	-	-	917	0.02	-	-
Manufacturing	2,381,505	44.03	3,680,524	55.02	2,165,556	45.56	3,733,586	53.78
Mining and Quarry	140,719	2.60	308,516	4.61	138,368	2.91	225,551	3.25
Production	2,179,276	40.29	3,303,381	49.38	1,972,506	41.50	3,423,583	49.31
Electricity, Gas and Water	61,510	1.14	68,627	1.03	54,682	1.15	84,452	1.22
Construction	1,183,909	21.89	1,287,903	19.25	1,107,734	23.31	1,291,228	18.60
Services	1,659,868	30.69	871,478	13.02	1,323,725	27.85	957,184	13.79
Wholesale and Retail Trade	695,905	12.86	109,808	1.64	601,981	12.67	187,905	2.71
Hotel, Tourism, Food and Beverage Services	46,956	0.87	48,973	0.73	43,405	0.91	29,905	0.43
Transportation and Communication	285,443	5.28	337,210	5.04	242,465	5.10	388,506	5.60
Financial Institutions	217,826	4.03	166,418	2.49	113,596	2.39	232,354	3.35
Real Estate and Renting	163,889	3.03	67,608	1.01	144,737	3.05	64,203	0.92
Self-employment Services	111,835	2.07	69,656	1.04	93,798	1.97	33,518	0.48
Education Services	6,185	0.11	1,405	0.02	5,886	0.12	4,269	0.06
Health and Social Services	131,829	2.44	70,400	1.05	77,857	1.64	16,524	0.24
Other	98,603	1.81	811,807	12.14	84,489	1.78	916,312	13.18
<b>Total</b>	<b>5,409,460</b>	<b>100.00</b>	<b>6,690,175</b>	<b>100.00</b>	<b>4,752,585</b>	<b>100.00</b>	<b>6,943,361</b>	<b>100.00</b>

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	4,135,995	4,076,447	57,041	16,911
Bank acceptances	-	62,150	-	-
Letters of credit	-	1,508,031	-	516
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	1,212,479	1,026,120	3,945	-
<b>Total</b>	<b>5,348,474</b>	<b>6,672,748</b>	<b>60,986</b>	<b>17,427</b>

The Group provided a reserve of TL74,447 (31 December 2013: TL62,012) for non-cash loans not indemnified yet amounting to TL42,821 (31 December 2013: TL34,791) 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
<b>Types of trading transactions</b>				
Foreign currency related derivative transactions (I):	58,692,299	49,986,750	-	-
Forward transactions	7,918,769	8,907,614	-	-
Swap transactions	33,065,343	20,849,320	-	-
Futures transactions	-	-	-	-
Option transactions	17,708,187	20,229,816	-	-
Interest related derivative transactions (II):	4,866,700	7,571,274	-	-
Forward rate transactions	-	-	-	-
Interest rate swap transactions	4,864,376	7,295,012	-	-
Interest option transactions	2,324	276,262	-	-
Futures interest transactions	-	-	-	-
Marketable securities call-put options (III)	-	-	-	-
Other trading derivative transactions (IV)	3,425	-	-	-
<b>A.Total trading derivative transactions (I+II+III+IV)</b>	<b>63,562,424</b>	<b>57,558,024</b>	-	-
<b>Types of hedging transactions</b>				
Fair value hedges	-	-	691,940	612,066
Cash flow hedges	-	-	10,394,271	3,916,034
Net investment hedges	-	-	-	-
<b>B. Total hedging related derivatives</b>	-	-	<b>11,086,211</b>	<b>4,528,100</b>
<b>Total Derivative Transactions (A+B)</b>	<b>63,562,424</b>	<b>57,558,024</b>	<b>11,086,211</b>	<b>4,528,100</b>

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:

The Bank applies fair value hedge accounting in order to avoid the effects of interest rate fluctuations in the market by matching its swap portfolio with its loans and marketable securities. As of 31 December 2014, nominal value of derivative instruments used for hedging purposes is TL691,940 (31 December 2013: TL599,491) and their net fair value is negative TL9,583 (31 December 2013: TL40,563 negative) and their fair value of the hedged loans is TL6,077 (31 December 2013: TL3,404). The Bank accounts TL8,726 income (31 December 2013: TL78,670 income) for derivative instruments used for hedging purposes and TL2,673 income (31 December 2013: TL12,905 expense) from hedged item loans in the financial statements. Regarding the available-for-sale securities, the amount related to the effective portion is accounted TL 150 (31 December 2013: None) which is accounted as TL120 (31 December 2013: None) in the financial statements net-off tax.

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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(Continued):**

	Current Period			Prior Period		
	Nominal	Fair Value		Nominal	Fair Value	
		Asset	Liability		Asset	Liability
Cross Currency Swaps	691,940	1,681	11,264	612,066	56,962	15,616
	<b>691,940</b>	<b>1,681</b>	<b>11,264</b>	<b>612,066</b>	<b>56,962</b>	<b>15,616</b>

ii) Derivative instruments for cash flow hedge purposes:

The Bank has applied cash flow hedge accounting by matching its swap portfolio having total notional amounting to TL10,394,271 with the deposit portfolio having maturity of up to 90 days. Effective portion of TL75,147 (31 December 2013: TL40,232 debit) credit accounted for under equity is presented after deducting its deferred tax effect of TL15,029 (31 December 2013: TL8,046 credit) debit in the financial statements. In 2014, the ineffective portion of TL459 expense (31 December 2013: TL1,427 income) is accounted for under income statement.

	Current Period			Prior Period		
	Nominal	Fair Value		Nominal	Fair Value	
		Asset	Liability		Asset	Liability
Interest Rate Swaps	10,394,271	59,119	302,606	3,916,034	55,283	53,822

**3. Explanations on contingent liabilities and assets:**

- a) 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 2014, there are no contingent assets that need to be explained (31 December 2013: 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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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 2014 the total nominal value and number of certificates are TL1,666,917 and 166,682,310 thousand (31 December 2013: TL1,726,206 and 172,616,885 thousand) and the total fair value is TL8,290,103 (31 December 2013: TL8,212,029).

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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: June 2014**

<b>View</b>	Negative
<b>Bank Financial Strength</b>	D
<b>Foreign Currency Deposits</b>	Baa3/P-3

**Fitch Ratings: August 2014**

**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
<b>Interest on loans (*)</b>				
Short term loans	2,668,541	155,615	1,794,726	145,092
Medium and long term loans	1,746,332	181,494	1,548,431	181,595
Interest on non-performing loans	34,133	-	35,228	-
Premiums received from Resource Utilization Support Fund	-	-	-	-
<b>Total</b>	<b>4,449,006</b>	<b>337,109</b>	<b>3,378,385</b>	<b>326,687</b>

(\*) Includes fees and commissions obtained from cash loans amounting to TL116,306 (31 December 2013: TL121,487).

**b) Information on interest received from banks:**

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of Turkey	-	-	-	-
Domestic banks	26,807	219	3,519	279
Foreign banks	3,896	1,031	3,418	1,128
Branches and head office abroad	-	-	-	-
<b>Total</b>	<b>30,703</b>	<b>1,250</b>	<b>6,937</b>	<b>1,407</b>

**c) Information on interest received from securities portfolio:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets held for Trading	32,586	1,128	62,629	834
Financial Assets Valued at Fair Value through Profit or Loss	-	-	-	-
Financial Assets Available-for-Sale	360,095	3,423	291,201	1,146
Investments Held-to-Maturity	29,077	-	7,893	472
<b>Total</b>	<b>421,758</b>	<b>4,551</b>	<b>361,723</b>	<b>2,452</b>

**d) Information on interest received from associates and subsidiaries:**

Interest income received from associates and subsidiaries are eliminated in the consolidated financial statements.

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**IV. Explanations and Disclosures Related to the Consolidated Statement of Income (Continued)**

**2. a) Information on interest on funds borrowed (\*):**

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
The Central Bank of Turkey	-	-	-	-
Domestic banks	15,767	4,949	9,214	5,806
Foreign banks	51,201	149,165	83,562	123,512
Branches and head office abroad	-	-	-	-
Other financial institutions	-	13,865	-	13,030
<b>Total</b>	<b>66,968</b>	<b>167,979</b>	<b>92,776</b>	<b>142,348</b>

(\*) Includes fees and commission expenses of cash loans amounting to TL5,617 (31 December 2013: TL5,303).

**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:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expense on securities issued	54,865	656	32,288	-
<b>Total</b>	<b>54,865</b>	<b>656</b>	<b>32,288</b>	<b>-</b>

**d) Distribution of interest expense 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		
<b>TL</b>								
Bank deposits	1,374	18,941	130	43	918	140	-	21,546
Saving deposits	257	308,346	805,031	43,996	2,624	2,456	-	1,162,710
Public sector deposits	1	140	1,928	3,277	-	-	-	5,346
Commercial deposits	5	100,946	373,048	29,519	824	1,244	-	505,586
Other deposits	-	13,321	196,939	100,202	566	119	-	311,147
7 days call accounts	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,637</b>	<b>441,694</b>	<b>1,377,076</b>	<b>177,037</b>	<b>4,932</b>	<b>3,959</b>	<b>-</b>	<b>2,006,335</b>
<b>FC</b>								
Foreign currency deposits	346	32,885	179,301	7,756	4,687	9,411	-	234,386
Bank deposits	22	513	1,452	153	48	-	-	2,188
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	1,051	2,696	154	299	-	-	4,200
<b>Total</b>	<b>368</b>	<b>34,449</b>	<b>183,449</b>	<b>8,063</b>	<b>5,034</b>	<b>9,411</b>	<b>-</b>	<b>240,774</b>
<b>Grand Total</b>	<b>2,005</b>	<b>476,143</b>	<b>1,560,525</b>	<b>185,100</b>	<b>9,966</b>	<b>13,370</b>	<b>-</b>	<b>2,247,109</b>

**Prior Period**

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		
<b>TL</b>								
Bank deposits	666	22,356	2,164	449	182	253	-	26,070
Saving deposits	515	259,425	498,568	132,083	17,525	4,823	-	912,939
Public sector deposits	1	2,095	10,412	14,184	68	-	-	26,760
Commercial deposits	159	84,137	273,304	46,984	4,805	173	-	409,562
Other deposits	-	5,274	88,404	46,874	30,401	1,542	-	172,495
7 days call accounts	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,341</b>	<b>373,287</b>	<b>872,852</b>	<b>240,574</b>	<b>52,981</b>	<b>6,791</b>	<b>-</b>	<b>1,547,826</b>
<b>FC</b>								
Foreign currency deposits	627	48,198	121,508	16,622	5,786	10,231	-	202,972
Bank deposits	46	434	956	84	-	136	-	1,656
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	1,573	2,518	355	258	-	-	4,704
<b>Total</b>	<b>673</b>	<b>50,205</b>	<b>124,982</b>	<b>17,061</b>	<b>6,044</b>	<b>10,367</b>	<b>-</b>	<b>209,332</b>
<b>Grand Total</b>	<b>2,014</b>	<b>423,492</b>	<b>997,834</b>	<b>257,635</b>	<b>59,025</b>	<b>17,158</b>	<b>-</b>	<b>1,757,158</b>

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**IV. Explanations and Disclosures Related to the Consolidated Statement of Income (Continued)**

**3. Information on dividend income:**

	<b>Current Period</b>	<b>Prior Period</b>
Trading Securities	-	-
Financial assets at fair value through profit and loss	-	-
Available-for-sale securities	1,339	1,761
Other	-	-
<b>Total</b>	<b>1,339</b>	<b>1,761</b>

**4. Information on net trading income:**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Income</b>	<b>13,195,333</b>	<b>8,914,952</b>
Gains on capital market operations	50,736	138,179
Gains on derivative financial instruments (*)	3,418,651	3,075,979
Foreign exchange gains (**)	9,725,946	5,700,794
<b>Losses (-)</b>	<b>13,567,692</b>	<b>8,848,432</b>
Losses on capital market operations	37,638	97,348
Loss on derivative financial instruments (*)	4,262,100	2,623,893
Foreign exchange losses (**)	9,267,954	6,127,191

(\*) As of 31 December 2014, foreign exchange losses on hedging transactions are TL55,932 (31 December 2013: TL59,485 net profit).

(\*\*) Foreign exchange gains on derivative financial transactions are TL83,998 (31 December 2013: TL98,883 foreign exchange losses).

**5. Information on other operating income:**

Other operating income of the bank consists of reversals of specific provisions which are booked in earlier periods amount to TL89,645 (31 December 2013: TL88,867) and amount to TL19,720 (31 December 2013: TL7,709) from selling past due receivables portfolio and all the transaction cost collected from the clients and disposal of assets.

**6. Provision expenses of banks for loans and other receivables:**

	<b>Current Period</b>	<b>Prior Period</b>
Specific provisions for loans and other receivables	466,439	354,009
III. Group Loans and Receivables	115,967	89,683
IV. Group Loans and Receivables	143,354	112,848
V. Group Loans and Receivables	207,118	151,478
General provision expenses	70,329	132,153
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	39,078	10,034
<b>Total</b>	<b>575,846</b>	<b>496,196</b>

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**IV. Explanations and Disclosures Related to the Consolidated Statement of Income (Continued)**

**7. Information on other operating expenses:**

	<b>Current Period</b>	<b>Prior Period</b>
Personnel expenses	874,750	775,584
Reserve for employee termination benefits	27,740	21,430
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Depreciation expenses of fixed assets	85,921	70,277
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	27,049	15,164
Impairment for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	2,087	5,463
Depreciation expenses of assets to be disposed	2,352	2,173
Impairment expenses of assets held for sale and discontinued operations	-	-
Other operating expenses	707,139	637,744
Rent expenses	186,770	161,997
Maintenance expenses	27,899	28,178
Advertisement expenses	73,386	80,420
Other expenses	419,084	367,149
Loss on sales of assets	4,031	1,266
Other(*)	313,434	246,050
<b>Total</b>	<b>2,044,503</b>	<b>1,775,151</b>

(\*) Included TL54,654 (31 December 2013: TL43,951) in other premiums paid to the Saving Deposit Insurance Fund, TL81,389 (31 December 2013: TL83,010) is other taxes and duties paid .

**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 TL2,675,010 (31 December 2013: TL2,064,461) and TL933,158 (31 December 2013: TL701,692), respectively; while operating expenses are TL2,044,503 (31 December 2013: TL1,775,151).

**9. Information on tax provision for continued and discontinued operations:**

- a) As of 31 December 2014, continuing operations’ current tax charge is TL246,967 (31 December 2013: TL71,155) and deferred tax charge is TL62,820 (31 December 2013: TL103,658 deferred tax charge), there is no current tax charge and deferred tax benefit in the current period from discontinued operations (31 December 2013: None).
- b) Deferred tax benefit on temporary differences resulted from discontinued operations is TL62,820 (31 December 2013: TL103,658 deferred tax charge).

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**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:

	<b>Current Period</b>	<b>Prior Period</b>
<b>Profit on continued and discontinued operations before taxes</b>	<b>826,601</b>	<b>745,357</b>
<b>Additions</b>	<b>104,284</b>	<b>165,957</b>
Disallowables	26,389	29,924
General loan loss provision	71,237	131,548
Effect of different tax rate	4,461	4,311
Other	2,197	174
<b>Deductions</b>	<b>(9,889)</b>	<b>(37,248)</b>
Dividend income	(1,206)	(1,673)
Other	(8,683)	(35,575)
<b>Taxable Profit / (Loss)</b>	<b>920,996</b>	<b>874,066</b>
Corporate tax rate	20%	%20
<b>Tax calculated for continued and discontinued operations</b>	<b>184,199</b>	<b>174,813</b>
Effect of tax account adjustment in the prior period	(52)	-
<b>Tax Expense</b>	<b>184,147</b>	<b>174,813</b>

As of 31 December 2014, current tax charge is TL246,967 (31 December 2013: TL71,155) and deferred tax income on temporary differences is TL62,820 (31 December 2013: TL103,658 deferred tax charge). Net tax charge recognized in the financial statements is TL184,147 (31 December 2013: TL174,813 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 2014 is TL642,454 (31 December 2013: TL570,544). The Group has not made net profit from discontinued operations (31 December 2013: 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 2013: None).
- b) Effect of changes in accounting estimates on income statement for the current and, if any, for subsequent periods: None (31 December 2013: None).
- c) Profit or loss attributable to minority shares:

	<b>Current Period</b>	<b>Prior Period</b>
Profit or loss attributable to minority shares(*)	908	1,728

(\*) The profit belongs to minority shares accounted for under the equity is TL45 (31 December 2013: TL43 loss).

