

Yapı ve Kredi Bankası A.Ş.

Publicly announced unconsolidated financial statements and related disclosures at March 31, 2015 together with independent auditor's review report

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



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

INTERIM REVIEW REPORT

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

Introduction

We have reviewed the unconsolidated balance sheet of Yapı ve Kredi Bankası A.Ş. ("the Bank") at March 31, 2015 and the related unconsolidated income statement, unconsolidated statement of income and expense items under shareholders' equity, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the unconsolidated financial statements for the three-month-period then ended. The Bank Management is responsible for the preparation and fair presentation of interim financial statements in accordance with the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated November 1, 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by Banking Regulation and Supervision Authority, (together referred as BRSA Accounting and Reporting Legislation) and Turkish Accounting Standard 34 "Interim Financial Reporting" except for the matters regulated by BRSA Legislation. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Limited Review of Interim Financial Information Performed by the Independent Auditor of the Entity" promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA") of Turkey. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial reporting process, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an independent audit performed in accordance with the Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an opinion.

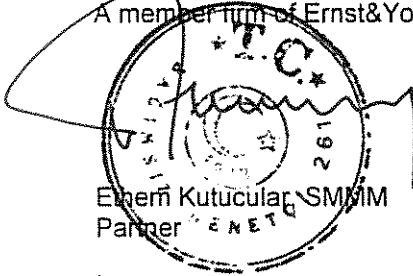
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial statements do not give a true and fair view of the financial position of Yapı ve Kredi Bankası A.Ş. at March 31, 2015 and of the results of its operations and its cash flows for the three-month-period then ended in all aspects in accordance with the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated November 1, 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by Banking Regulation and Supervision Authority, (together referred as BRSA Accounting and Reporting Legislation) and Turkish Accounting Standard 34 "Interim Financial Reporting" except for the matters regulated by BRSA Legislation.

Additional paragraph for convenience translation to English:

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

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



Istanbul, May 8, 2015

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

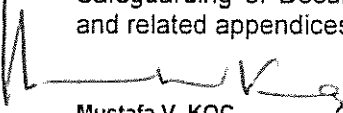
**The unconsolidated interim financial report of
Yapı ve Kredi Bankası A.Ş. as of March 31, 2015**

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


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


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


Mustafa V. KOÇ
Chairman of the
Board of Directors


H. Faik AÇIKALIN
Chief Executive Officer

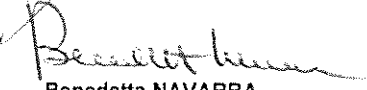

Marco IANNACCONE
Chief Financial Officer


B. Seda İKİZLER
Financial Reporting and
Accounting Executive
Vice President


Gianni F. G. PAPA
Chairman of Audit Committee


Francesco GIORDANO
Member of Audit Committee


F. Büsün Akkal BOZOK
Member of Audit Committee


Benedetta NAVARRA
Member of Audit Committee


Adil G. ÖZTOPRAK
Member of Audit Committee

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

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Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of March 31, 2015

(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:

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

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

The Bank's publicly traded shares are traded on the Borsa İstanbul ("BIST") since 1987 and the representatives of these shares, Global Depository Receipts, are quoted at the London Stock Exchange. As of March 31, 2015, 18,20% of the shares of the Bank are publicly traded (December 31, 2014 - 18,20%). The remaining 81,80% is owned by Koç Finansal Hizmetler A.Ş. ("KFS"), a joint venture of UniCredit ("UCG") and Koç Group.

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

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

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

As of March 31, 2015, the Bank's Board of Directors, Members of the Audit Committee, General Manager and Assistant General Managers are as follows:

Board of Directors Members ⁽¹⁾:

Name	Responsibility
Mustafa V. KOÇ	Chairman
Carlo VIVALDI	Vice Chairman
H. Faik AÇIKALIN	Chief Executive Officer
Niccolò UBERTALLI	Deputy General Manager
Adil Giray ÖZTOPRAK	Member
Ahmet Fadil ASHABOĞLU	Member
Benedetta NAVARRA	Member
Francesco GIORDANO	Member
F. Füsün Akkal BOZOK	Member
Jürgen Dr. KULLNIGG	Member
Gianni F.G. PAPA	Member
Levent ÇAKIROĞLU	Member

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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

General information (continued)

Audit Committee Members:

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

General Manager and Deputy General Manager:

Name	Responsibility
H. Faik AÇIKALIN	Chief Executive Officer
Niccolò UBERTALLI	Deputy General Manager

Assistant General Managers:

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

The shares of the above individuals in the Bank are insignificant.

- (1) The number of Board Directors' members was decided as 12, including independent members in accordance with the decision taken on the Ordinary General Assembly meeting dated 25 March 2015. Selected members are as follows: Mustafa Vehbi Koç, Carlo Vivaldi, Hüseyin Faik Açıkalın, Niccolò Ubertalli, Levent Çakıroğlu, Ahmet Fadıl Ashaboğlu, Fatma Füsün Akkal Bozok, Gianni Franco Giacomo Papa, Jürgen Dr. Kullnigg, Francesco Giordano. Adil Giray Öztoprak and Benedetta Navarra were assigned as independent member in accordance with the Communiqué of Corporate Governance released by Capital Markets Board (CMB).