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**IV. Explanations and Disclosures Related to the Consolidated 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:**

<b>Other interest income</b>	<b>Current Period</b>	<b>Prior Period</b>
Interest income from factoring receivables	89,586	81,980
Other	10,805	530
<b>Total</b>	<b>100,391</b>	<b>82,510</b>

<b>Other fees and commissions received</b>	<b>Current Period</b>	<b>Prior Period</b>
Credit cards commissions and fees	670,941	445,344
Insurance commissions received	88,241	52,091
Intelligence fee and commissions	71,429	61,410
Commissions and fees earned from correspondent banks	40,441	37,715
Settlement expense provision, eft, swift, agency commissions	39,379	32,275
Funds management fees	31,875	36,315
Brokerage commissions	29,923	27,858
Transfer commissions	4,511	5,726
Consultancy commissions	3,079	3,020
Other	266,860	213,012
<b>Total</b>	<b>1,246,679</b>	<b>914,766</b>

<b>Other fees and commissions given</b>	<b>Current Period</b>	<b>Prior Period</b>
Credit cards commissions and fees	340,021	226,183
Settlement and swift commissions	27,132	21,874
Commissions and fees paid to correspondent banks	22,394	11,280
Other	45,005	61,394
<b>Total</b>	<b>434,552</b>	<b>320,731</b>

**V. Explanations and Disclosures Related to Consolidated Statement of Changes in Shareholders' Equity**

- a) Shareholders' equity decreased TL97,903 after resulting from revaluation of financial assets available for sale (31 December 2013: TL198,239 decrease) and deferred tax effect of this change is TL19,789 (31 December 2013: TL39,852).

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: TL109,999 income (31 December 2013: TL108,114 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): TL9,713 profit (31 December 2013: TL72,032).

- 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 2014 is TL115,379 (31 December 2013: TL102,314 increase) and deferred tax effect of this change is TL23,076 (31 December 2013: TL20,463).

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**V. Explanations and Disclosures Related to Consolidated Statement of Changes in Shareholders' Equity (Continued)**

- 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 TL26,447 in 2014 (31 December 2013: TL26,864).
- 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 TL2,792,231 (31 December 2013: TL1,392,060) 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 TL793,398 (31 December 2013: TL176,978) 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 TL1,442,992 (31 December 2013: TL2,226,953) consists of changes in sundry debtors and other assets.

“Other items” amounting to TL27,977 (31 December 2013: TL45,596) 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 TL9,874 for the year 2014 (31 December 2013: TL67,874).

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**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:

<b>Beginning of the period</b>	<b>Current Period</b>	<b>Prior Period</b>
<b>Cash</b>	<b>1,546,639</b>	<b>1,088,529</b>
Cash in TL/Foreign Currency	673,704	591,035
Central Bank – Unrestricted amount	852,969	447,146
Other	19,966	50,348
<b>Cash equivalents</b>	<b>404,863</b>	<b>2,493,245</b>
Banks	404,618	793,015
Money market placements	245	1,700,230
<b>Total cash and cash equivalents</b>	<b>1,951,502</b>	<b>3,581,774</b>
<b>End of the period</b>	<b>Current Period</b>	<b>Prior Period</b>
<b>Cash</b>	<b>1,994,318</b>	<b>1,546,639</b>
Cash in TL/Foreign Currency	766,644	673,704
Central Bank – Unrestricted amount	1,193,759	852,969
Other	33,915	19,966
<b>Cash equivalents</b>	<b>1,444,904</b>	<b>404,863</b>
Banks	894,866	404,618
Money market placements	550,038	245
<b>Total cash and cash equivalents</b>	<b>3,439,222</b>	<b>1,951,502</b>



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**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 and income/expense items are presented as of 31 December 2013.

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	-	-	20,666	10	52,230	376,434
Balance at end of period	-	-	9,560	-	78,334	273,557
Interest and commission income	-	-	1,513	106	2,049	272

Direct and indirect shareholders of the Bank balance above includes TL9,016 and other entities included in the risk group balance above includes TL580 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	-	-	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”.

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	-	-	1,221,029	471,343	672,711	307,130
Balance at end of period	-	-	1,034,271	1,221,029	1,190,285	672,711
Interest on deposits	-	-	37,492	27,851	23,613	12,706

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**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	-	-	11,389,136	8,814,102	664,232	3,628
End of period	-	-	9,341,199	11,389,136	673,619	664,232
Total income/loss	-	-	(155,444)	(35,159)	3,020	1,563
Hedging transactions purposes						
Beginning of period	-	-	480,718	830,956	-	-
End of period	-	-	642,633	480,718	-	-
Total income/loss	-	-	11,628	24,388	-	-

d) As of 31 December 2014, the total amount of remuneration and fees provided for the senior management of the Group is TL39,386 (31 December 2013: TL34,710).

**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	546	10,077			
Rep-offices abroad	-	-	Country		
Branches abroad	4	62	Cyprus	520,623	20,000
Off-shore branches	1	3	Bahrain	424,931	-

**2. Explanations on Branch and Agency Openings or Closings of the Parent Bank:**

In the year 2014, the Parent Bank opened 11 branches , closed 4 branches. According to The Bank’s Board of Directors Resolution, No: 5132/147 and dated 21 October 2014, it was decided to close Türk Ekonomi Bankası A.Ş Bahrain Branch in Bahrain which is registered to Trade Registry, No:50046-1.

**IX. Explanations on Post Balance Sheet Events**

None.

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

**TÜRK EKONOMİ BANKASI A.Ş.  
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM  
1 JANUARY TO 31 DECEMBER 2014**

(Unless otherwise stated amounts are expressed in thousands o Turkish Lira (“TL”).)

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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 5 February 2015 is presented preceding the consolidated financial statements.

**II. Other Footnotes and Explanations Prepared by Independent Auditors**

None.

## BRANCHES

ŞUBE ADI	ŞUBE ADRESİ	İLÇE ADI	İL ADI	TELEFON NO
Ankara Branch	Kazım Özalp Mahallesi, Reşit Galip Caddesi, No:87	ÇANKAYA	ANKARA	+ 90 850 204 00 06
İstanbul Kurumsal Branch	Gayrettepe Mahallesi Yener Sokak No:1 Kat:1/A Beşiktaş 34349 İstanbul	BEŞİKTAŞ	İSTANBUL	+ 90 850 204 00 12
Osmanbey Branch	Cumhuriyet Mah. Halaskargazi Cad. No: 245 - 251	ŞİŞLİ	İSTANBUL	+ 90 850 204 00 13
Bakırköy Branch	Cevizlik Mah, İstanbul Cad, No:24	BAKIRKÖY	İSTANBUL	+ 90 850 204 00 14
Suadiye Branch	Bağdat Cad. German Apt. 456 Suadiye	KADIKÖY	İSTANBUL	+ 90 850 204 00 15
Etiler Branch	Nispetiye Cad. Dilhayat Sok. No:8 Bodrum Kat Etiler Beşiktaş 34337 İstanbul	BEŞİKTAŞ	İSTANBUL	+ 90 850 204 00 16
Bursa Branch	Doğanbey Mahallesi, Fevzi Çakmak Caddesi, No:52/B Osmangazi BURSA	OSMANGAZİ	BURSA	+ 90 850 204 00 17
Kozyatağı Kurumsal Branch	Değirmen Sokak Nida Kule No:18 Kat:3 Kozyatağı Kadıköy 34710 İstanbul	KADIKÖY	İSTANBUL	+ 90 850 204 00 18
Denizli Branch	Saraylar Mahallesi İzmir Bulvarı No:57 Merkez 20100 Denizli	MERKEZ	DENİZLİ	+ 90 850 204 00 19
İzmit Branch	Körfez Mahallesi, Ankara Karayolu, No:123/3	MERKEZ (İZMİT)	KOCAELİ	+ 90 850 204 00 20
Bayrampaşa Branch	Yenidoğan Mah. Abdi İpekçi Cad. No:47	BAYRAMPAŞA A	İSTANBUL	+ 90 850 204 00 22
Kayseri Branch	Cumhuriyet Mah. Millet Cad. Belediye İş Merkezi 65/66	MERKEZ	KAYSERİ	+ 90 850 204 00 23
Antalya Branch	Etiler Mahallesi Adnan Menderes Bulvarı Birlik Apartmanı No:53/A-B Muratpaşa 07010 ANTALYA	MURATPAŞA	ANTALYA	+ 90 850 204 00 25
Adana Branch	Turhan Cemal Beriker Bulvarı Güleç İşhanı No:24 Seyhan 01120 ADANA	SEYHAN	ADANA	+ 90 850 204 00 26
Gaziantep Branch	İncili Pınar Mah. Muammer Aksoy Bulvarı Dünya İş Merkezi 34/2	ŞEHİTKAMİL	GAZİANTEP	+ 90 850 204 00 28
Eminönü Branch	Hobyar Mahallesi Arpacılar Caddesi No:12 Fatih 34112 İstanbul	FATİH	İSTANBUL	+ 90 850 204 00 29
Konya Branch	Musalla Bağları Mahallesi Ahmet Hilmi Nalçacı Caddesi Cengizhan No:130/1 Selçuklu 42060 Konya	SELÇUKLU	KONYA	+ 90 850 204 00 30
Kahramanmaraş Branch	Hayrullah Mahallesi Kıbrıs Meydanı 33011. Sokak No:2 Merkez 46040 Kahramanmaraş	MERKEZ	KAHRAMANMARAŞ	+ 90 850 204 00 31
Merter Branch	Osmaniye Mahallesi, Keresteciler Sitesi, Fatih Caddesi, No:21	GÜNGÖREN	İSTANBUL	+ 90 850 204 00 32
Ulus Ankara Branch	Necatibey Mahallesi, Anafartalar Caddesi, No:33, Ulus	ALTINDAĞ	ANKARA	+ 90 850 204 00 34
Gebze Branch	Hacı Halil Mah.Zübeyde Hanım Cad. No:33/B	GEBZE	KOCAELİ	+ 90 850 204 00 35

Pendik E-5 Branch	Çınardere Mahallesi, E5 Yanyolu Caddesi, No:85	PENDİK	İSTANBUL	+ 90 850 204 00 37
Mersin Branch	İsmet İnönü Bulvarı No : 102	MERKEZ (MERSİN)	MERSİN	+ 90 850 204 00 38
Güneşli Branch	Evren Mah. Koçman Cad. No:36/B Bağcılar 34212 İstanbul	BAĞCILAR	İSTANBUL	+ 90 850 204 00 39
İzmir Branch	Cumhuriyet Bulvarı 109-A	KONAK	İZMİR	+ 90 850 204 0040
Eskişehir Branch	İki Eylül Cad. Başan Sokak No:2	MERKEZ	ESKİŞEHİR	+ 90 850 204 00 41
Kalamış Branch	Faruk Ayanoğlu Cad. Barış Apt. 19/1-2 Fenerbahçe	KADIKÖY	İSTANBUL	+ 90 850 204 00 42
Ümraniye Branch	Alemdağ Cad. 194/2	ÜMRANİYE	İSTANBUL	+ 90 850 204 00 43
Maçka Branch	Mim Kemal Öke Cad. 23/1 Nişantaşı	ŞİŞLİ	İSTANBUL	+ 90 850 204 00 45
Beylikdüzü Branch	Açelya Caddesi, No:1/8-B Yakuplu	BÜYÜKÇEKMECE	İSTANBUL	+ 90 850 204 00 47
Bebek Branch	Cevdet Paşa Caddesi, No:55 Bebek	BEŞİKTAŞ	İSTANBUL	+ 90 850 204 00 48
4. Levent Branch	Emniyet Evleri Mahallesi Eski Büyükdere Caddesi No:11/A Kağıthane 34415	KAĞITHANE	İSTANBUL	+ 90 850 204 00 49
Pınarbaşı Branch	Ümit Mah., Kemalpaşa Caddesi, No: 19/B Bornova İzmir	BORNOVA	İZMİR	+90 850 204 00 50
Kemalpaşa Branch	Atatürk Mahallesi, İzmir Caddesi, No:89 Kemalpaşa OSB Kemalpaşa 35177 İZMİR	KEMALPAŞA	İZMİR	+ 90 850 204 00 51
Karabağlar Branch	Aşık Veysel Mahallesi Yeşillik Caddesi No: 437-441/B Karabağlar 35110 İZMİR	KARABAĞLAR	İZMİR	+ 90 850 204 00 53
Yeşilköy Branch	İstasyon Caddesi Orhan Gazi Sok. No:1 Zemin Kat Kısım A Yeşilköy	BAKIRKÖY	İSTANBUL	+ 90 850 204 00 54
Trakya Kurumsal Branch	Nur Yıldız Plaza Evren Mahallesi Gülbahar Caddesi No:7A Kat:5 Güneşli/Bağcılar 34212 İstanbul	BAĞCILAR	İSTANBUL	+ 90 850 204 00 55
Kozyatağı Branch	Atatürk Cad. Akdeniz Sitesi, A1 Blok, 1-2-3 Sahrayıcedit, Erenköy	KADIKÖY	İSTANBUL	+ 90 850 204 00 56
Orta Anadolu Kurumsal Branch	Kavaklıdere Mahallesi Atatürk Bulvarı No:154	ÇANKAYA	ANKARA	+ 90 850 204 00 57
Marmara Kurumsal Branch	Doğanbey Mah. Doğanbey Sokak No:3 Kat:3 A Kısım Osmangazi 16220 BURSA	OSMANGAZİ	BURSA	+ 90 850 204 00 58
Gazipaşa Bulvarı Branch	Gazipaşa Bulvarı Karadayı Apt. No :20 / 12	SEYHAN	ADANA	+ 90 850 204 00 592
İkitelli Branch	İkitelli Organize Sanayi Bölgesi Atatürk Bulvarı, No: 107/8 İkitelli	KÜÇÜKÇEKMECE	İSTANBUL	+ 90 850 204 00 60
İmes Sanayi Sitesi Branch	İmes Sanayi Sitesi C Blok 301/3 Yukarı Dudullu	ÜMRANİYE	İSTANBUL	+ 90 850 204 00 61