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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

General information (continued)

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

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

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

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

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

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

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

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

As of March 31, 2015, the Bank has 1.006 branches operating in Turkey and 1 branch overseas (December 31, 2014 – 1.002 branches operating in Turkey, 1 branch in overseas). As of March 31, 2015, the Bank has 18.125 employees (December 31, 2014 – 17.457 employees).

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

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

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

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

All other subsidiaries are fully consolidated.

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

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

Yapı ve Kredi Bankası A.Ş.

Unconsolidated financial statements as of March 31, 2015 and December 31, 2014

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

Section two

Unconsolidated financial statements

I. Balance sheet (Statement of Financial Position)

Assets	Note (Section Five)	Current Period (31/03/2015)			Prior Period (31/12/2014)		
		TL	FC	Total	TL	FC	Total
I. Cash and balances with Central Bank	I-a	2.030.406	22.458.843	24.489.249	2.990.664	19.978.224	22.968.888
II. Financial assets at fair value through profit or (loss) (net)	I-b	2.526.585	216.577	2.743.162	1.050.556	146.460	1.197.016
2.1 Trading financial assets		2.526.585	216.577	2.743.162	1.050.556	146.460	1.197.016
2.1.1 Government debt securities		322.116	31.299	353.415	69.529	25.622	95.151
2.1.2 Share certificates		-	-	-	-	-	-
2.1.3 Derivative financial assets held for trading	I-c	2.204.469	185.278	2.389.747	981.027	120.838	1.101.865
2.1.4 Other marketable securities		-	-	-	-	-	-
2.2 Financial assets designated at fair value through profit/(loss)		-	-	-	-	-	-
2.2.1 Government debt securities		-	-	-	-	-	-
2.2.2 Share certificates		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other marketable securities		-	-	-	-	-	-
III. Banks	I-ç	1.221.631	3.895.383	5.117.014	91.643	2.303.705	2.395.348
IV. Money markets		728.020	54.815	782.835	1.568.654	-	1.568.654
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Receivables from Istanbul Stock Exchange Money Market		727.520	54.815	782.335	248.247	-	248.247
4.3 Receivables from reverse repurchase agreements		500	-	500	1.320.407	-	1.320.407
V. Financial assets available-for-sale (net)	I-d,e	17.967.971	3.157.718	21.125.689	15.284.389	3.301.769	18.586.158
5.1 Share certificates		5.760	220	5.980	5.760	220	5.980
5.2 Government debt securities		16.563.031	2.148.914	18.711.945	13.892.754	2.359.950	16.252.704
5.3 Other marketable securities		1.399.180	1.008.584	2.407.764	1.385.875	941.599	2.327.474
VI. Loans and receivables	I-f	89.826.860	42.564.766	132.391.626	83.936.124	38.057.278	121.993.402
6.1 Loans and receivables		88.699.735	42.203.694	130.903.429	82.877.115	37.860.438	120.737.553
6.1.1 Loans to bank's risk group		1.646.589	230.749	1.877.338	1.171.607	223.916	1.395.523
6.1.2 Government debt securities		-	-	-	-	-	-
6.1.3 Other		87.053.146	41.972.945	129.026.091	81.705.508	37.636.522	119.342.030
6.2 Loans under follow-up		4.127.929	792.850	4.920.779	3.762.524	571.251	4.333.775
6.3 Specific provisions (-)		(3.006.804)	(431.778)	(3.438.582)	(2.703.515)	(374.411)	(3.077.926)
VII. Factoring receivables		-	-	-	-	-	-
VIII. Held-to-maturity investments (net)	I-g	1.921.489	3.464.577	5.386.066	1.887.227	3.131.822	5.019.049
8.1 Government debt securities		1.921.489	3.464.577	5.386.066	1.887.227	3.131.822	5.019.049
8.2 Other marketable securities		-	-	-	-	-	-
IX. Investments in associates (net)	I-ğ	4.503	43.404	47.907	4.503	43.404	47.907
9.1 Consolidated based on equity method		-	-	-	-	-	-
9.2 Unconsolidated		4.503	43.404	47.907	4.503	43.404	47.907
9.2.1 Investments in financial associates		-	43.404	43.404	-	43.404	43.404
9.2.2 Investments in non-financial associates		4.503	-	4.503	4.503	-	4.503
X. Subsidiaries (net)	I-h	1.651.317	720.231	2.371.548	1.636.492	800.358	2.436.850
10.1 Unconsolidated financial subsidiaries		1.649.017	720.231	2.369.248	1.634.192	800.358	2.434.550
10.2 Unconsolidated non-financial subsidiaries		2.300	-	2.300	2.300	-	2.300
XI. Joint ventures (net)	I-ı	19.623	-	19.623	19.623	-	19.623
11.1 Accounted based on equity method		-	-	-	-	-	-
11.2 Unconsolidated		19.623	-	19.623	19.623	-	19.623
11.2.1 Financial joint ventures		19.623	-	19.623	19.623	-	19.623
11.2.2 Non-financial joint ventures		-	-	-	-	-	-
XII. Lease receivables	I-ı	-	-	-	-	-	-
12.1 Financial lease receivables		-	-	-	-	-	-
12.2 Operating lease receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned income (-)		-	-	-	-	-	-
XIII. Derivative financial assets held for hedging	I-j	511.325	-	511.325	256.146	-	256.146
13.1 Fair value hedge		268.878	-	268.878	177.895	-	177.895
13.2 Cash flow hedge		242.447	-	242.447	78.251	-	78.251
13.3 Foreign net investment hedge		-	-	-	-	-	-
XIV. Property and equipment (net)	I-k	2.006.584	-	2.006.584	1.050.993	-	1.050.993
XV. Intangible assets (net)	I-l	1.426.396	-	1.426.396	1.428.368	-	1,428,368
15.1 Goodwill		979.493	-	979.493	979.493	-	979.493
15.2 Other		446.903	-	446.903	448.875	-	448.875
XVI. Investment property (net)	I-m	-	-	-	-	-	-
XVII. Tax asset		-	-	-	93.959	-	93.959
17.1 Current tax asset		-	-	-	-	-	-
17.2 Deferred tax asset	I-n	-	-	-	93.959	-	93.959
XVIII. Assets held for resale and related to discontinued operations (net)	I-o	148.937	-	148.937	150.499	-	150.499
18.1 Held for sale purposes		148.937	-	148.937	150.499	-	150.499
18.2 Related to discontinued operations		-	-	-	-	-	-
XIX. Other assets	I-ö	1.211.714	1.350.718	2.562.432	1.027.377	961.048	1.988.425
Total assets		123.197.361	77.927.032	201.124.393	112.477.217	68.724.068	181.201.285