Mecidiyeköy Branch	Büyükdere Cad. 103/1 Mecidiyeköy	ŞİŞLİ	İSTANBUL	+ 90 850 204 00 64
Bursa Serbest Bölge Branch	Bursa Serbest Bölgesi Hisar Mevkii, Liman Yolu B1 A	GEMLİK	BURSA	+ 90 850 204 00 65
Çarşı İzmir Branch	1203/1 Sokak, No: 7 Yenişehir, Konak İzmir	KONAK	İZMİR	+ 90 850 204 00 66
A.O.S.B. İzmir Branch	M. Kemal Atatürk Bulvarı No:42 / 19 Çiğli 35620 İzmir	ÇİĞLİ	İZMİR	+ 90 850 204 00 67
Ege Kurumsal Branch	Cumhuriyet Bulvarı 66 Kat:2	KONAK	İZMİR	+ 90 850 204 00 68
Gündoğdu Branch	Plevne Bulvarı, No:1/A Alsancak	KONAK	İZMİR	+ 90 850 204 00 69
Özel Bankacılık Merkezi Branch	Nispetiye Cad. Dilhayat Sok. No:8 Zemin Kat Etiler	BEŞİKTAŞ	İSTANBUL	+ 90 850 204 00 70
Aksaray İstanbul Branch	Millet Cad. No.3/1 Aksaray	FATİH	İSTANBUL	+ 90 850 204 00 72
Antakya Branch	Yavuz Selim Cad. 5. Mıntıka Zühtüye Ökten Çarşısı No:1-2 Antakya Merkez 31100 Hatay	Merkez	HATAY	+ 90 850 204 00 73
Avcılar Branch	Esenyurt Yolu Orhangazi Cad. No:68	AVCILAR	İSTANBUL	+ 90 850 204 00 74
Aydın Branch	Kurtuluş Mah. Adnan Menderes Bulvarı 40/B-C	MERKEZ	AYDIN	+ 90 850 204 00 75
Bahçeşehir Branch	Bahçeşehir 2. Kısım Mahallesi Süzer Bulvarı No:13 Başakşehir 34488 İstanbul	BAŞAKŞEHİR	İSTANBUL	+ 90 850 204 00 76
Balıkesir Branch	Hisariçi Mahallesi Örücüler Caddesi No:14/C Merkez 10100 BALIKESİR	MERKEZ	BALIKESİR	+ 90 850 204 00 77
Beşiktaş Branch	Ortabahçe Cad.No :2	BEŞİKTAŞ	İSTANBUL	+ 90 850 204 00 78
Beşüzevler Branch	Eski Edirne Asfaltı Küçükköy Mah. Poligon Sok. 224	GAZİOSMAN PAŞA	İSTANBUL	+ 90 850 204 00 79
İskenderun Branch	Çay Mahallesi, Atatürk Bulvarı, No:25/1-2	İSKENDERUN	HATAY	+ 90 850 204 00 85
Girne Bulvarı Branch	Girne Bulvarı No:140 Karşıyaka 35580 İZMİR	KARŞIYAKA	İZMİR	+ 90 850 204 00 86
Altıyol Branch	Söğütluçeşme Caddesi No:124/126 A	KADIKÖY	İSTANBUL	+ 90 850 204 00 87
Karadeniz Ereğli Branch	Orhanlar Mah.Arifağa, Yalı Cad. No:36 Ereğli	EREĞLİ	ZONGULDAK	+ 90 850 204 00 88
Malatya Branch	Niyazi Mahallesi Çevre Yolu Sokak (Buhara Bulvarı) Caddesi No:195 Merkez 44100	MERKEZ	MALATYA	+ 90 850 204 00 89
Samsun Branch	Kale Mahallesi Kaptanağa Sok. No: 4/B İlkadım 55030 Samsun	MERKEZ	SAMSUN	+ 90 850 204 00 90
Trabzon Branch	Kemer kaya Mah. Kahramanmaraş Cad. No:35	MERKEZ	TRABZON	+ 90 850 204 00 91

Uşak Branch	İsliçe Mah. İsmetpaşa Cad. No:67/B Merkez 64100 UŞAK	MERKEZ	UŞAK	+ 90 850 204 00 92
Zeytinburnu Branch	Prof. Muammer Aksoy Cad. No:85	ZEYTİNBURN U	İSTANBUL	+ 90 850 204 00 93
Altunizade Branch	Kısıklı Cad. No:19 Altunizade	ÜSKÜDAR	İSTANBUL	+ 90 850 204 00 95
Davutpaşa Branch	Maltepe Mah. Davutpaşa Cad. No:101 DK:230- 231-232-352 Topkapı Zeytinburnu 34010 İstanbul	ZEYTİNBURN U	İSTANBUL	+ 90 850 204 00 96
Şehitkamil Gaziantep Branch	Ali Fuat Cebesoy Bulvarı No:54/B	ŞEHİTKAMİL	GAZİANTEP	+ 90 850 204 00 97
Bayramyeri Branch	Enver Paşa Caddesi, No:26	MERKEZ	DENİZLİ	+ 90 850 204 00 98
Bahreyn Branch	Al Rossais Tower 5th Floor No:53 Diplomatic Area, Manama		KINGDOM OF BAHRAIN	973 17 54 00 70
Bornova Branch	Mustafa Kemal Cad. 132/1	BORNOVA	İZMİR	+ 90 850 204 01 00
Gaziosmanpaşa Ankara Branch	Uğur Mumcu Cad. 76/A Gaziosmanpaşa	ÇANKAYA	ANKARA	+ 90 850 204 01 01
Marmaris Branch	Tepe Mahallesi Ulusal Egemenlik Caddesi No:24 Marmaris 48700 MUĞLA	MARMARİS	MUĞLA	+ 90 850 204 01 02
Nilüfer Branch	İhsaniye Mah.İzmir Yolu Caddesi No 122 Nilüfer 7	NİLÜFER	BURSA	+ 90 850 204 01 03
Taksim Branch	Şehit Muhtar Cad 17/A Taksim	BEYOĞLU	İSTANBUL	+ 90 850 204 01 04
Meşrutiyet Caddesi Branch	Meşrutiyet Mahallesi, Meşrutiyet Caddesi No:11 B	ÇANKAYA	ANKARA	+ 90 850 204 01 05
Bodrum Branch	Türk Kuyusu Mahallesi, Kıbrıs Şehitleri Caddesi, No:65/A-65/B	BODRUM	MUĞLA	+ 90 850 204 01 06
Manavgat Branch	Eski Hisar Mahallesi Demokrasi Bulvarı Öğrekçi Plaza No: 73/Z02-Z03 Manavgat 07600 Antalya	MANAVGAT	ANTALYA	+ 90 850 204 01 07
Alanya Branch	Saray Mahallesi Sugözü Caddesi No:19 Alanya 07400 ANTALYA	ALANYA	ANTALYA	+ 90 850 204 01 08
Çorlu Branch	Kazimiye Mahallesi, Salih Omurtak Caddesi, No:22/B	ÇORLU	TEKİRDAĞ	+ 90 850 204 01 09
Caddebostan Branch	Bağdat Cad. No: 273 Göztepe	KADIKÖY	İSTANBUL	+ 90 850 204 01 10
Kazasker Branch	Şemsettin Günaltay Cad. No:109/A Erenköy	KADIKÖY	İSTANBUL	+ 90 850 204 01 11
Levent Çarşı Branch	Çarşı Caddesi No:22 1.Levent	BEŞİKTAŞ	İSTANBUL	+ 90 850 204 01 12
Adapazarı Branch	Tiğcılar Mahallesi, Atatürk Bulvarı, No:27	MERKEZ	SAKARYA	+ 90 850 204 01 13
Manisa Branch	1.Anafartalar Mahallesi Mustafa Kemal Paşa Caddesi No:40/A Merkez 45020 MANİSA	MERKEZ	MANİSA	+ 90 850 204 01 14

Lara Branch	Yeşilbahçe Mah. Metin Kasapoğlu Cad. Armada Apt. 44/4-5-6	MERKEZ	ANTALYA	+ 90 850 204 01 15
Afyon Branch	Umurbey Mahallesi Cumhuriyet Meydanı No:7 Merkez 03100 AFYONKARAHİSAR	MERKEZ	AFYONKARAHİSAR	+ 90 850 204 01 16
Atatürk Caddesi Adana Branch	Kurtuluş Mahallesi Atatürk Caddesi Meryem Gizer Apartmanı No:63/A Seyhan 01130 Adana	SEYHAN	ADANA	+ 90 850 204 01 17
Büsan Sanayi Sitesi Branch	Fevzi Çakmak Mah. KOSGEB Caddesi No:1/1 Karatay 42050 Konya	KARATAY	KONYA	+ 90 850 204 01 18
Hadımköy Branch	Akçaburgaz 5.Bölge San 1 Bulvarı 109 Hadımköy	BÜYÜKÇEKMECE	İSTANBUL	+ 90 850 204 01 19
Beşevler Sanayi Branch	Üçevler Mah Nilüfer Cad 4	NİLÜFER	BURSA	+ 90 850 204 01 20
Maltepe İstanbul Branch	Bağlarbaşı Mahallesi, Bağdat Caddesi, No:477	MALTEPE	İSTANBUL	+ 90 850 204 01 21
Sefaköy Branch	Fevzi Çakmak Mah. Ahmet Kocabıyık Sk. 10 Sefaköy	KÜÇÜKÇEKMECE	İSTANBUL	+ 90 850 204 01 22
Beyazıt Branch	Mimar Hayrettin Mahallesi Yeniçeriler Caddesi No:31 K:1 Eminönü Fatih 34126 İSTANBUL	FATİH	İSTANBUL	+ 90 850 204 01 23
Ostim Branch	Ostim Sanayi Sitesi 100.Yıl Bulvarı No:9	YENİMAHALLE	ANKARA	+ 90 850 204 01 23
Ortaklar Caddesi Branch	Büyükdere Cad. 60/A Mecidiyeköy	ŞİŞLİ	İSTANBUL	+ 90 850 204 01 25
Güneşli Tahsilat Veznesi Branch	Yalçın Koreş Cad. No:20 Yenibosna	BAĞCILAR	İSTANBUL	+ 90 212 515 52 46
Perpa Branch	Okmeydanı Mah.Perpa Ticaret Merkezi A Blok 922 Kat:7/8/9	ŞİŞLİ	İSTANBUL	+ 90 850 204 01 27
Diyarbakır Branch	Peyas Mahallesi, Urfa Caddesi, Azizoğlu Sitesi, A Blok, Zemin Kat, No:98/32	MERKEZ	DİYARBAKIR	+ 90 850 204 01 28
Maslak Branch	Reşitpaşa Mahallesi Eski Büyükdere Caddesi No:14/A Sarıyer 34468 İSTANBUL	SARIYER	İSTANBUL	+ 90 850 204 01 29
Ortaköy Branch	Yıldız Mahallesi, Çırağan Caddesi, No:97 Ortaköy	BEŞİKTAŞ	İSTANBUL	+ 90 850 204 01 30
Pendik Branch	Batı Mah. Ankara Cad. No:102	PENDİK	İSTANBUL	+ 90 850 204 01 31
Üsküdar Branch	Aziz Mahmut Hüdayi Mah. Hakimiyeti Milliye Cad. No: 50 Kat : 1 Üsküdar 34672 İstanbul	ÜSKÜDAR	İSTANBUL	+ 90 850 204 01 32
Fethiye Branch	Cumhuriyet Mahallesi, Çarşı Caddesi, No:25 Fethiye 48300 MUĞLA	FETHİYE	MUĞLA	+ 90 850 204 01 33
Çiftelavuzlar Branch	Bağdat Cad. Aziz Kaya İş Merkezi No: 193/A Zemin Kat A Kısım Çiftelavuzlar Kadıköy 34730 İstanbul	KADIKÖY	İSTANBUL	+ 90 850 204 01 34
Şanlıurfa Branch	Atatürk Bulvarı Numune Pasajı No:16/2-3	MERKEZ	ŞANLIURFA	+ 90 850 204 01 35
Necatibey Branch	Namık Kemal Mah.Necatibey Cad. No : 23/A Kızılay	ÇANKAYA	ANKARA	+ 90 850 204 01 36



Kadıköy Rihtım Branch	Caferağa Mah. Damga Sok. No:9/2	KADIKÖY	İSTANBUL	+ 90 850 204 01 37
Kızılay Branch	Gazi Mustafa Kemal Bulvarı No:7/A Kızılay	KIZILAY	ANKARA	+ 90 850 204 01 38
Karaköy Branch	Müeyyetzade Mah.Kemeraltı Cad. No:1/3 Zemin Kat Şefkat İş Hanı 34425 Karaköy Beyoğlu İSTANBUL	BEYOĞLU	İSTANBUL	+ 90 850 204 01 39
Kartal Çarşı Branch	Ankara Cad. Şimşek Han No: 82 Zemin Kat	KARTAL	İSTANBUL	+ 90 850 204 01 40
Siteler Branch	Siteler Mah. Sırma Sok. No:1 Siteler	ALTINDAĞ	ANKARA	+ 90 850 204 01 41
Bolu Branch	Aktaş Mah.İzzet Baysal Cad. No:114	MERKEZ	BOLU	+ 90 850 204 01 42
Çekmeköy Branch	Madenler Mahallesi Serencebey Cad. No:58A Ümraniye 34776 İstanbul	ÜMRANİYE	İSTANBUL	+ 90 850 204 01 43
Çorum Branch	Çepni Mah. İnönü Cad. No:4	MERKEZ	ÇORUM	+ 90 850 204 01 44
Körfez Kurumsal Branch	Gebze Organize Sanayi Bölgesi, Bankalar ve Çarşı Merkezi, 1600 Sokak, No:1601-7	GEBZE	KOCAELİ	+ 90 850 204 01 45
Göztepe İstanbul Branch	Göztepe Mahallesi Tütüncü Mehmet Efendi Caddesi No:93/A Göztepe Kadıköy 34730 İSTANBUL	KADIKÖY	İSTANBUL	+ 90 850 204 01 46
Tahtakale Branch	Tahtakale Mah. Tahtakale Cad. No:55 Fatih 34116 İstanbul	FATİH	İSTANBUL	+ 90 850 204 01 47
Erzurum Branch	Gez Mah.Orhan Şerifsoy Cad. Merkez Bankası Karşısı	MERKEZ	ERZURUM	+ 90 850 204 01 48
Üçkapılar Branch	Balbey Mah. Şht. Bnb. Cengiz Toytunç Cad. No:52 Muratpaşa 07040 ANTALYA	MURATPAŞA	ANTALYA	+ 90 850 204 01 49
Balgat Branch	Ceyhun Atıf Kansu Cad. No:80 Balgat	ÇANKAYA	ANKARA	+ 90 850 204 01 50
Heykel Branch	Bursa Selçuk Hatun Mah. Ressam Şefik Bursalı Cad. No:5 Heykel	OSMANGAZİ	BURSA	+ 90 850 204 01 51
İçerenköy Branch	İçerenköy Mah. Çayır Cad. No:9B Ataşehir 34756 İstanbul	ATAŞEHİR	İSTANBUL	+ 90 850 204 01 52
Fatsa Branch	Mustafa Kemal Paşa Mahallesi Reşadiye Cad. No:14/A Fatsa 52400 ORDU	FATSA	ORDU	+ 90 850 204 01 53
Didim Branch	Atatürk Bulvarı, No:113/A	DİDİM	AYDIN	+ 90 850 204 01 54
Kavacık Branch	Çubuklu Mahallesi, Orhan Veli Kanık Caddesi No:81/B,	BEYKOZ	İSTANBUL	+ 90 850 204 01 55
Yüreğir Branch	Cumhuriyet Mah.770 Sok.No:11/A	YÜREĞİR	ADANA	+ 90 850 204 01 56
Çağlayan Branch	Hürriyet Mahallesi Vatan Caddesi No:6A Çağlayan Kağıthane 34403 İstanbul	KAĞITHANE	İSTANBUL	+ 90 850 204 01 57
Çarşamba Branch	Dr.Tevfik Türker Caddesi No:13	ÇARŞAMBA	SAMSUN	+ 90 850 204 01 58

Ataköy Branch	Ataköy 5.Kısım Güney Çarşısı No:4 Ataköy	BAKIRKÖY	İSTANBUL	+ 90 850 204 01 59
İzmir Göztepe Branch	Göztepe Mahallesi Mithatpaşa Caddesi Bulvar Apt. No:996 Konak 35290 İzmir	KONAK	İZMİR	+90 850 204 01 60
Elazığ Branch	Hürriyet Cad. Mehmet Arslan İş Merkezi No:35/A	MERKEZ	ELAZIĞ	+ 90 850 204 01 61
Gazlılar Branch	Hacı İlyas Mah. Celal Bayar Cad. Cüneyt Apt. No:35/11	OSMANGAZİ	BURSA	+ 90 850 204 01 62
Yıldız Branch	Turan Güneş Bulvarı No:17	ÇANKAYA	ANKARA	+ 90 850 204 01 63
Barkal Branch	Şakirpaşa Mahallesi Turhan Cemal Beriker Blv. No:249/A Seyhan 01100 Adana	SEYHAN	ADANA	+ 90 850 204 01 64
Garajlar Branch	Bahar Mah. Ulubatlı Hasan Bulvarı 61/E	OSMANGAZİ	BURSA	+ 90 850 204 01 65
Niğde Branch	Yenice Mah.Bankalar Cad.No:15	MERKEZ	NİĞDE	+ 90 850 204 01 66
İvedik Branch	İvedik Organize Sanayi Sit. Melih Gökçek Bulvarı Halk Yapı Koop.No :17/22 Ostim	YENİMAHALLE	ANKARA	+ 90 850 204 01 67
Fethiye İnönü Bulvarı Branch	Taşyaka Mahallesi İnönü Bulvarı No:82/A Fethiye 48300 Muğla	FETHİYE	MUĞLA	+ 90 850 204 01 68
Bodrum Çarşı Branch	Çarşı Mahallesi 4. Sokak No:11 Bodrum 48400 MUĞLA	BODRUM	MUĞLA	+ 90 850 204 01 69
Kayseri Sanayi Branch	Anbar Mahallesi 14. Cadde No:20 Zemin Kat	MELİKGAZİ	KAYSERİ	+ 90 850 204 01 70
Konyaaltı Branch	Konyaaltı Cad. Sıtkı Göksoy Apt. No:40/5	MERKEZ	ANTALYA	+ 90 850 204 01 72
Alanya Mahmutlar Branch	Yeni Mahalle Barbaros Cad. No:98-A2 Blok A ve 98-A2 Blok B Mahmutlar	ALANYA	ANTALYA	+ 90 850 204 01 73
Kemer Branch	Yeni Mahalle Dört Yol Bulvarı No:25/B	KEMER	ANTALYA	+ 90 850 204 01 74
Gatem Branch	Sanayi Mahallesi Erdoğan Ergönül Caddesi No:7 27110 Şehitkamil/Gaziantep	ŞEHİTKAMİL	GAZİANTEP	+ 90 850 204 01 75
Bağcılar Branch	İstanbul Cad. No:12/B	BAĞCILAR	İSTANBUL	+ 90 850 204 01 76
Akçaabat Branch	Orta Mahallesi, İnönü Caddesi No:119 -119 A	AKÇAABAT	TRABZON	+ 90 850 204 01 77
Topçular Branch	Rami Kışla Cad.Koçbay İş Merkezi No:25/B 7-8 Topçular	EYÜP	İSTANBUL	+ 90 850 204 01 78
Des Sanayi Branch	Dudullu Organize Sanayi Bölgesi DES Sanayi Sitesi 1.Cadde No: 3/4 Ümraniye 34775 İstanbul	ÜMRANİYE	İSTANBUL	+ 90 850 204 01 79
Mega Center Branch	Kocatepe Mah. Yemiş Meydanı Sok. No: 1/76 Zemin Kat Bayrampaşa 34045 İSTANBUL	BAYRAMPAŞA	İSTANBUL	+ 90 850 204 01 80
Samsun Sanayi Branch	Yeni Mahalle Sanayi Sitesi 28.Cadde No:19	MERKEZ	SAMSUN	+ 90 850 204 01 81

Ordu Branch	Şarkiye Mah. Süleyman Felek Cad.No:93 / C Zemin Kat	MERKEZ	ORDU	+ 90 850 204 01 82
Acıbadem Branch	Acıbadem Caddesi, No:164/4	ÜSKÜDAR	İSTANBUL	+ 90 850 204 01 83
Teksan Branch	Teksan Sanayi Sitesi Ankara Karayolu 10.Km. İdari Bina	MERKEZ	ESKİŞEHİR	+ 90 850 204 01 84
Çanakkale Branch	Kemalpaşa Mah.Çarşı Cad. No:113	MERKEZ	ÇANAKKALE	+ 90 850 204 01 85
Gaziosmanpaşa İstanbul Branch	Merkez Mahallesi Eyüp Yolu No:4 Gaziosmanpaşa 34245 İSTANBUL	GAZİOSMAN PAŞA	İSTANBUL	+ 90 850 204 01 86
Kurtköy Branch	Şeyhli Mahallesi Ankara Caddesi No:217 A Pendik 34890 İSTANBUL	PENDİK	İSTANBUL	+ 90 850 204 01 87
Çallı Branch	Cumhuriyet Mahallesi 662 Sokak No:4 Muratpaşa 07010 Antalya	MURATPAŞA	ANTALYA	+ 90 850 204 01 88
Büyükçekmece Branch	Dizdariye Mahallesi Atatürk Caddesi No: 43 Zemin Kat	BÜYÜKÇEKMECE	İSTANBUL	+ 90 850 204 01 89
Edremit Branch	Cumhuriyet Meydanı Cumhuriyet Plaza No:1/C Zemin Kat Edremit 10300 BALIKESİR	EDREMIT	BALIKESİR	+ 90 850 204 01 90
Sincan Branch	Atatürk Mahallesi, Ankara Caddesi, No: 44/A	SİNCAN	ANKARA	+ 90 850 204 01 91
Salihli Branch	Atatürk Mahallesi Belediye Caddesi No:93-95	SALİHLİ	MANİSA	+ 90 850 204 01 92
Gemlik Branch	Hamidiye Mahallesi, İstiklal Caddesi, No: 31	GEMLİK	BURSA	+ 90 850 204 01 93
Sultanbeyli Branch	Mehmet Akif Mahallesi Fatih Bulvarı No:244/B Sultanbeyli 34920 İSTANBUL	SULTANBEYLİ	İSTANBUL	+ 90 850 204 01 94
Rize Branch	Yeniköy Mah.Tevfik İleri Cad. No : 18	MERKEZ	RİZE	+ 90 850 204 01 95
Suburcu Branch	Çukur Mahallesi Suburcu Caddesi No: 11/A Şahinbey 27400 Gaziantep	ŞAHİNBEY	GAZİANTEP	+ 90 850 204 01 96
İstoç Branch	Mahmutbey Mahallesi 17. Yol Sokak No: 132/A İSTOÇ Bağcılar 34218 İSTANBUL	BAĞCILAR	İSTANBUL	+ 90 850 204 01 97
Samsun Çiftlik Branch	19 Mayıs Mahallesi İstiklal Caddesi No:57 İlkadım 55030 SAMSUN	İLKADIM	SAMSUN	+ 90 850 204 01 98
Çınar Branch	15 Mayıs Mahallesi Gazi Mustafa Kemal Bulvarı No:145/B Merkez 20150 Denizli	MERKEZ	DENİZLİ	+ 90 850 204 01 99
İzmir Çankaya Branch	Fevzipaşa Bulvarı No:59 / A-B Çankaya	KONAK	İZMİR	+ 90 850 204 02 00
Sarıyer Branch	Sarıyer Merkez Mahallesi, Yeni Mahalle Cad. No:19	SARIYER	İSTANBUL	+ 90 850 204 02 01
Florya Branch	Şenlik Mah. Florya Asfaltı No:86 Zemin Kat Kısım A Florya Bakırköy 34153 İstanbul	BAKIRKÖY	İSTANBUL	+ 90 850 204 02 02
Manisa Sanayi Branch	75.Yıl Mah.Bahri Sarıtepe Cad. No : 73	MERKEZ	MANİSA	+ 90 850 204 02 03

Akdeniz Sanayi Branch	Şafak Mah. 5009 Sokak Akdeniz Sanayi Sitesi 36. Blok No:114 Kepez 07224 Antalya	KEPEZ	ANTALYA	+ 90 850 204 02 04
Lüleburgaz Branch	Kocasinan Mahallesi İstanbul Caddesi No: 12/ Z01 Lüleburgaz 39750 KIRKLARELİ	LÜLEBURGAZ	KIRKLARELİ	+ 90 850 204 02 05
Saydam Caddesi Branch	Sucuzade Mah.Saydam Cad.No:42	SEYHAN	ADANA	+ 90 850 204 02 06
İncirli Branch	İncirli Cad.77/B	BAKIRKÖY	İSTANBUL	+ 90 850 204 02 07
İzmir 1. Sanayi Branch	Mersinli Mahallesi, 2822 Sokak No: 63 Konak 35170 İZMİR	KONAK	İZMİR	+ 90 850 204 02 08
Kurtuluş Branch	Feriköy Mahallesi, Kurtuluş Caddesi, No:126A	ŞİŞLİ	İSTANBUL	+ 90 850 204 02 09
Laleli Branch	Mesihpaşa Cad.No:62 Kat:1 Laleli	EMİNÖNÜ	İSTANBUL	+ 90 850 204 02 10
Aliğa Branch	İstiklal Cad.No:35/B	ALİAĞA	İZMİR	+ 90 850 204 02 11
Bankalar Caddesi Branch	Bereketzade Mah.Bankalar Cad. No:28B	BEYOĞLU	İSTANBUL	+ 90 850 204 02 12
Edirne Branch	Hürriyet Meydanı No:147 Zemin Kat Merkez 22100 Edirne	MERKEZ	EDİRNE	+ 90 850 204 02 13
Gültepe Branch	Ortabayır Mahallesi Talatpaşa Caddesi No:82 C Gültepe Kağıthane 34410 İstanbul	KAĞITHANE	İSTANBUL	+ 90 850 204 02 14
Van Branch	Şerefiye Mahallesi Mareşal Fevzi Çakmak Caddesi No: 14/B Merkez 65040 Van	MERKEZ	VAN	+ 90 850 204 02 15
Balçova Branch	Onur Mah. Ata Cad. No:48/A Balçova 35330 İZMİR	BALÇOVA	İZMİR	+ 90 850 204 02 16
Gölcük Branch	Amiral Sağlam Caddesi No:12/B	GÖLCÜK	KOCAELİ	+ 90 850 204 02 17
Tuzla OSB Branch	Tuzla Mermerciler Organize Sanayi Bölgesi 5.Sokak No :2	TUZLA	İSTANBUL	+ 90 850 204 02 18
Valikonağı Branch	Teşvikiye Mahallesi, Valikonağı Caddesi, No:66	ŞİŞLİ	İSTANBUL	+ 90 850 204 02 19
İstanbul Ulus Branch	Adnan Saygun Cad.Konak Yüksel Apt.No:32/1 - 34/1 Ulus	BEŞİKTAŞ	İSTANBUL	+ 90 850 204 02 20
Demirciler Sitesi Branch	Merkezefendi Mah.Demirciler Sit. 3.Cad. No :36	ZEYTİNBURN U	İSTANBUL	+ 90 850 204 02 21
Avcılar Borusan Branch	Firuzköy Yolu, No:21, Borusan Oto	AVCILAR	İSTANBUL	+ 90 212 412 02 48
Tümsan Sanayi Sitesi Branch	İkitelli Organize Sanayi Bölgesi, Atatürk Bulvarı, Tümsan 1. Kısım Sanayi Sitesi, 3. Blok, No: 1-2 İkitelli	BAŞAKŞEHİR	İSTANBUL	+ 90 850 204 02 23
Tekirdağ Branch	Hükümet Caddesi, No:94	MERKEZ	TEKİRDAĞ	+ 90 850 204 02 24
Zafer Sanayi Branch	Demirkol Sok.No:2 Selçuklu	SELÇUKLU	KONYA	+ 90 850 204 02 25

Ümitköy Branch	Çay Yolu Mahallesi 8.Cadde No :45	ÇANKAYA	ANKARA	+ 90 850 204 02 26
Sakarya Caddesi Branch	Cumhuriye Mahallesi, Sakarya-1 Caddesi, No:37	MERKEZ	ESKİŞEHİR	+ 90 850 204 02 27
İmsan Branch	İkitelli Caddesi İmsan Küçük Sanayi Sitesi E - Blok No :10 İkitelli	KÜÇÜKÇEKMECE	İSTANBUL	+ 90 850 204 02 28
Menemen Branch	Mermerli Mahallesi Mithatpaşa Caddesi No:55 Menemen 35661 İZMİR	MENEMEN	İZMİR	+ 90 850 204 02 29
Gimat Branch	Mehmet Emin Erdoğan İş Merkezi Macun Mahallesi Bağdat Cad. No:93/25-26-27-28	YENİMAHALLE	ANKARA	+ 90 850 204 02 30
Bostanlı Branch	Bostanlı Mahallesi Cemal Gürsel Caddesi No: 526/B Karşıyaka 35590 İZMİR	KARŞIYAKA	İZMİR	+ 90 850 204 02 31
Maltepe Çarşı İstanbul Branch	Altayçeşme Mahallesi, Atatürk Caddesi No:41/604	MALTEPE	İSTANBUL	+ 90 850 204 02 32
Şirinevler Branch	Meriç Sokak Ünal İş Merkezi No:13/3 Zemin Kat Şirinevler Bahçelievler 34188 İSTANBUL	BAHÇELİEVLER	İSTANBUL	+ 90 850 204 02 33
Bahçelievler İstanbul Branch	İzzettin Çalışlar Caddesi, No:40	BAHÇELİEVLER	İSTANBUL	+ 90 850 204 02 34
Cihangir Branch	Kuloğlu Mahallesi, Sıraselviler Caddesi,No:158/A	BEYOĞLU	İSTANBUL	+ 90 850 204 02 35
Tuzla Branch	İçmeler Mahallesi, Erdem Sokak, No:21/A	TUZLA	İSTANBUL	+ 90 850 204 02 36
Tarsus Branch	Müftü Mahallesi, 0345 Sokak, No: 31	TARSUS	MERSİN	+ 90 850 204 02 37
Sivas Caddesi Branch	Sivas Caddesi, No: 60/C	MELİKGAZI	KAYSERİ	+ 90 850 204 02 38
Şaşmaz Branch	Bahçekapı Mahallesi, 2488. Cadde. No:4-A	ETİMESGUT	ANKARA	+ 90 850 204 02 39
Aksaz Branch	Aksaz Deniz Üs Komutanlığı, Aksaz	MARMARİS	MUĞLA	+ 90 850 204 02 40
Avcılar Çarşı Branch	Merkez Mahallesi, Reşitpaşa Caddesi, No:41	AVCILAR	İSTANBUL	+ 90 850 204 02 41
Değirmendere Trabzon Branch	Devlet Karayolu Caddesi, No:103 Değirmendere	MERKEZ	TRABZON	+ 90 850 204 02 42
Isparta Branch	Pirimehmet Mahallesi, Süleyman Demirel Bulvarı, No:67/A	MERKEZ	İSPARTA	+ 90 850 204 02 43
Gebze E5 Branch	Osman Yılmaz Mahallesi, İstanbul Caddesi, No:74/A	GEBZE	KOCAELİ	+ 90 850 204 02 44
İnönü Caddesi Malatya Branch	Şıkşık Mahallesi İnönü Caddesi No:91/A	MERKEZ	MALATYA	+ 90 850 204 02 45
Sivas Branch	Atatürk Caddesi No:15	MERKEZ	SİVAS	+ 90 850 204 02 47
Çeşme Branch	İnkılap Mahallesi, İnkılap Caddesi, No:70	ÇEŞME	İZMİR	+ 90 850 204 02 48

Ödemiş Branch	Akıncılar Mahallesi, Gazi Caddesi, No: 32/1	ÖDEMİŞ	İZMİR	+ 90 850 204 02 49
Nizip Branch	Saha Mahallesi, Atatürk Caddesi, No:36/A	NİZİP	GAZİANTEP	+ 90 850 204 02 50
Yeniköy Branch	Yeniköy Mahallesi Köybaşı Caddesi No:51 Yeniköy Sarıyer 34464 İstanbul	SARIYER	İSTANBUL	+ 90 850 204 02 51
Etimesgut Branch	İstasyon Mahallesi İstasyon Caddesi Tüzün Sokak No:8/7	ETİMESGUT	ANKARA	+ 90 850 204 02 52
Tire Branch	Cumhuriyet Meydanı, No:05	TİRE	İZMİR	+ 90 850 204 02 53
Nuruosmaniye Branch	Nuruosmaniye Caddesi, No:46 Cağaloğlu	FATİH	İSTANBUL	+ 90 850 204 02 54
Mezitli Branch	Menderes Mahallesi, Gazi Mustafa Kemal Bulvarı, Doğaner İş Hanı, A Blok No:709/Aa Mezitli	MERKEZ	MERSİN	+ 90 850 204 03 45
Güllük Branch	Altındağ Mahallesi Güllük Caddesi No:99 Muratpaşa 07050 Antalya	MURATPAŞA	ANTALYA	+ 90 850 204 02 56
Mevlana Branch	Aziye Mahallesi, Mevlana Caddesi, No:63 D:1	KARATAY	KONYA	+ 90 850 204 02 57
Muğla Branch	Şeyh Mahallesi İsmet İnönü Caddesi Dış Kapı No:17 İç Kapı No:1 Merkez 48000 MUĞLA	MERKEZ	MUĞLA	+ 90 850 204 02 58
Akhisar Branch	Şehit Teğmen Ün Cad. Paşa Mahallesi No:78 Akhisar 45200 Manisa	AKHİSAR	MANİSA	+ 90 850 204 02 59
Konya Ereğli Branch	Selçuklu Mahallesi, İstasyon Caddesi, Necip Pala İş Hanı, No:55	EREĞLİ	KONYA	+ 90 850 204 02 60
Silivri Branch	Pirimehmetpaşa Mahallesi, Ali Çetinkaya Caddesi, No:6	SİLİVRİ	İSTANBUL	+ 90 850 204 02 61
Viranşehir Branch	Kışla Mahallesi Ceylanpınarı Caddesi No: 44 Viranşehir 63700 Şanlıurfa	VİRANŞEHİR	ŞANLIURFA	+ 90 850 204 02 62
Lefkoşa Branch	Mehmet Akif Caddesi, No:86 Köşklüçiftlik	-	LEFKOŞA / KKTC	+ 90 392 229 20 40
Gazimağusa Branch	İsmet İnönü Bulvarı, No:43 Sakarya	-	GAZİMAĞUSA / KKTC	+ 90 392 365 59 20
Girne Branch	Bedrettin Demirel Caddesi, No:12/12B	-	GİRNE / KKTC	+ 90 392 815 85 10
İnegöl Branch	Sinanbey Mahallesi, Nuri Doğrul Caddesi, No:19	İNEGÖL	BURSA	+ 90 850 204 02 66
Altıntepe Branch	Bağdat Caddesi, No: 75/3-4, Altıntepe	MALTEPE	İSTANBUL	+ 90 850 204 02 67
Kastamonu Branch	Cebrail Mahallesi Plevne Caddesi No:52 A-B Merkez 37200 Kastamonu	MERKEZ	KASTAMONU	+ 90 850 204 02 68
Adana Mobilyacılar Branch	Güzelevler Mah. Mobilyacılar Sitesi Meşe Cad. No:18 A Kısım Yüreğir 01310 ADANA	YÜREĞİR	ADANA	+ 90 850 204 02 69
Giresun Branch	Şeyhkeremettin Mahallesi Gazi Caddesi No:2 Merkez 28200 Giresun	MERKEZ	GİRESUN	+ 90 850 204 02 70