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

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

Yapı ve Kredi Bankası A.Ş.

Unconsolidated financial statements as of March 31, 2015 and December 31, 2014

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

I. Balance sheet (Statement of Financial Position)

	Note (Section Five)	Current Period (31/03/2015)			Prior Period (31/12/2014)		
		TL	FC	Total	TL	FC	Total
I. Deposits	II-a	64.456.827	53.253.060	117.709.887	64.175.925	40.944.414	105.120.339
1.1 Deposits of the Bank's risk group		8.466.877	7.583.519	16.050.396	9.031.224	6.091.758	15.122.982
1.2 Other		55.989.950	45.669.541	101.659.491	55.144.701	34.852.656	89.997.357
II. Derivative financial liabilities held for trading	II-b	1.899.474	176.754	2.076.228	698.894	96.636	795.530
III. Funds borrowed	II-c	641.971	19.813.485	20.455.456	862.557	17.259.016	18.121.573
IV. Money markets		5.930.089	1.269.915	7.200.004	3.834.659	2.365.914	6.200.573
4.1 Funds from interbank money market		400.000	-	400.000	-	-	-
4.2 Funds from Istanbul Stock Exchange Money Market		55.056	-	55.056	-	-	-
4.3 Funds provided under repurchase agreements		5.475.033	1.269.915	6.744.948	3.834.659	2.365.914	6.200.573
V. Marketable securities issued (net)	II-ç	3.170.901	7.878.447	11.049.348	2.820.234	6.900.165	9.720.399
5.1 Bills		2.011.917	2.003.649	4.015.566	1.638.373	1.712.209	3.350.582
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		1.158.984	5.874.798	7.033.782	1.181.861	5.187.956	6.369.817
VI. Funds		-	-	-	-	-	-
6.1 Borrower funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
VII. Miscellaneous payables		7.092.537	2.029.355	9.121.892	6.886.076	1.515.308	8.401.384
VIII. Other liabilities	II-d	1.396.333	881.765	2.278.098	1.342.786	1.543.834	2.886.620
IX. Factoring payables		-	-	-	-	-	-
X. Lease payables (net)	II-e	-	-	-	-	-	-
10.1 Financial lease payables		-	-	-	-	-	-
10.2 Operational lease payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred lease expenses (-)		-	-	-	-	-	-
XI. Derivative financial liabilities held for hedging	II-f	147.404	226.688	374.092	228.442	211.349	439.791
11.1 Fair value hedge		-	-	-	-	-	-
11.2 Cash flow hedge		147.404	226.688	374.092	228.442	211.349	439.791
11.3 Foreign net investment hedge		-	-	-	-	-	-
XII. Provisions	II-g	2.494.779	743.484	3.238.263	2.569.837	675.719	3.245.556
12.1 General loan loss provision		1.338.837	682.379	2.021.216	1.262.683	620.584	1.883.267
12.2 Restructuring provisions		-	-	-	-	-	-
12.3 Reserve for employee rights		257.345	-	257.345	251.595	-	251.595
12.4 Insurance technical provisions (net)		-	-	-	-	-	-
12.5 Other provisions		898.597	61.105	959.702	1.055.559	55.135	1.110.694
XIII. Tax liability	II-ğ	336.589	-	336.589	372.599	-	372.599
13.1 Current tax liability		285.780	-	285.780	372.599	-	372.599
13.2 Deferred tax liability		50.809	-	50.809	-	-	-
XIV. Liabilities for property and equipment held for sale and related to discontinued operations (net)		-	-	-	-	-	-
14.1 Held for sale		-	-	-	-	-	-
14.2 Related to discontinued operations		-	-	-	-	-	-
XV. Subordinated loans		-	7.407.141	7.407.141	-	6.770.549	6.770.549
XVI. Shareholders' equity	II-i	19.651.924	225.471	19.877.395	18.804.845	321.527	19.126.372
16.1 Paid-in capital		4.347.051	-	4.347.051	4.347.051	-	4.347.051
16.2 Capital reserves		2.881.340	225.471	3.106.811	2.154.874	321.527	2.476.401
16.2.1 Share premium		543.881	-	543.881	543.881	-	543.881
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Marketable securities valuation differences		367.837	386.644	754.481	540.111	483.262	1.023.373
16.2.4 Property and equipment revaluation differences		803.868	-	803.868	18.485	-	18.485
16.2.5 Intangible assets revaluation differences		-	-	-	-	-	-
16.2.6 Revaluation differences of investment property		-	-	-	-	-	-
16.2.7 Bonus shares from investments in associates, subsidiaries and joint ventures		15.107	-	15.107	15.107	-	15.107
16.2.8 Hedging funds (effective portion)		(23.404)	(161.173)	(184.577)	(135.274)	(161.735)	(297.009)
16.2.9 Value increase in assets held for sale and related to discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		1.174.051	-	1.174.051	1.172.564	-	1.172.564
16.3 Profit reserves		11.901.668	-	11.901.668	10.457.954	-	10.457.954
16.3.1 Legal reserves		751.512	-	751.512	641.000	-	641.000
16.3.2 Status reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		11.148.251	-	11.148.251	9.815.284	-	9.815.284
16.3.4 Other profit reserves		1.905	-	1.905	1.670	-	1.670
16.4 Income or (loss)		521.865	-	521.865	1.844.966	-	1.844.966
16.4.1 Prior years' income or (loss)		-	-	-	-	-	-
16.4.2 Current year income or (loss)		521.865	-	521.865	1.844.966	-	1.844.966
Total liabilities and shareholders' equity		107.218.828	93.905.565	201.124.393	102.596.854	78.604.431	181.201.285