Kuyumcukent Branch	29 Ekim Caddesi, No:1, Kuyumcukent, Atölye Bloğu, Zemin/1.Kat, 5.Sokak, No:19 Yenibosna	BAHÇELİEVLER	İSTANBUL	+ 90 850 204 02 71
Bursa Oto Sanayi Sitesi Branch	Ankara Yolu 7. Km, Otosansit Sitesi, Yıldırım Beyazıt Bulvarı, İdari Bina, No:4-5-17-18	YILDIRIM	BURSA	+ 90 850 204 02 72
Burdur Branch	Özgür Mahallesi, Gazi Caddesi, No:88	MERKEZ	BURDUR	+ 90 850 204 02 73
Uncalı Branch	Uncalı Mahallesi Uncalı Caddesi No:63 Konyaaltı 07070 ANTALYA	UNCALI	ANTALYA	+ 90 850 204 02 75
Şirinyer Branch	Menderes Caddesi, No: 288/B	BUCA	İZMİR	+ 90 850 204 02 76
Biga Branch	İstiklal Cad. No:39	BİGA	ÇANAKKALE	+ 90 850 204 02 77
Kaynarca Branch	Fevzi Çakmak Mahallesi, Cemal Gürsel Caddesi, No: 111	PENDİK	İSTANBUL	+ 90 850 204 02 77
Gaziemir Branch	Akçay Caddesi, No:169/A	GAZİEMİR	İZMİR	+ 90 850 204 02 79
Yıldırım Branch	Duaçınarı Mahallesi, Ankara Caddesi, No:153/A	YILDIRIM	BURSA	+ 90 850 204 02 80
Adıyaman Branch	Yenipınar Mahallesi, Atatürk Caddesi, No:31	MERKEZ	ADİYAMAN	+ 90 850 204 02 81
Aspendos Kurumsal Branch	Aspendos Bulvarı, A Blok, No: 76/2 Muratpaşa	MERKEZ	ANTALYA	+ 90 850 204 02 82
Karabük Branch	Kıbrıs Şehitleri Caddesi, Derya İş Hanı, No:3	MERKEZ	KARABÜK	+ 90 850 204 02 83
Çerkezköy Branch	Gazi Osman Paşa Mahallesi, Atatürk Caddesi, No:5	ÇERKEZKÖY	TEKİRDAĞ	+ 90 850 204 02 84
Ankara 4. Kolordu Branch	4. Kolordu Komutanlığı, Samsun Yolu Üzeri,	MAMAK	ANKARA	+ 90 850 204 02 85
Akşehir Branch	Meydan Mahallesi, İnönü Caddesi, No:72/A	AKŞEHİR	KONYA	+ 90 850 204 02 86
Düzce Branch	Camikebir Mahallesi, İstanbul Caddesi No:13/B	MERKEZ	DÜZCE	+ 90 850 204 02 87
Erenler Sanayi Branch	Erenler Mahallesi, Sakarya Caddesi, No:306/A	ERENLER	SAKARYA	+ 90 850 204 02 88
Çorlu Çarşı Branch	Cemaliye Mahallesi Saray Caddesi No:2 Çorlu 59860 Tekirdağ	ÇORLU	TEKİRDAĞ	+90 850 204 02 89
Hopa Branch	Merkez Kuledibi Mahallesi Cumhuriyet Meydanı No:1/A Hopa 08600 ARTVİN	HOPA	ARTVİN	+ 90 850 204 02 90
Karacabey Branch	Tabaklar Mahallesi, Cumhuriyet Meydanı, No:11	KARACABEY	BURSA	+ 90 850 204 02 91
Turgutlu Branch	Altay Mahallesi, Atatürk Bulvarı, No:163	TURGUTLU	MANİSA	+ 90 850 204 02 92
Fener Branch	Çağlayan Mahallesi Barınaklar Bulvarı A. Atmaca Apt. B Blok No:3/A-B Muratpaşa 07230 Antalya	MURATPAŞA	ANTALYA	+ 90 850 204 02 93

Keşan Branch	Büyük Cami Mahallesi, Cumhuriyet Meydanı, No:13	KEŞAN	EDİRNE	+ 90 850 204 02 94
Arnavutköy Branch	Arnavutköy Merkez Mahallesi Eski Edirne Caddesi No:1211 Arnavutköy 34725 İstanbul	ARNAVUTKÖY	İSTANBUL	+90 850 204 07 18
Konak Branch	Cumhuriyet Bulvarı, No:36	KONAK	İZMİR	+ 90 850 204 02 96
Hürriyet Branch	İstiklal Mahallesi, Park Sokak, No:2	OSMANGAZİ	BURSA	+ 90 850 204 02 97
Demirtaş Branch	Panayır Mahallesi, Yeni Yalova Yolu Caddesi, No:455/F	OSMANGAZİ	BURSA	+ 90 850 204 02 98
Kuyubaşı Branch	Fahrettin Kerim Gökay Cad. No.122/1 Zemin Kat A Kısım Göztepe Kadıköy 34722 İstanbul	KADIKÖY	İSTANBUL	+ 90 850 204 03 02
Ofis Branch	Kooperatifler Mahallesi Akkoyunlu Bulvarı No: 19/B Yenişehir 21100 Diyarbakır	YENİŞEHİR	DİYARBAKIR	+ 90 850 204 03 03
Anamur Branch	Esentepe Mahallesi, Atatürk Bulvarı, No: 8/B	ANAMUR	MERSİN	+ 90 850 204 03 04
İzmit Sanayi Sitesi Branch	Sanayi Mahallesi, Fırat Sokak, No:16/A	İZMİT	KOCAELİ	+ 90 850 204 03 06
Çankaya Ankara Branch	Aziziye Mahallesi, Cinnah Caddesi, No:110/A	ÇANKAYA	ANKARA	+ 90 850 204 03 07
Keçiören Branch	Güçlükaya Mahallesi, Kızlar Pınarı Caddesi, No:53/A	KEÇİÖREN	ANKARA	+ 90 850 204 03 08
Kazım Karabekir Branch	Kazım Karabekir Caddesi, No:72/9-10-90-91	ALTINDAĞ	ANKARA	+ 90 850 204 03 09
Yalova Branch	Cumhuriyet Caddesi, No:23	MERKEZ	YALOVA	+ 90 850 204 03 10
Tunalı Hilmi Branch	Remzi Oğuz Mahallesi, Tunalı Hilmi Caddesi, No:68/A Kavaklıdere	ÇANKAYA	ANKARA	+ 90 850 204 03 11 13
Sarıçam Branch	Akıncılar Mahallesi, Kozan Caddesi, No:185/A	YÜREĞİR	ADANA	+ 90 850 204 03 12
Bekirpaşa Branch	28 Haziran Mahallesi Turan Güneş Caddesi No:301 A İzmit 41060 Kocaeli	İZMİT	KOCAELİ	+ 90 850 204 03 13
Bodrum Gümbet Branch	Merkez Mahallesi, Atatürk Bulvarı No: 203/A1-A3 Konacık - Bodrum 48480 MUĞLA	BODRUM	MUĞLA	+ 90 850 204 03 14
Kestel Branch	Ahmet Vefik Paşa Mahallesi, Gazi Caddesi, No:6/A	KESTEL	BURSA	+ 90 850 204 03 15
Erzincan Branch	Atatürk Mahallesi, Fevzipaşa Caddesi, No:17/C	MERKEZ	ERZİNCAN	+90 850 204 03 16
Borusan İstinye Branch	Derbent Yolu, Balabandere Neslihan Caddesi, No:1, İstinye	SARIYER	İSTANBUL	+ 90 850 204 03 17
Antalya Toptancı Hali Branch	Sütçüler Mah. Toptancı Hal Kompleksi No:867 Kat:1 Kepez 07320 ANTALYA	KEPEZ	ANTALYA	+ 90 850 204 03 18
Toptancılar Çarşısı İzmir Branch	1202/2 Sokak, No:66 Yenişehir	KONAK	İZMİR	+ 90 850 204 03 19



Tuzla Deniz Harp Okulu Branch	Tuzla Deniz Harp Okulu Komutanlığı Sosyal Tesisleri	TUZLA	İSTANBUL	+ 90 850 204 03 20
Nazilli Branch	Altıntaş Mahallesi, 129 Sokak, No:2	NAZİLLİ	AYDIN	+ 90 850 204 03 21
Hatay İzmir Branch	İnönü Caddesi, No:229/B	KONAK	İZMİR	+ 90 850 204 03 22
Merzifon Branch	Hacıhasan Mahallesi Cumhuriyet Caddesi No:101/A Merzifon 05300 AMASYA	MERZİFON	AMASYA	+ 90 850 204 03 23
Binevler Gaziantep Branch	Binevler Mah. Üniversite Bulvarı No: 176/C Şahinbey 27100 Gaziantep	ŞAHİNBEY	GAZİANTEP	+ 90 850 204 03 24
Körfez Branch	Kuzey Mahallesi, Cahit Zarifoğlu Caddesi, No: 53/B	KÖRFEZ	KOCAELİ	+ 90 850 204 03 26
Mardin Branch	13 Mart Mahallesi, Valiozan Caddesi, 82/B Artuklu 47200 Mardin	ARTUKLU	MARDİN	+ 90 850 204 03 27
Batman Branch	Ziya Gökalp Mahallesi, Atatürk Bulvarı, No:149	MERKEZ	BATMAN	+ 90 850 204 03 28
Yenibosna Branch	Yenibosna Merkez Mahallesi Yıldırım Beyazıt Caddesi No: 210A Bahçelievler 34197 İSTANBUL	BAHÇELİEVLER	İSTANBUL	+ 90 850 204 03 29
Serik Branch	Yeni Mahalle, Hürriyet Caddesi No:6-8	SERİK	ANTALYA	+ 90 850 204 03 30
Kumluca Branch	Bağlık Mahallesi, Gödene Caddesi, 07350 No:18/A	KUMLUCA	ANTALYA	+ 90 850 204 03 31
Zafer Branch	Beyazıt Mahallesi, Hüsnüaşk Sokak, No:4 Konevi İş Merkezi, D:2	SELÇUKLU	KONYA	+ 90 850 204 03 32
Bafra Branch	Hacınabi Mahallesi, Cumhuriyet Meydanı, No:20	BAFRA	SAMSUN	+ 90 850 204 03 33
Fatih Branch	Ali Kuşçu Mah. Macar Kardeşler Cad. No:34 Fatih 34083 İstanbul	FATİH	İSTANBUL	+ 90 850 204 03 35
Esenyurt Branch	İnönü Mahallesi, Doğan Araslı Bulvarı, No:124/C	ESENYURT	İSTANBUL	+ 90 850 204 03 36
Şirehanı Branch	İsmetpaşa Mahallesi, İnönü Caddesi, No:217/7	ŞAHİNBEY	GAZİANTEP	+ 90 850 204 03 37
Ankara Zırlı Birlikler Branch	Zırlı Birlikler Okulu ve Eğitim Tümen Komutanlığı	ETİMESGUT	ANKARA	+ 90 850 204 03 38
Kırklareli Branch	Karakaş Mahallesi, Fevzi Çakmak Bulvarı, No:41	MERKEZ	KIRKLARELİ	+ 90 850 204 03 39
Soma Branch	Kurtuluş Mahallesi, Fatih Caddesi, No:10	SOMA	MANİSA	+ 90 850 204 03 40
Çengelköy Branch	Çengelköy Mah. Çengelköy Caddesi No:59 Çengelköy Üsküdar 34680 İstanbul	ÜSKÜDAR	İSTANBUL	+ 90 850 204 03 41
Çetin Emeç Branch	Ehlibeyt Mahallesi, Ceyhun Atuf Kansu Caddesi, No:126/E	ÇANKAYA	ANKARA	+ 90 850 204 03 42
Sarıgazi Branch	İnönü Mah. Ankara Cad. No:63/A Sancaktepe	SANCAKTEPE	İSTANBUL	+ 90 850 204 03 43

Mithatpaşa Branch	Cumhuriyet Mahallesi, Mithatpaşa Caddesi, No: 28/B	ÇANKAYA	ANKARA	+ 90 850 204 03 44
4. Sanayi Branch	129 Sokak, No: 1/E 4. Sanayi Sitesi	BORNOVA	İZMİR	+ 90 850 204 03 45
İstinye Branch	İstinye Caddesi, No:66	SARIYER	İSTANBUL	+ 90 850 204 03 46
Bucak Branch	Oğuzhan Mah. Cumhuriyet Cad. No:20/A	BUCAK	BURDUR	+ 90 850 204 03 47
Alemdar Branch	Alemdar Caddesi, Ömerağa Mahallesi, No:19	İZMİT	KOCAELİ	+ 90 850 204 03 48
Tuzla Piyade Okulu Branch	Piyade Okulu Komutanlığı	TUZLA	İSTANBUL	+ 90 850 204 03 50
Bandırma Branch	İnönü Caddesi, No:68/A	BANDIRMA	BALIKESİR	+ 90 850 204 03 51
Metropol Mersin Branch	Mesudiye Mahallesi Kuvayi Milliye Caddesi No: 84/B Akdeniz 33060 MERSİN	AKDENİZ	MERSİN	+ 90 850 204 03 52
Yeniköy Antalya Branch	Yeniköy Mahallesi, Atatürk Caddesi, No:476 Döşemealtı	DÖŞEMEALTI	ANTALYA	+ 90 850 204 03 53
Aksaray Branch	Minarecik Mahallesi, Ankara Caddesi, No:8	MERKEZ	AKSARAY	+ 90 850 204 03 54
Torbalı Branch	Tepeköy Mahallesi, İsmet Paşa Caddesi, 4511 Sokak, No: 9/B	TORBALI	İZMİR	+ 90 850 204 03 56
Güneydoğu Anadolu Kurumsal Branch	Mücahitler Mah. Gazi Muhtarpaşa Bulvarı No:48 Kat : 6 A Kısım Şehitkamil 27090 GAZİANTEP	ŞEHİTKAMİL	GAZİANTEP	+ 90 850 204 03 58
Çukurova Kurumsal Branch	Çınarlı Mahallesi Atatürk Caddesi No: 15 Kat: 1 A Kısım 01120 Seyhan - ADANA	SEYHAN	ADANA	+ 90 850 204 03 59
Altıparmak Branch	Cemal Nadir Caddesi, No:47, Kat:1 Altıparmak	OSMANGAZİ	BURSA	+ 90 850 204 03 63
Orhangazi Branch	Muradiye Mahallesi, Turist Yolu Caddesi, No: 51	ORHANGAZİ	BURSA	+ 90 850 204 03 69
Zekeriyaköy Branch	Vişne 2 Mahallesi, 4.Cadde, Kapalıçarşı, No:27-15 Zekeriyaköy	SARIYER	İSTANBUL	+ 90 850 204 03 70
Kenan Evren Adana Branch	Mahfesiğmaz Mahallesi, Kenan Evren Bulvarı, No:62/A	SEYHAN	ADANA	+ 90 850 204 03 74
Arkas Esentepe Tahsilat Veznesi Branch	Kasap Sokak Arkas Binası No:2 Esentepe	ŞİŞLİ	İSTANBUL	+ 90 212 340 53 37
MSC Gemi Zincirlikuyu Tahsilat Veznesi Branch	Kore Şehitleri Cad. No:25 Zincirlikuyu	ŞİŞLİ	İSTANBUL	+ 90 212 318 83 00
Küçüksu Branch	Saray Mahallesi Küçüksu Caddesi No:60/1A Ümraniye 34768 İSTANBUL	ÜMRANİYE	İSTANBUL	+ 90 850 204 03 77

Kars Branch	Merkez Mahallesi, Kazım Paşa Cad. No:117	MERKEZ	KARS	+ 90 850 204 03 78
Kırıkkale Branch	Yenidoğan Mahallesi, Cumhuriyet Cad. No: 8/A	MERKEZ	KIRIKKALE	+ 90 850 204 03 79
Harbiye Branch	Cumhuriyet Cad. No:123 B Harbiye Şişli 34373 İSTANBUL	ŞİŞLİ	İSTANBUL	+90 850 204 03 80
Montrö Branch	Şair Eşref Bulvarı No:23/A 35210 Çankaya KONAK / İZMİR	KONAK	İZMİR	+ 90 850 204 03 81
Başkent Branch	Simon Bolivar Cad. No: 17 06680 Çankaya - ANKARA	ÇANKAYA	ANKARA	+ 90 850 204 03 82
Şişli Meydan Branch	19 Mayıs Mah. Halaskargazi Cad. No:212A Şişli 34381 İstanbul	ŞİŞLİ	İSTANBUL	+ 90 850 204 03 83
Bursa Organize Sanayi Branch	Organize San.Bölgesi, Ali Sönmez Bulv. Bankalar Cad. 16159 Nilüfer/BURSA	NİLÜFER	BURSA	+ 90 850 204 03 84
Mersin Çamlıbel Branch	Kültür Mahallesi 103.Cadde No : 62 33100 İçel MERSİN	MERKEZ	MERSİN	+ 90 850 204 03 85
Antalya Muratpaşa Branch	Tahıl pazarı Mah. Şarmpol Cad. Ömer Melli İş Hanı No:86A Muratpaşa 07040 ANTALYA	MURATPAŞA	ANTALYA	+ 90 850 204 03 87
Denizli Saraylar Branch	Saraylar Mahallesi 459 Sokak No : 7 / 9 20100 DENİZLİ	MERKEZ	DENİZLİ	+ 90 850 204 03 88
Erenköy Branch	Caddebostan Mahallesi Bağdat Caddesi No: 323/B Erenköy	KADIKÖY	İSTANBUL	+ 90 850 204 0389
Sirkeci Branch	Ankara Caddesi No:48 Sirkeci Fatih 34112 İstanbul	FATİH	İSTANBUL	+90 850 204 03 91
Yıldız Posta Branch	Gayrettepe Mah., Yener Sok., No:1	BEŞİKTAŞ	İSTANBUL	+ 90 850 204 03 92
Bakırköy Meydan Branch	İncirli Cad.Tayyareci Nurettin Sokak No:18 34144 Bakırköy-İSTANBUL	BAKIRKÖY	İSTANBUL	+ 90 850 204 03 93
Karşıyaka Branch	Cemal Gürsel Caddesi No:200/A Karşıyaka 35600 İZMİR	KARŞIYAKA	İZMİR	+ 90 850 204 03 94
Bornova Çarşı Branch	Mustafa Kemal Cad. No:11-A/B Bornova 35040 İzmir	BORNOVA	İZMİR	+ 90 850 204 03 98
Beykent Üniversitesi Branch	T.C. Beykent Üniversitesi Ayazağa Kampüsü Ayazağa Yerleşkesi Hadımkoru Yolu Mevkii Ayazağa Şişli 34396 İstanbul	ŞİŞLİ	İSTANBUL	+90 850 204 06 63
Santral Ümraniye Branch	Atatürk Mahallesi Sütçü imam Caddesi Kardeşler Apartmanı No:51A Dükkan No:1-2 Ümraniye 34764 İstanbul	ÜMRANİYE	İSTANBUL	+ 90 850 204 04 02
Anadolu Adliyesi Branch	Cevizli Mahallesi Mustafa Kemal Caddesi Şehit Gazi Sokak Yeni Adliye Arkası D Blok 66/8 Kartal 34865 İSTANBUL	KARTAL	İSTANBUL	+90 850 204 06 69
Güneşli Çarşı Branch	Bağlar Mahallesi Atatürk Caddesi No: 6-1 Bağcılar 34209 İstanbul	BAĞCILAR	İSTANBUL	+ 90 850 204 04 04
Kayseri Çarşı Branch	İslimpaşa Mahallesi, Millet Caddesi No :26 38046 KAYSERİ	MERKEZ	KAYSERİ	+ 90 850 204 04 05

Maslak Sanayi Branch	Ayazağa, Nazmi Akbaci Tic. Mer. No:218-219 34396 Maslak - İST	ŞİŞLİ	İSTANBUL	+ 90 850 204 04 06
Beylikdüzü E-5 Branch	Güzelyurt Mahallesi 1. Cadde No:7 Esenyurt 34515 İstanbul	ESENYURT	İSTANBUL	+ 90 850 204 04 07
Keresteciler Sitesi Branch	M.Nesih Özmen Mahallesi Merter Tekstil Merkezi Pelit Sokak No:1 Güngören 34173 İstanbul	GÜNGÖREN	İSTANBUL	+ 90 850 204 04 08
Gaziantep İncilipınar Branch	Değirmiş Mahallesi Gazi Muhtar Paşa Bulvarı No:13 A Şehitkamil 27090 Gaziantep	ŞEHİTKAMİL	GAZİANTEP	+ 90 850 204 04 09
Demetevler Branch	Demet Lale Mahallesi İvedik Cad. 127/B Yenimahalle 06200 Ankara	YENİMAHALL E	ANKARA	+90 850 204 06 70
Gebze Çarşı Branch	Hacı Halil Mah. Cumhuriyet Meydanı No:3/2 Gebze 41400 Kocaeli	GEBZE	KOCAELİ	+ 90 850 204 04 11
Nalçacı Konya Branch	Nalçacı Caddesi Acentacılar Sitesi No:111-113 Selçuklu - KONYA	SELÇUKLU	KONYA	+ 90 850 204 04 12
Eskişehir İki Eylül Caddesi Branch	İstiklal Mah. İki Eylül Cad.No.66 ESKİŞEHİR	MERKEZ	ESKİŞEHİR	+ 90 850 204 04 13
Trabzon Gazipaşa Branch	Kemer kaya Mahallesi Kunduracılar Caddesi No:74 Zemin Kat Merkez 61200 TRABZON	MERKEZ	TRABZON	+ 90 850 204 04 15
Çarşı İzmit Branch	Hürriyet Caddesi No : 95 41200 İzmit / KOCAELİ	İZMİT	KOCAELİ	+ 90 850 204 04 16
Narlıdere Branch	Çamtepe Mah. Mithatpaşa Cad. No: 277-279 Narlıdere 35320 İzmir	NARLIDERE	İZMİR	+90 850 204 07 03
Sefaköy Halkalı Caddesi Branch	Teyfikbey Mahallesi Halkalı Caddesi No:134/A Küçükçekmece 34295 İstanbul	KÜÇÜKÇEKME ECE	İSTANBUL	+ 90 850 204 04 18
Karya Bodrum Branch	Kıbrıs Şehitleri Cad. Emniyet Müdürlüğü Yanı Ataman İş Mrk. C Blk. Bodrum 48400 MUĞLA	BODRUM	MUĞLA	+ 90 850 204 04 19
Şanlıurfa Sarayönü Branch	Yusufpaşa Mahallesi Sarayönü Caddesi No:131 Haliliye ŞANLIURFA	HALİLİYE	ŞANLIURFA	+ 90 850 204 04 23
Sanayi Mahallesi Branch	Sanayi Mah. Sultan Selim Cad. No:22/22A/22B Kağıthane 34415 İstanbul	KAĞITHANE	İSTANBUL	+90 850 204 04 24
İskenderun Şehit Pamir Caddesi Branch	Savaş Mah.Cumh. Bulvarı 42. Sok.No:13 31200 İskenderun/HATAY	İSKENDERUN	HATAY	+ 90 850 204 04 25
Yenişehir Branch	Atatürk Bulvarı 66/A Kızılay Çankaya 06440 Ankara	ÇANKAYA	ANKARA	+ 90 850 204 04 26
Mecidiyeköy Çarşı Branch	Büyükdere Caddesi Alba İş Hanı No:67 / 71 34387 Mecidiyeköy/Şişli - İSTANBUL	ŞİŞLİ	İSTANBUL	+ 90 850 204 04 27
Batı Ataşehir Branch	Barbaros Mahallesi Halk Caddesi No:47/1 Ataşehir 34746 İstanbul	ATAŞEHİR	İSTANBUL	+90 850 204 00 76
Fındıkzade Branch	Millet Caddesi No: 90 / 12 34104 Fındıkzade - Fatih -İSTANBUL	FATİH	İSTANBUL	+ 90 850 204 04 30
Bostancı E5 Branch	İçerenköy Mahallesi Değirmenyolu Caddesi No:21/1 Ataşehir 34752 İstanbul	ATAŞEHİR	İSTANBUL	+ 90 850 204 04 31

Boğaziçi Kurumsal Branch	Büyükdere Cad. Şarlı İş Merkezi No:103 K:3 Mecidiyeköy - Şişli / İSTANBUL	ŞİŞLİ	İSTANBUL	+ 90 850 204 04 32
Haznedar Bahçelievler Branch	Bahçelievler Mahallesi Adnan Kahveci Bulvarı No:30/3A Bahçelievler 34180 İSTANBUL	BAHÇELİEVLER	İSTANBUL	+ 90 850 204 04 34
Ataşehir Branch	Atatürk Mahallesi Ataşehir Bulvarı No:14/F Özel İşyeri:1 Ataşehir 34758 İstanbul	ATAŞEHİR	İSTANBUL	+ 90 850 204 04 35
Kapalıçarşı Branch	Tavukpazarı Sokak No : 52 / 54 34120 Eminönü - Fatih / İSTANBUL	FATİH	İSTANBUL	+ 90 850 204 04 40
Maltepe E-5 Branch	Altayçeşme Mahallesi Çam Sokak No:25A Maltepe 34843 İSTANBUL	MALTEPE	İSTANBUL	+ 90 850 204 04 41
Mersin Çarşı Branch	Camişerif Mahallesi, İstiklal Caddesi, No:40/D Akdeniz 33060 Mersin	AKDENİZ	MERSİN	+ 90 850 204 04 44
Adana Çarşı Branch	Karasoku Mahallesi, Kızılay Cad.No:14 01010 Seyhan - ADANA	SEYHAN	ADANA	+ 90 850 204 04 45
Adana Toros Branch	Mahfesiğmaz Mah. Turgut Özal Bulvarı No:3/A Sargut Apt. Altı Çukurova 01173 Adana	ÇUKUROVA	ADANA	+ 90 850 204 04 46
Mercan Branch	Süleymaniye Mahallesi, Şahende Sok. No:3 34116 Eminönü - Fatih / İSTANBUL	FATİH	İSTANBUL	+ 90 850 204 04 49
Nişantaşı Branch	Halaskargazi Mahallesi Rumeli caddesi No:13 Şişli 34363 İstanbul	ŞİŞLİ	İSTANBUL	+ 90 850 204 04 50
Beyoğlu Branch	Kuloğlu Mahallesi İstiklal Caddesi No:139	BEYOĞLU	İSTANBUL	+ 90 850 204 04 51
Kadıköy Çarşı Branch	Mühürdar Caddesi No : 28 34710 Kadıköy-İSTANBUL	KADIKÖY	İSTANBUL	+ 90 850 204 04 52
Ankara Ostim Branch	100.Yıl Bulvarı Bosna İş Merkezi No:48-49 Yenimahalle-ANK.	YENİMAHALLE	ANKARA	+ 90 850 204 04 53
Nato Yolu Branch	Tuzluca Yır Mahallesi Nato Yolu Caddesi 294. Sokak No:1/A Mamak 06620 Ankara	MAMAK	ANKARA	+90 850 204 07 16
Alsancak Branch	1382 Sk. 33/A Bodrum Kat Alsancak Konak 35220 İZMİR	KONAK	İZMİR	+ 90 850 204 04 55
Başkent Kurumsal Branch	Simon Bolivar Cad. No:17 Kat:1-2 ÇANKAYA 06680 ANKARA	ÇANKAYA	ANKARA	+ 90 850 204 04 56
Demirtaş Organize Sanayi Branch	Demirtaş Organize Sanayi Bölgesi Mustafa Karaer Cad. No:18 Osmangazi 16245 BURSA	OSMANGAZİ	BURSA	+ 90 850 204 04 57
İkitelli Organize Sanayi Branch	İkitelli OSB Mahallesi Bağcılar-Güngören Metro AVM B Blok Sokak Dış Kapı No:1/B İç Kapı No:13 Başakşehir 34490 İstanbul	BAŞAKŞEHİR	İSTANBUL	+ 90 850 204 04 60
Şirinyalı Branch	Şirinyalı Mahallesi İsmet Gökşen Caddesi No:80/1 Muratpaşa 07160 ANTALYA	MURATPAŞA	ANTALYA	+ 90 850 204 04 62
Aksaray Ordu Caddesi Branch	Ordu Caddesi No:294 34134 Aksaray - İSTANBUL	FATİH	İSTANBUL	+ 90 850 204 04 63
Bursa Çekirge Branch	Muradiye Mahallesi Çekirge Cad. No:11 16050 Osmangazi - BURSA	OSMANGAZİ	BURSA	+ 90 850 204 04 65
Tarsus Makam Branch	Şehit Mustafa Mahallesi Atatürk Cad. 33400 No: 17/A Tarsus - İÇEL	TARSUS	MERSİN	+ 90 850 204 04 66