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

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

Yapı ve Kredi Bankası A.Ş.

Unconsolidated financial statements as of March 31, 2015 and December 31, 2014

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

II. Off-balance sheet commitments

	Note (Section Five)	Current Period (31/03/2015)			Prior Period (31/12/2014)		
		TL	FC	Total	TL	FC	Total
A	Off-balance sheet commitments (I+II+III)	139.544.680	209.717.217	349.261.897	117.452.209	142.114.339	259.566.548
I.	Guarantees and warranties	16.448.692	33.844.298	50.292.990	15.983.223	32.292.642	48.275.865
1.1	Letters of guarantee	16.393.139	22.790.807	39.183.946	15.913.418	21.868.385	37.781.803
1.1.1	Guarantees subject to state tender law	481.614	759.381	1.240.995	503.713	716.911	1.220.624
1.1.2	Guarantees given for foreign trade operations	2.289.161	22.031.426	24.320.587	2.316.159	21.151.474	23.467.633
1.1.3	Other letters of guarantee	13.622.364	-	13.622.364	13.093.546	-	13.093.546
1.2	Bank acceptances	-	127.168	127.168	-	126.982	126.982
1.2.1	Import letter of acceptance	-	127.168	127.168	-	126.982	126.982
1.2.2	Other bank acceptances	-	-	-	-	-	-
1.3	Letters of credit	-	7.904.560	7.904.560	3	7.592.265	7.592.268
1.3.1	Documentary letters of credit	-	7.904.560	7.904.560	3	7.592.265	7.592.268
1.3.2	Other letters of credit	-	-	-	-	-	-
1.4	Prefinancing given as guarantee	-	-	-	-	-	-
1.5	Endorsements	-	-	-	-	-	-
1.5.1	Endorsements to the Central Bank of the Republic of Turkey	-	-	-	-	-	-
1.5.2	Other endorsements	-	-	-	-	-	-
1.6	Securities issue purchase guarantees	-	-	-	-	-	-
1.7	Factoring guarantees	-	-	-	-	-	-
1.8	Other guarantees	55.553	984.170	1.039.723	69.802	788.994	858.796
1.9	Other warranties	-	2.037.593	2.037.593	-	1.916.016	1.916.016
II.	Commitments	46.972.238	28.735.972	75.708.210	42.919.920	3.503.210	46.423.130
2.1	Irrevocable commitments	46.972.238	28.735.972	75.708.210	42.919.920	3.503.210	46.423.130
2.1.1	Asset purchase and sale commitments	3.303.313	27.334.402	30.637.715	937.272	2.205.515	3.142.787
2.1.2	Deposit purchase and sales commitments	1.148	8	1.156	-	8	8
2.1.3	Share capital commitments to associates and subsidiaries	-	-	-	-	-	-
2.1.4	Loan granting commitments	6.939.561	1.227.413	8.166.974	6.945.817	1.179.842	8.125.659
2.1.5	Securities issue brokerage commitments	-	-	-	-	-	-
2.1.6	Commitments for reserve deposit requirements	-	-	-	-	-	-
2.1.7	Commitments for cheques	6.434.466	-	6.434.466	5.981.382	-	5.981.382
2.1.8	Tax and fund liabilities from export commitments	45.699	-	45.699	44.489	-	44.489
2.1.9	Commitments for credit card limits	26.529.698	-	26.529.698	25.612.776	-	25.612.776
2.1.10	Commitments for credit cards and banking services promotions	10.890	-	10.890	11.149	-	11.149
2.1.11	Receivables from short sale commitments of marketable securities	-	-	-	-	-	-
2.1.12	Payables for short sale commitments of marketable securities	-	-	-	-	-	-
2.1.13	Other irrevocable commitments	3.707.463	174.149	3.881.612	3.387.035	117.845	3.504.880
2.2	Revocable commitments	-	-	-	-	-	-
2.2.1	Revocable loan granting commitments	-	-	-	-	-	-
2.2.2	Other revocable commitments	-	-	-	-	-	-
III.	Derivative financial instruments	76.123.750	147.136.947	223.260.697	58.549.066	106.318.487	164.867.553
3.1	Derivative financial instruments for hedging purposes	22.175.795	26.705.019	48.880.814	19.785.915	22.110.629	41.896.544