Ihlamurkuyu Branch	Ihlamurkuyu Mah. Alemdar Cad. No:249/A Dudullu Ümraniye 34771 İstanbul	ÜMRANİYE	İSTANBUL	+ 90 850 204 04 68
Atrium Branch	Atrium Çarşısı No:78-80 No.lu Dükkan Ataköy Bakırköy 34156 İstanbul	BAKIRKÖY	İSTANBUL	+ 90 850 204 04 72
İkincisite Branch	Önder Mahallesi Ereğli Caddesi No 19/B Altındağ 06320 ANKARA	ALTINDAĞ	ANKARA	+ 90 850 204 04 74
Kağıthane Branch	Sadabat Caddesi No: 32 34406 Kağıthane - İSTANBUL	KAĞITHANE	İSTANBUL	+ 90 850 204 04 76
Kuşadası Branch	İsmet İnönü Bulvarı No : 59 09400 Kuşadası - AYDIN	KUŞADASI	AYDIN	+ 90 850 204 04 77
Manavgat Çarşı Branch	Hisar Mahallesi,Antalya Caddesi Gülveren Sok.No:45 07600 Manavgat-ANT.	MANAVGAT	ANTALYA	+ 90 850 204 04 78
Diyarbakır Suriçi Branch	Cami Nebi Mahallesi İnönü Caddesi No:15/01 Sur / Diyarbakır	SUR	DİYARBAKIR	+ 90 850 204 04 80
Tuzla Çarşı Branch	Postane Mahallesi Tahaffuzhane Caddesi No: 4/A-4/B Tuzla 34940 İSTANBUL	TUZLA	İSTANBUL	+ 90 850 204 06 80
Yeşilyurt Branch	Yeşilyurt Mahallesi Sipahioğlu Caddesi No:17 Bakırköy 34149 İstanbul	BAKIRKÖY	İSTANBUL	+ 90 850 204 04 83
Kahramanmaraş Çarşı Branch	Menderes Mahallesi Trabzon Bulvarı No:53/D Dulkadiroğlu 46100 Kahramanmaraş	DULKADİROĞLU	KAHRAMANMARAŞ	+ 90 850 204 04 86
Şenesenevler Branch	Bostancı Mah., Şemsettin Günaltay Cad., No:28/A Şenesenevler	KADIKÖY	İSTANBUL	+ 90 850 204 04 87
Çorum İnönü Caddesi Branch	İnönü Caddesi No:55/B Merkez 19100 ÇORUM	MERKEZ	ÇORUM	+ 90 850 204 04 88
Kızıltoprak Branch	Zühtüpaşa Mah. Bağdat Cad. No:62/3 Kızıltoprak Kadıköy 34724 İstanbul	KADIKÖY	İSTANBUL	+ 90 850 204 04 89
Antakya Sanayi Branch	Güzelbirlik Mahallesi E-5 Karayolu No:14 / ZB - ZC Güzelburç Antakya Merkez 31175 Hatay	MERKEZ	HATAY	+ 90 850 204 04 92
Samsun Mecidiye Branch	Hançerli Mahallesi Çifte Hamam Caddesi No:2 İlkadım 55020 SAMSUN	İLKADIM	SAMSUN	+ 90 850 204 04 94
Fethiye Likya Branch	Taşyaka Mahallesi İnönü Bulvarı No:4 4/A 4/B Fethiye 48300 MUĞLA	FETHİYE	MUĞLA	+ 90 850 204 04 96
Söğütözü Branch	Platin Tower Söğütözü Mahallesi Dumlupınar Bulvarı (Eskişehir yolu Üzeri) No:94/G Çankaya 06510 ANKARA	ÇANKAYA	ANKARA	+90 850 204 06 82
Balıkesir Çarşı Branch	Altıeylül Mahallesi, Anafartalar Caddesi No:25/B Altıeylül 10100 BALIKESİR	ALTİEYLÜL	BALIKESİR	+ 90 850 204 04 98
Ulucanlar Branch	Kale Mahallesi Ulucanlar Caddesi No:44/A Altındağ 06250 Ankara	Altındağ	ANKARA	+ 90 850 204 04 99
Laleli Çarşı Branch	Mimar Kemalettin (Tavşantaşı) Mahallesi Sekbanbaşı Sok. No:8 Beyazıt Eminönü Fatih 34126 İstanbul	FATİH	İSTANBUL	+ 90 850 204 05 00
Tarabya Branch	Kefeliköy Caddesi ( Tarabya Sahil Cad.) No : 146 34457 Sarıyer - İSTANBUL	SARIYER	İSTANBUL	+ 90 850 204 05 03
Adapazarı Çarşı Branch	Orta Mahalle Soğan Pazarı Caddesi No:8 Adapazarı 54040 SAKARYA	ADAPAZARI	SAKARYA	+ 90 850 204 05 05

Şemikler Branch	Cumhuriyet Mahallesi Anadolu Caddesi 424/B Karşıyaka 35570 İZMİR	KARŞIYAKA	İZMİR	+ 90 850 204 06 79
Afyon Kadınana Branch	Ambaryolu Cad. Davulcuoğlu İş Hanı Altı No: 25 Merkez 03200 AFYONKARAHİSAR	MERKEZ	AFYONKARAHİSAR	+ 90 850 204 05 10
Aydın Çarşı Branch	Hasan Efendi Mahallesi Hükümet Bulvarı No:17 Merkez 09100 AYDIN	MERKEZ	AYDIN	+ 90 850 204 05 12
Bergama Branch	Ertuğrul Mahallesi Park Otel Sokak No:10 Bergama 35700 İZMİR	BERGAMA	İZMİR	+90 850 204 06 97
Bakanlıklar Branch	Kavaklıdere Mah. Atatürk Bulvarı No:175/26 06680 Çankaya - ANKARA	ÇANKAYA	ANKARA	+ 90 850 204 05 17
Uşak Çarşı Branch	İsmet Paşa Caddesi No:58 64100 UŞAK	MERKEZ	UŞAK	+ 90 850 204 05 18
Zeytinburnu Bulvar Branch	Gökalp Mahallesi 58. Bulvar Caddesi No:49-51 Zeytinburnu 34020 İstanbul	ZEYTİNBURNU	İSTANBUL	+ 90 850 204 05 21
Hasanpaşa Branch	Kurbağalıdere Caddesi No:25 34722 Söğütlüçeşme - Kadıköy - İSTANBUL	KADIKÖY	İSTANBUL	+ 90 850 204 05 23
Adana Çukurova Branch	Çınarlı Mahallesi Atatürk Caddesi No: 15 K:5 Seyhan 01120 ADANA	SEYHAN	ADANA	+ 90 850 204 05 24
Topkapı Maltepe Branch	Maltepe Mah. Gümüşsuyu Cad. No:53 Dk:21-22 Zeytinburnu 34010 İstanbul	ZEYTİNBURNU	İSTANBUL	+ 90 850 204 05 28
Bursa Atatürk Caddesi Branch	Atatürk Caddesi No: 48 16020 Heykel - Osmangazi - BURSA	OSMANGAZİ	BURSA	+ 90 850 204 05 32
Kemeraltı Branch	863 Sokak No: 56 - 58 35250 Kemeraltı - Konak - İZMİR	KONAK	İZMİR	+ 90 850 204 05 33
Çanakkale Anafartalar Branch	İsmetpaşa Mahallesi Demircioğlu Caddesi No:24 Merkez 17000 Çanakkale	MERKEZ	ÇANAKKALE	+ 90 850 204 05 34
Adana Atikop Branch	Turhan Cemal Beriker Bulvarı Adana İş Merkezi A Blok No: 7 - 9 01010 Seyhan - ADANA	SEYHAN	ADANA	+ 90 850 204 05 35
İstanbul Anadolu Kurumsal Branch	Esentepe Mahallesi Cevizli D-100 Güney Yanyol Caddesi Dumankaya Vizyon D Blok No:13 D / 76 Kartal 34870 İSTANBUL	KARTAL	İSTANBUL	+ 90 850 204 05 36
Yeditepe Kurumsal Branch	Gayrettepe Mahallesi Yener Sokak No:1 Kat:1/B Beşiktaş 34349 İstanbul	BEŞİKTAŞ	İSTANBUL	+ 90 850 204 05 38
Bakırköy Çarşı Branch	Fahri Korutürk Caddesi No: 20 34142 Bakırköy - İSTANBUL	BAKIRKÖY	İSTANBUL	+ 90 850 204 05 39
Beşiktaş Çarşı Branch	Cihannuma Mahallesi Salih Efendi Sok. No:7 Beşiktaş 34353 İstanbul	BEŞİKTAŞ	İSTANBUL	+ 90 850 204 05 42
Cevahir AVM Branch	Meşrutiyet Mahallesi Büyükdere Caddesi No 22 Şişli Cevahir İş Merkezi (108 Kotunda 34A nolu Dükkan. 34387 Şişli İSTANBUL	ŞİŞLİ	İSTANBUL	+90 850 204 05 43
İvedik Organize Branch	İvedik Mahallesi 1354. Cadde (Eski 21. Cadde) No:131 Yenimahalle 06378 ANKARA	YENİMAHALLE	ANKARA	+ 90 850 204 05 48
Denizli Sanayi Branch	Bakırlı Mahallesi 1.Sanayi Sitesi 154 Sokak No: 1 20100 DENİZLİ	MERKEZ	DENİZLİ	+ 90 850 204 05 51

Kasımpaşa Branch	Camii Kebir Mahallesi Bahriye Caddesi No: 83 Kasımpaşa - Beyoğlu - İSTANBUL	BEYOĞLU	İSTANBUL	+ 90 850 204 05 54
Çiğli Branch	Şirintepe Mah. Anadolu Cad. No:778/3A Çiğli 35620 İzmir	ÇİĞLİ	İZMİR	+ 90 850 204 05 55
Küçükbakkalköy Branch	Küçükbakkalköy Mahallesi Salman Sokak No:1 Küçükbakkalköy Ataşehir 34750 İstanbul	ATAŞEHİR	İSTANBUL	+ 90 850 204 05 58
Yalova İskele Branch	İskele Meydanı No: 1 77100 YALOVA	MERKEZ	YALOVA	+ 90 850 204 05 59
Antalya Sanayi Branch	Yükseliş Mahallesi Gazi Bulvarı No:123/1 Kepez 07025 Antalya	KEPEZ	ANTALYA	+ 90 850 204 05 60
Alibeyköy Branch	Alibeyköy Mahallesi Namık Kemal Caddesi 30/A Eyüp 34060 İSTANBUL	EYÜP	İSTANBUL	+ 90 850 204 05 61
Cevizli Branch	Orhantepe Mah.Çınar Caddesi No: 9 34865 Cevizli - Kartal - İSTANBUL	KARTAL	İSTANBUL	+ 90 850 204 05 62
Koşuyolu Branch	Koşuyolu Caddesi No :100 34718 Kadıköy - İSTANBUL	KADIKÖY	İSTANBUL	+ 90 850 204 05 63
İmes Keyap Branch	Bostancı Yolu Cad. Keyap Sanayi Sitesi B1 Blok No:21 34775 Yukarı Dudullu - Ümraniye - İSTANBUL	ÜMRANİYE	İSTANBUL	+ 90 850 204 05 65
Adana Küçüksaat Branch	Kuruköprü Mah. Sefa Özler Caddesi No:8/A Seyhan 01060 Adana	SEYHAN	ADANA	+ 90 850 204 05 66
Eskişehir Bağlar Branch	Yenişehir Mahallesi Üniversite Caddesi 106/A Tepebaşı 26170 ESKİŞEHİR	TEPEBAŞI	ESKİŞEHİR	+ 90 850 204 05 67
Kayseri Eski Sanayi Branch	Eski Sanayi Bölgesi 4.Cadde No:51 38010 Hacısaki - Kocasinan - KAYSERİ	KOCASINAN	KAYSERİ	+ 90 850 204 05 72
Yeni Adana Branch	Güzelyalı Mahallesi, Turgut Özal Bulvarı, No:98/A Yeşilköşe Apartmanı Altı 01770 Çukurova / ADANA	SEYHAN	ADANA	+ 90 850 204 05 73
Antakya Çarşı Branch	İstiklal Caddesi Adalı İş Hanı No:14 Antakya 31050 HATAY	ANTAKYA	HATAY	+ 90 850 204 05 75
Çamdibi Branch	Mersinli Mahallesi Fatih Caddesi No:80 Konak 35170 İzmir	KONAK	İZMİR	+ 90 850 204 05 77
Adana Cemalpaşa Branch	Yeni Baraj Mah.Bülent Angın Bulvarı Özkan Apt. No: 8 / B 01150 Seyhan - ADANA	SEYHAN	ADANA	+ 90 850 204 05 78
Özlüce Branch	Ertuğrul Mahallesi, Ahmet Taner Kışlalı Caddesi No:36-A/B - 36-A/C Nilüfer 16110 BURSA	NİLÜFER	BURSA	+ 90 850 204 05 79
Sincan Çarşı Branch	Atatürk Mahallesi Meltem Sokak No:16/A 06930 Sincan ANKARA	SİNCAN	ANKARA	+ 90 850 204 05 83
Mersin Pozcu Branch	İnönü ( Bahçe ) Mah. G.M.K.Bulvarı Emel Sitesi B ve C Blok No: 353 / A 33140 Pozcu -Mersin - İÇEL	MERKEZ	MERSİN	+ 90 850 204 05 84
Etlük Branch	Emrah Mahallesi Yunus Emre Caddesi No:4/A Etlük Keçiören 06010 Ankara	KEÇİÖREN	ANKARA	+90 850 204 06 67
Alaşehir Branch	Soğuksu Mahallesi Sekine Evren Caddesi No:87 Alaşehir 45600 Manisa	ALAŞEHİR	MANİSA	+90 850 204 06 64
Bursa Cumhuriyet Caddesi Branch	Tuzpazarı Mah. Cumhuriyet Caddesi No:114 Osmangazi 16020 BURSA	OSMANGAZİ	BURSA	+ 90 850 204 05 87



Göktürk Branch	Göktürk Merkez Mahallesi, İstanbul Caddesi, No:30-32 Göktürk ? Eyüp 34050 İSTANBUL	EYÜP	İSTANBUL	+90 850 204 06 99
Cennet Mahallesi Branch	Cennet Mah.Barboros Caddesi Cennet Konakları Sitesi C Blok No: 1 34290 Küçükçekmece - İSTANBUL	KÜÇÜKÇEKMECE	İSTANBUL	+ 90 850 204 05 91
Kayseri Kurumsal Branch	Anbar Mahallesi 14.Cadde No:20 Asma Kat 38070	MELİKGAZİ	KAYSERİ	+ 90 850 204 05 93
Soğanlık Branch	Atatürk Caddesi No : 119 34880 Soğanlık - Kartal - İSTANBUL	KARTAL	İSTANBUL	+ 90 850 204 05 96
Avcılar E-5 Branch	Cihangir Mahallesi E-5 Yanyol Caddesi No:239 Avcılar 34310 İstanbul	AVCILAR	İSTANBUL	+ 90 850 204 05 97
Diyarbakır Kayapınar Branch	Mevlana Halit Mahallesi Urfa Bulvarı No:57/A Serin 1 Apt. Zemin Kat Bağlar 21090 Diyarbakır	BAĞLAR	DİYARBAKIR	+ 90 850 204 05 99
Elazığ Hürriyet Caddesi Branch	İcadiye Mahallesi Hürriyet Caddesi No: 25 23200 ELAZIĞ	MERKEZ	ELAZIĞ	+ 90 850 204 06 02
Alanya Sanayi Branch	Cumhuriyet Mah. Sanayi Girişi No:326 / A 07400 Alanya - ANTALYA	ALANYA	ANTALYA	+ 90 850 204 06 04
Sultangazi Branch	Cebeci Mahallesi ,Eski Edirne Asfaltı No: 748 34270 Sultañçifliđi / Sultangazi İSTANBUL	SULTANGAZİ	İSTANBUL	+ 90 850 204 06 06
Erzurum Cumhuriyet Branch	Yukarı Mumcu Mahallesi Cumhuriyet Caddesi No:29/B Merkez 25200 ERZURUM	MERKEZ	ERZURUM	+ 90 850 204 06 07
Polatlı Topçu ve Füze Okulu Komutanlığı Branch	İstiklal Mahallesi Refik Cesur Caddesi No:1 Polatlı 06900 Ankara	POLATLI	ANKARA	+90 850 204 07 01
Esenler Branch	Fevzi Çakmak Mahallesi Atışalanı Cad.NO:50-B Esenler 34220 İSTANBUL	ESENLER	İSTANBUL	+ 90 850 204 06 09
Ümraniye Sanayi Branch	Çakmak Mahallesi Alemdağ Caddesi No: 422 34775 Ümraniye - İSTANBUL	ÜMRANİYE	İSTANBUL	+ 90 850 204 06 10
Sıracevizler Branch	Şişli Mahallesi Sıracevizler Caddesi No:29A-B	ŞİŞLİ	İSTANBUL	+ 90 850 204 06 11
Güngören Branch	Atatürk Caddesi No:116F / 15 Çeşme İş Merkezi 34164 Merter - Güngören - İSTANBUL	GÜNGÖREN	İSTANBUL	+ 90 850 204 06 12
Terazidere Branch	Terazidere Mahallesi, Cumhuriyet Caddesi, No: 65 Bayrampaşa 34035 İSTANBUL	BAYRAMPAŞA	İSTANBUL	+ 90 850 204 06 14
Yenibosna Çarşı Branch	Fevzi Çakmak Mahallesi Yıldırım Beyazıt Caddesi No: 83B Bahçelievler 34197 İSTANBUL	BAHÇELİEVLER	İSTANBUL	+ 90 850 204 06 15
Ankara Maltepe Branch	Maltepe Mah. Gazi Mustafa Kemal Bulvarı No: 63/B 06570 Maltepe - ANKARA	ÇANKAYA	ANKARA	+ 90 850 204 06 16
Seyrantepe Branch	Seyrantepe Mahallesi İbrahim Karaođlınođlu Caddesi Alptekin İş Merkezi No:101 A-B Kağıthane 34418 İSTANBUL	KAĞITHANE	İSTANBUL	+ 90 850 204 06 18
Batman Çarşı Branch	Şirinevler Mah. Atatürk Bulvarı No:42 Rüstem Apt. Merkez 72070 Batman	MERKEZ	BATMAN	+ 90 850 204 06 20
Söke Branch	Konak Mahallesi Aydın Caddesi No:19 Söke 09200 Aydın	SÖKE	AYDIN	+ 90 850 204 06 59

Buca Branch	Kozağaç Mahallesi Uğur Mumcu Caddesi No:96 Buca 35390 İZMİR	BUCA	İZMİR	+90 850 204 06 96
Manavkuyu Branch	Adalet Mahallesi Manas Bulvarı No: 20/A Bayraklı 35530 İZMİR	BAYRAKLI	İZMİR	+ 90 850 204 06 25
Dikmen Branch	Ş.Mevlüt Meriç Mahallesi Dikmen Cad. No: 260/15 06460 Dikmen Çankaya - ANKARA	ÇANKAYA	ANKARA	+ 90 850 204 06 27
Adatepe Branch	Altayçeşme Mahallesi Bağdat Cad. No:287-291 Maltepe 34843 İstanbul	MALTEPE	İSTANBUL	+ 90 850 204 06 30
Zonguldak Branch	Meşrutiyet Mah. Gazipaşa Cad. No:31 Merkez 67030 ZONGULDAK	MERKEZ	ZONGULDAK	+ 90 850 204 06 34
Rumeli Kurumsal Branch	Target İş Merkezi E-5 Yan Yolu üzeri Haramidere mevkii K:5 Beylikdüzü 34520 İSTANBUL	BEYLİKDÜZÜ	İSTANBUL	+ 90 850 204 06 36
Beykent Branch	Cumhuriyet Mah.Gürpınar Yolu Beylikdüzü San.Sitesi B2 Blok No:325-326-327-328-355- 356 B.Çekmece 34500-İST	BÜYÜKÇEKME ECE	İSTANBUL	+ 90 850 204 06 37
Aspendos Bulvarı Branch	Aspendos Bulvarı A Blok No:76/2 Asma Kat Muratpaşa Merkez 07200 ANTALYA	MERKEZ	ANTALYA	+ 90 850 204 06 41
Osmaniye Branch	Alibeyli Mahallesi Dr Ahmet Alkan Caddesi No:17/A Merkez 80010 OSMANİYE	MERKEZ	OSMANİYE	+ 90 850 204 06 42
Kütahya Branch	Gazi Kemal Mahallesi Cumhuriyet Caddesi No:77/B Merkez 43050 KÜTAHYA	MERKEZ	KÜTAHYA	+ 90 850 204 06 43
Konya Karatay Branch	Fatih Mahallesi Köprü Sokak No:13/1 Selçuklu 42290 Konya	SELÇUKLU	KONYA	+ 90 850 204 06 44
Polatlı Branch	Cumhuriyet Mahallesi Ankara Caddesi No: 5 Polatlı 06900 Ankara	POLATLI	ANKARA	+ 90 850 204 06 57
Gezgin Branch	Yukarı Dudullu Organize Sanayi Bölgesi 1. Cadde No:17 Zemin Kat Ümraniye 34776 İstanbul	ÜMRANİYE	İSTANBUL	+ 90 533 373 32 61
Cebeci Branch	Fakülteler Mahallesi Cemal Gürsel Caddesi No: 77/A Çankaya 06590 Ankara	ÇANKAYA	ANKARA	+ 90 850 204 06 50
Tokat Branch	Kabe-i Mescid Mahallesi Gaziosmanpaşa Bulvarı No:168/A Merkez 60030 Tokat	MERKEZ	TOKAT	+ 90 850 204 06 51
Mersin Toptancılar Sitesi Branch	Mersin Toptancılar Sitesi (Mertoç) Hal Mahallesi Turgut Özal Bulvarı E Blok No: 92 Akdeniz 33020 Mersin	AKDENİZ	MERSİN	+ 90 850 204 06 52
Libadiye Branch	Cumhuriyet Mahallesi Libadiye Cad. No: 81-81 A Canan Sokak No: 1 Üsküdar 34699 İstanbul	ÜSKÜDAR	İSTANBUL	+ 90 850 204 06 53
Kıraç Branch	Hadımköy Yolu Caddesi Çakmaklı Mahallesi No:19/A Büyükçekmece 34500 İstanbul	BÜYÜKÇEKME ECE	İSTANBUL	+90 850 204 06 54
İstanbul Atatürk Havalimanı Branch	İstanbul Atatürk Hava Limanı Dış Hatlar Terminali Gelen Yolcu Katı IAL 3370 Yeşilköy 34149 İstanbul	BAKIRKÖY	İSTANBUL	+90 850 204 06 55
Ceyhan Branch	Türlübaş Mahallesi Atatürk Caddesi No:260 Ceyhan 01960 Adana	CEYHAN	ADANA	+ 90 850 204 06 56
Gönen Branch	Akçaali Mahallesi Atatürk Caddesi No: 27 Gönen 10900 Balıkesir	GÖNEN	BALIKESİR	+ 90 850 204 06 60
İncirlik 10. Tanker Üs Komutanlığı	Hava Kuvvetleri 10. Tanker Üs Komutanlığı İncirlik 01340 Sarıçam Adana	SARIÇAM	ADANA	+90 850 204 06 62

Branch				
Milas Branch	Hacıyaz Mahallesi Menteşe Caddesi Özler İş Hanı Karşısı No:91 Milas 48200 Muğla	MİLAS	MUĞLA	+ 90 850 204 06 65
Kızıltepe Branch	Atatürk Mahallesi Hastane Caddesi No:53-A Kızıltepe 47400 Mardin	KIZILTEPE	MARDİN	+90 850 204 06 66
Kırşehir Branch	Medrese Mahallesi, M. Kemal Hotamaroğlu Sokak No:2 Merkez 40200 Kırşehir	MERKEZ	KIRŞEHİR	+90 850 204 06 68
Siirt Branch	Bahçelievler Mahallesi Ali Çelik Caddesi No:3-1 Merkez 56100 SİİRT	MERKEZ	SİİRT	+90 850 204 06 71
Lefkoşa Sarayönü Branch	Girne Caddesi No:20 Lefkoşa / KKTC	-	LEFKOŞA / KKTC	+90 392 228 02 55
Denizli Çivril Branch	Çatlar Mahallesi Cumhuriyet Caddesi No:3 Çivril 20600 DENİZLİ	ÇIVRİL	DENİZLİ	+90 850 204 06 84
Çankırı Branch	Yunus AVM Buğday Pazarı Mahallesi Çarşamba Pazarı Caddesi No:4/B116-Z118-Z119 Merkez ÇANKIRI	MERKEZ	ÇANKIRI	+90 850 204 06 73
Karaman Branch	Mansurdede Mahallesi Atatürk Bulvarı No:24 D-E-F Merkez 70200 KARAMAN	MERKEZ	KARAMAN	+90 850 204 06 72
Tekirdağ Köprübaşı Branch	Aydoğdu Mahallesi Köprübaşı Sokak No:11/B Merkez 59200 TEKİRDAĞ	MERKEZ	TEKİRDAĞ	+90 850 204 06 76
Iğdır Branch	Cumhuriyet Mahallesi İbrahim Bozyel Caddesi No:5/A Merkez 76000 IĞDIR	MERKEZ	IĞDIR	+90 850 204 06 78
Gebze Akse Sapağı Branch	Mustafapaşa Mahallesi İbrahimağa Caddesi No:75/A Gebze 41400 Kocaeli	GEBZE	KOCAELİ	+90 850 204 06 83
Tatvan Branch	Tuğ Mahallesi Cumhuriyet Caddesi No : 156 Tatvan 13200 BİTLİS	TATVAN	BİTLİS	+90 850 204 06 81
Bozüyük Branch	Yeni Mahalle İsmet İnönü Caddesi No:67 Bozüyük 11300 BİLECİK	BOZÜYÜK	BİLECİK	+90 850 204 06 86
Bartın Branch	Kırtepe Mahallesi Hamam Caddesi No: 5 Merkez 74100 BARTIN	MERKEZ	BARTIN	+ 90 850 204 06 77
Silifke Branch	Mukaddem Mahallesi İnönü Bulvarı No:20 A Silifke 33940 MERSİN	SİLİFKE	MERSİN	+ 90 850 204 06 88
Kadirli Branch	Savrun Mahallesi Atatürk Caddesi No: 46 Kadirli 80760 OSMANİYE	KADIRLI	OSMANİYE	+ 90 850 204 06 89
Elbistan Branch	Güneşli Mahallesi Malatya Caddesi No:2 Elbistan 46300 KAHRAMANMARAŞ	ELBİSTAN	KAHRAMANMARAŞ	+ 90 850 204 06 85
Nevşehir Branch	Karasoku Mahallesi Atatürk Caddesi No:16/B Merkez 50100 Nevşehir	MERKEZ	NEVŞEHİR	+ 90 850 204 06 94
Yalıkavak Branch	İnönü Caddesi No:101/A-E Yalıkavak Bodrum 48990 MUĞLA	BODRUM	MUĞLA	+90 850 204 06 92
Şanlıurfa Emniyet Caddesi Branch	Veysel Karani Mahallesi Yunus Emre Caddesi No:68/B Merkez 63300 ŞANLIURFA	MERKEZ	ŞANLIURFA	+90 850 204 06 95
Malatya Çarşı Branch	Cumhuriyet Cad. No:10 Merkez 44200 MALATYA	MERKEZ	MALATYA	+90 850 204 06 90

Uzunköprü Branch	Muradiye Camii Mahallesi Cumhuriyet Caddesi No:1-A Uzunköprü 22300 EDİRNE	UZUNKÖPRÜ	EDİRNE	+90 850 204 06 93
Amasya Branch	Yüzevler Mahallesi Mustafa Kemal Paşa Caddesi No:76/A-B-1 Merkez 05100 AMASYA	MERKEZ	AMASYA	+90 850 204 06 87
Sinop Branch	Meydankapı Mahallesi Kıbrıs Caddesi No:4 Merkez 57000 Sinop	MERKEZ	SİNOP	+90 850 204 06 91
Ünye Branch	Kaledere Mahallesi Akkuş Niksar Caddesi No:6/A Ünye 52300 ORDU	ÜNYE	ORDU	+90 850 204 06 98
Yozgat Branch	Medrese Mahallesi, Şeyhzade Caddesi, No:11/B Merkez 66100 Yozgat	MERKEZ	YOZGAT	+90 850 204 07 00
Erdemli Branch	Merkez Mahallesi, Alparslan Türkeş Bulvarı, No: 561A Erdemli 33730 MERSİN	ERDEMLİ	MERSİN	+ 90 850 204 07 02
Kepez Branch	Teomanpaşa Mahallesi Yeşilirmak Caddesi 34/2 Kepez 07260 Antalya	KEPEZ	ANTALYA	+ 90 850 204 07 04
Dört Yol Branch	Çaylı Caddesi No:75 Dört Yol 31600 Hatay	DÖRTYOL	HATAY	+ 90 850 204 07 07
Fethiye Seydikemer Branch	Cumhuriyet Mahallesi İnönü Caddesi No:40 Kemer Fethiye 48300 Muğla	FETHİYE	MUĞLA	+90 850 204 07 09
Konya Buğday Pazarı Branch	Fevzi Çakmak Mahallesi Adana Çevreyolu Caddesi No:26B-(1 İşyeri) Karatay 42050 KONYA	KARATAY	KONYA	+90 850 204 07 08
Van İpekyolu Branch	Halil Ağa Mahallesi Kazım Karabekir Bulvarı No:143A	MERKEZ	VAN	+90 850 204 07 10
Toptancılar Sitesi Sivas Branch	Gültepe Mahallesi İmren Sokak No:3D Merkez 58080 Sivas	MERKEZ	SİVAS	+90 850 204 07 06
Tokat Erbaa Branch	Cumhuriyet Mahallesi Hükümet Caddesi No:140A Erbaa 60500 TOKAT	ERBAA	TOKAT	+90 850 204 07 11
Kocasinan Kayseri Branch	Sahabiye Mah. Ahmet Paşa Cad. No: 31-B, 31-C, 31-D, 31-E Kocasinan 38010 KAYSERİ	KOCASINAN	KAYSERİ	+90 850 204 07 13
Ayvalık Branch	İsmetpaşa Mahallesi Atatürk Bulvarı Caddesi No:109 Ayvalık 10400 Balıkesir	AYVALIK	BALIKESİR	+90 850 204 07 14
Tavşanlı Branch	Yeni Mahalle Emet Cad. No:16/A Tavşanlı 43300 Kütahya	TAVŞANLI	KÜTAHYA	+90 850 204 07 12
Konya Larende Branch	Şükran Mahallesi Başaralı Caddesi Üzümcü Yapı Sitesi No:104-(1 İşyeri)/1 Meram 42040 KONYA	MERAM	KONYA	+90 850 204 07 17
Bahçelievler Soğanlı Branch	Soğanlı Mahallesi Mustafa Kemal Paşa Caddesi No:134 B Bahçelievler 34183 İSTANBUL	BAHÇELİEVLER	İSTANBUL	+90 850 204 07 19
Ağrı Branch	Yavuz Mahallesi Kağızman Caddesi No:15 Merkez 04100 Ağrı	MERKEZ	AĞRI	+90 850 204 07 15
Dudullu Branch	Necip Fazıl Bulvarı No:7-9 Ümraniye 34773 İstanbul	ÜMRANİYE	İSTANBUL	+90 850 204 07 21
Darıca Branch	Kazımkarabekir Mahallesi İstasyon Caddesi No:509/A Darıca 41700 KOCAELİ	DARICA	KOCAELİ	+90 850 204 07 22
Karşıyaka Gaziantep Branch	Münüfpaşa Mahallesi Korutürk Caddesi No:1902 Şehitkamil Gaziantep	ŞEHİTKAMİL	GAZİANTEP	+90 850 204 07 20

Sarıgöl Branch	Cumhuriyet Mahallesi Aşağı Koçaklar Caddesi No:6/Z01 Sarıgöl 45470 MANİSA	SARIGÖL	MANİSA	+90 850 204 07 23
Saruhanlı Branch	Saruhan Mah. Cumhuriyet Meydanı No:9/2-3 Saruhanlı 45800 MANİSA	SARUHANLI	MANİSA	+90 850 204 07 24
Bayındır Branch	Mithatpaşa Mah. Fevzi Paşa Cad. No:23A Bayındır 35840 İZMİR	BAYINDIR	İZMİR	+90 850 204 07 25
Çumra Branch	İzzetbey Mahallesi Yıldız Sokak No:33A/1 Çumra 42500 KONYA	ÇUMRA	KONYA	+90 850 204 07 28
Bursa Yenişehir Branch	Ulucami Mahallesi Belediye Meydanı Sokak No:15 Yenişehir 16900 BURSA	YENİŞEHİR	BURSA	+90 850 204 07 26
Bayramiç Branch	Camitedit Mahallesi Atatürk Caddesi no:22 A Bayramiç 17700 ÇANAKKALE	BAYRAMIÇ	ÇANAKKALE	+90 850 204 07 27
Malkara Branch	Camiatik Mahallesi Hürriyet Caddesi No:25/11 Malkara 59300 TEKİRDAĞ	MALKARA	TEKİRDAĞ	+90 850 204 07 30
Sorgun Branch	Çay Mahallesi Cumhuriyet Caddesi No:71 A Sorgun 66700 YOZGAT	SORGUN	YOZGAT	+90 850 204 07 31
Akdeniz Üniversitesi Branch	Akdeniz Üniversitesi Dumlupınar Bulvarı Olbia Çarşısı Kampüs Konyaaltı 07058 ANTALYA	KONYAALTI	ANTALYA	