3.1.1	Transactions for fair value hedge	448.845	761.666	1.210.511	455.325	674.144	1.129.469
3.1.2	Transactions for cash flow hedge	21.726.950	25.943.353	47.670.303	19.330.590	21.436.485	40.767.075
3.1.3	Transactions for foreign net investment hedge	-	-	-	-	-	-
3.2	Trading transactions	53.947.955	120.431.928	174.379.883	38.763.151	84.207.858	122.971.009
3.2.1	Forward foreign currency buy/sell transactions	3.476.572	7.019.349	10.495.921	2.501.331	3.961.521	6.462.898
3.2.1.1	Forward foreign currency transactions-buy	1.109.926	4.050.289	5.160.215	919.750	2.229.299	3.149.049
3.2.1.2	Forward foreign currency transactions-sell	2.366.646	2.969.060	5.335.706	1.581.581	1.732.268	3.313.849
3.2.2	Swap transactions related to foreign currency and interest rates	39.384.134	90.839.381	130.223.515	28.646.885	61.960.287	90.607.172
3.2.2.1	Foreign currency swap-buy	14.472.830	37.459.186	51.932.016	12.373.547	25.252.209	37.625.756
3.2.2.2	Foreign currency swap-sell	24.911.304	26.292.487	51.203.791	16.273.338	20.748.836	37.022.174
3.2.2.3	Interest rate swap-buy	-	13.543.854	13.543.854	-	7.979.621	7.979.621
3.2.2.4	Interest rate swap-sell	-	13.543.854	13.543.854	-	7.979.621	7.979.621
3.2.3	Foreign currency, interest rate and securities options	6.069.359	13.866.213	19.935.572	3.897.749	12.727.219	16.624.968
3.2.3.1	Foreign currency options-buy	3.145.301	4.611.516	7.756.817	1.763.365	2.931.949	4.695.314
3.2.3.2	Foreign currency options-sell	2.919.425	4.979.327	7.898.752	2.067.159	2.701.372	4.769.131
3.2.3.3	Interest rate options-buy	-	2.137.685	2.137.685	-	3.546.649	3.546.649
3.2.3.4	Interest rate options-sell	-	2.137.685	2.137.685	-	3.546.649	3.546.649
3.2.3.5	Securities options-buy	4.000	-	4.000	55.500	-	55,500
3.2.3.6	Securities options-sell	633	-	633	11.725	-	11.725
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	5.017.890	8.706.985	13.724.875	3.717.188	5.558.785	9.275.971
B.	Custody and pledges received (IV+V+VI)	185.791.849	46.268.055	232.059.904	175.964.039	37.559.647	213.523.686
IV.	Items held in custody	61.493.784	6.373.690	67.867.474	62.028.636	6.230.556	68.259.192
4.1	Customer fund and portfolio balances	-	-	-	-	-	-
4.2	Investment securities held in custody	45.425.753	5.488.880	50.914.633	44.893.146	5.363.710	50.256.856
4.3	Checks received for collection	13.774.511	164.869	13.939.380	14.213.559	161.325	14.374.884
4.4	Commercial notes received for collection	2.251.745	684.074	2.935.819	2.880.156	670.631	3.550.787
4.5	Other assets received for collection	-	30.449	30.449	-	28.819	29.819
4.6	Assets received for public offering	-	-	-	-	-	-
4.7	Other items under custody	41.775	5.418	47.193	41.775	5.071	46.846
4.8	Custodians	-	-	-	-	-	-
V.	Pledges received	122.791.900	39.152.482	161.944.382	112.458.919	30.617.856	143.076.775
5.1	Marketable securities	191.030	290	191.320	179.123	257	179.380
5.2	Guarantee notes	1.030.201	263.344	1.293.545	841.979	246.527	1.088.506
5.3	Commodity	32.149	-	32.149	28.446	-	28.446
5.4	Warrants	-	-	-	-	-	-
5.5	Properties	75.789.087	26.162.273	103.951.360	69.897.086	22.834.232	92.731.318
5.6	Other pledged items	45.749.433	10.721.916	56.471.349	41.512.285	7.532.654	49.044.939
5.7	Pledged items-depository	-	4.659	4.659	-	4.186	4.186
VI.	Accepted independent guarantees and warranties	1.506.165	741.883	2.248.048	1.476.484	711.235	2.187.719
Total off-balance sheet commitments (A+B)		325.336.529	255.985.272	581.321.801	293.416.248	179.673.986	473.090.234

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

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

Yapı ve Kredi Bankası A.Ş.

Unconsolidated financial statements as of March 31, 2015 and 2014

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

III. Income statement

Income and expense items		Note (Section Five)	Current Period 01/01/2015- 31/03/2015	Prior Period 01/01/2014- 31/03/2014
I.	Interest income	IV-a	3.380.447	2.667.987
1.1	Interest on loans	IV-a-1	2.863.399	2.117.765
1.2	Interest received from reserve deposits		1.151	-
1.3	Interest received from banks	IV-a-2	45.962	21.794
1.4	Interest received from money market transactions		12.353	79.511
1.5	Interest received from marketable securities portfolio	IV-a-3	457.075	448.755
1.5.1	Trading financial assets		1.843	820
1.5.2	Financial assets at fair value through profit or (loss)		-	-
1.5.3	Available-for-sale financial assets		363.610	327.347
1.5.4	Held to maturity investments		91.622	120.588
1.6	Financial lease income		-	-
1.7	Other interest income		507	162
II.	Interest expense	IV-b	(1.957.886)	(1.410.339)
2.1	Interest on deposits	IV-b-4	(1.480.490)	(1.066.114)
2.2	Interest on funds borrowed	IV-b-1	(214.736)	(175.115)
2.3	Interest expense on money market transactions		(103.512)	(72.849)
2.4	Interest on securities issued	IV-b-3	(151.136)	(93.063)
2.5	Other interest expenses		(8.012)	(3.198)
III.	Net interest income (I + II)		1.422.561	1.257.648
IV.	Net fees and commissions income		593.338	480.483
4.1	Fees and commissions received		740.947	601.145
4.1.1	Non-cash loans		95.847	79.146
4.1.2	Other		645.100	521.999
4.2	Fees and commissions paid		(147.609)	(120.662)
4.2.1	Non-cash loans		(233)	(41)
4.2.2	Other		(147.376)	(120.621)
V.	Dividend income	IV-c	113.691	174.123
VI.	Trading gain/(loss) (net)	IV-ç	(68.789)	(213.040)
6.1	Trading gains/(losses) on securities		134.581	14.518
6.2	Derivative financial transactions gains/(losses)	IV-d	(362.696)	(98.739)
6.3	Foreign exchange gains/(losses)		159.326	(128.819)
VII.	Other operating income	IV-e	260.696	184.762
VIII.	Total operating income (III+IV+V+VI+VII)		2.321.497	1.883.976
IX.	Provision for impairment of loans and other receivables (-)	IV-f	(550.465)	(434.132)
X.	Other operating expenses (-)	IV-g	(1.116.263)	(875.340)
XI.	Net operating income/(loss) (VIII-IX-X)		654.769	574.504
XII.	Excess amount recorded as income after merger		-	-
XIII.	Income/(loss) from investments accounted based on equity method		-	-
XIV.	Income/(loss) on net monetary position		-	-
XV.	Profit/loss before taxes from continuing operations (XI+XII+XIII+XIV)	IV-ğ	654.769	574.504
XVI.	Tax provision for continuing operations (±)	IV-h	(132.904)	(87.524)
16.1	Current tax provision		(6.683)	(164.726)
16.2	Deferred tax provision		(126.221)	77.202
XVII.	Net profit/loss from continuing operations (XV±XVI)		521.865	486.980
XVIII.	Income from discontinued operations		-	-
18.1	Income from non-current assets held for resale		-	-
18.2	Profit from sales of associates, subsidiaries and joint ventures		-	-
18.3	Other income from discontinued operations		-	-
XIX.	Expenses from discontinued operations (-)		-	-
19.1	Expenses for non-current assets held for resale		-	-
19.2	Loss from sales of associates, subsidiaries and joint ventures		-	-
19.3	Other expenses from discontinued operations		-	-
XX.	Profit /losses before taxes from discontinued operations (XVIII-XIX)	IV-ı	-	-
XXI.	Tax provision for discontinued operations (±)	IV-h	-	-
21.1	Current tax provision		-	-
21.2	Deferred tax provision		-	-
XXII.	Net profit/loss from discontinued operations (XX±XXI)		-	-
XXIII.	Net profit/loss (XVII+XXII)	IV-ı	521.865	486.980
	Earnings/(loss) per share (full TL)		0,0012	0,0011

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

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

Yapı ve Kredi Bankası A.Ş.

Unconsolidated financial statements as of March 31, 2015 and 2014

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

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

	Current Period	Prior Period
Income and expense items accounted under shareholders' equity	(31/03/2015)	(31/03/2014)
I. Transfers to marketable securities valuation differences from financial assets available for sale	(346.120)	(42.687)
II. Property and equipment revaluation differences	826.718	-
III. Intangible assets revaluation differences	-	-
IV. Currency translation differences for foreign currency transactions	8.494	(3.551)
V. Profit/loss on cash flow hedges (effective part of the fair value changes)	158.378	122.212
VI. Profit/loss on foreign net investment hedges (effective part of the fair value changes)	-	-
VII. Effects of changes in accounting policy and adjustment of errors	-	-
VIII. Other income and expense items accounted under shareholders' equity according to TAS	235	-
IX. Deferred tax on valuation differences	(18.547)	(15.199)
X. Net profit or loss accounted directly under shareholders' equity (I+II+...+IX)	629.158	60.775
XI. Current year profit/loss	521.865	486.980
11.1 Net change in fair value of marketable securities (recycled to profit-loss)	133.600	243
11.2 Part of cash flow hedge derivative financial instruments reclassified and presented on the income statement	(64.724)	(42.829)
11.3 Part of foreign net investment hedges reclassified and presented on the income statement	-	-
11.4 Other	452.989	529.566
XII. Total income/loss accounted for the period (X+XI)	1.151.023	547.755

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

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

Yapı ve Kredi Bankası A.Ş.
Unconsolidated statement of changes in shareholders' equity as of March 31, 2014
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

V. Statement of changes in shareholders' equity

Prior Period	Note (Section five) in capital	Paid- to share capital	Adjustment to share capital premium	Share cancellation	Share profits reserves	Legal reserves	Status reserves	Extra ord. reserves	Other reserves	Current period net income/(loss)	Prior period income/(loss)	Marketable securities Value increase	Property and equipment and intangible assets revaluation	Bonus shares from investments	Hedging funds	Assets held for resale/ discontinued operations revaluation	Total shareholders' equity
March 31, 2014		4.347.051	- 543.881	-	- 463.786	- 463.786	-	8.051.473	313.827	3.202.975	-	485.966	-	15.107	(115.117)	-	17.308.949
I. Period opening balance																	
ii. Changes in accounting policies according to TAS 8																	
2.1 Effects of errors																	
2.2 Effects of the changes in accounting policies																	
iii. New balance (I+II)		4.347.051	- 543.881	-	- 463.786	- 463.786	-	8.051.473	313.827	3.202.975	-	485.966	-	15.107	(115.117)	-	17.308.949
Changes in the period																	
IV. Increase/decrease due to merger differences																	
V. Marketable securities valuation differences												(34.154)	-				(34.154)
VI. Hedging transactions (effective portion)															97.770		97.770
6.1 Cash flow hedge															97.770		97.770
6.2 Foreign net investment hedge																	
VII. Property and equipment revaluation differences																	
VIII. Intangible assets revaluation differences																	
IX. Bonus shares from investments in associates, subsidiaries and joint ventures												3.214			(6.055)		(2.841)
X. Foreign exchange differences																	
XI. Changes due to the disposal of assets																	
XII. Changes due to the reclassification of assets																	
XIII. Effect of the changes in equity of investment in associates																	
XIV. Capital increase																	
14.1 Cash increase																	
14.2 Internal resources																	
XV. Share premium																	
XVI. Share cancellation profits																	
XVII. Paid in-capital inflation adjustment difference																	
XVIII. Other																	
XIX. Current year income or loss										486.980							486.980
XX. Profit distribution						177.214		1.763.811	873.950	(3.202.975)							(388.000)
20.1 Dividend paid																	
20.2 Transfers to reserves						177.214		1.763.811	873.950	(2.814.975)							(388.000)
20.3 Other																	
Period end balance (III+IV+V+.....+XVIII+XIX+XX)		4.347.051	- 543.881	-	641.000	-	-	9.815.284	1.107.777	486.980	-	455.026	-	15.107	(23.402)	-	17.468.704

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

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

Yapı ve Kredi Bankası A.Ş.
Unconsolidated statement of changes in shareholders' equity as of March 31, 2015
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

V. Statement of changes in shareholders' equity

Current Period	Note (Section five)	Paid-in capital	Adjustment to share capital	Share premium	Share cancellation	Share profits	Legal reserves	Status reserves	Extra ord. reserves	Other reserves	Current period net income/(loss)	Prior period income/(loss)	Marketable securities value increase fund	Property and equipment and intangible assets revaluation fund	Bonus shares from investments	Hedging funds	Assets held for resale/ discontinued operations revaluation shareholders' equity fund	Total
March 31, 2015																		
I.		4.347.051	-	543.881	-	641.000	-	9.815.284	1.174.234	-	1.844.966	-	1.023.373	18.485	15.107	(297.009)	-	19.126.372
	Changes in the period																	
II.	Increase/decrease due to the merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Marketable securities valuation differences	-	-	-	-	-	-	-	-	-	-	(289.957)	-	-	-	-	-	(289.957)
IV.	Hedging transactions (effective portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	126.702
4.1	Cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	126.702
4.2	Foreign net investment hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Property and equipment revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	785.383	-	-	-	785.383
VI.	Intangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus shares from investments in associates, subsidiaries and joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Changes due to the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	21.065	-	-	(14.270)	-	6.795
X.	Changes due to the reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Effect of the changes in equity of investment in associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1	Cash increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2	Internal resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Share premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Paid in-capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Other	-	-	-	-	-	-	-	235	-	-	-	-	-	-	-	-	235
XVII.	Current year income or loss	-	-	-	-	-	-	-	-	-	521.865	-	-	-	-	-	-	521.865
XVIII.	Profit distribution	-	-	-	-	-	-	-	1.332.967	1.487	(1.844.966)	-	-	-	-	-	-	(400.000)
18.1	Dividend paid	-	-	-	-	-	-	-	-	-	(400.000)	-	-	-	-	-	-	(400.000)
18.2	Transfers to reserves	-	-	-	-	-	-	-	1.332.967	1.487	(1.444.966)	-	-	-	-	-	-	(400.000)
18.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Period end balance	4.347.051	-	543.881	-	751.512	-	11.148.251	1.175.956	-	521.865	-	754.481	803.868	15.107	(184.577)	-	19.877.395
	(I+II+III+...+XVI+XVII+XVIII)																	

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

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

Yapı ve Kredi Bankası A.Ş.

Unconsolidated financial statements as of March 31, 2015 and 2014

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

VI. Statement of cash flows

	Notes (Section Five)	Current Period (31/03/2015)	Prior Period (31/03/2014)
A. Cash flows from banking operations			
1.1	Operating profit before changes in operating assets and liabilities	51.855	1.635.752
1.1.1	Interest received	3.138.049	2.557.461
1.1.2	Interest paid	(1.861.275)	(1.328.330)
1.1.3	Dividend received	113.691	94.488
1.1.4	Fees and commissions received	740.947	599.890
1.1.5	Other income	(243.807)	594.330
1.1.6	Collections from previously written-off loans and other receivables	270.420	278.436
1.1.7	Payments to personnel and service suppliers	(1.014.492)	(627.965)
1.1.8	Taxes paid	(180.065)	(61.601)
1.1.9	Other	(911.613)	(470.957)
1.2	Changes in operating assets and liabilities	3.019.352	661.316
1.2.1	Net (increase)/decrease in trading securities	(258.898)	7.086
1.2.2	Net (increase)/decrease in fair value through profit/loss financial assets	-	-
1.2.3	Net (increase)/decrease in banks	(2.164.426)	501.878
1.2.4	Net (increase)/decrease in loans	(10.541.719)	(4.481.278)
1.2.5	Net (increase)/decrease in other assets	(575.407)	(572.505)
1.2.6	Net increase /(decrease) in bank deposits	1.959.979	(524.989)
1.2.7	Net increase /(decrease) in other deposits	10.537.748	1.483.839
1.2.8	Net increase /(decrease) in funds borrowed	3.410.604	3.365.388
1.2.9	Net increase /(decrease) in payables	-	-
1.2.10	Net increase /(decrease) in other liabilities	651.471	881.897
I.	Net cash flows from banking operations	3.071.207	2.297.068
B. Cash flows from investing activities			
II.	Net cash flows from investing activities	(3.197.244)	(312.675)
2.1	Cash paid for acquisition of investments in associates, subsidiaries and joint ventures	-	(19)
2.2	Cash obtained from disposal of investments in associates, subsidiaries and joint ventures	-	-
2.3	Purchases of property and equipment	(147.131)	(33.803)
2.4	Disposals of property and equipment	6.615	12.433
2.5	Purchase of investments available-for-sale	(5.236.501)	(3.764.508)
2.6	Sale of investments available-for-sale	2.179.933	2.339.126
2.7	Purchase of investment securities	(196)	(426.384)
2.8	Sale of investment securities	36	1.560.480
2.9	Other	-	-
C. Cash flows from financing activities			
III.	Net cash flows from financing activities	941.147	1.178.403
3.1	Cash obtained from funds borrowed and securities issued	1.328.949	1.803.009
3.2	Cash used for repayment of funds borrowed and securities issued	(82.080)	(624.125)
3.3	Issued capital instruments	-	-
3.4	Dividends paid	(304.818)	-
3.5	Payments for finance leases	(904)	(481)
3.6	Other	-	-
IV.	Effect of change in foreign exchange rates on cash and cash equivalents	476.672	94.093
V.	Net increase in cash and cash equivalents (I+II+III+IV)	1.291.782	3.256.889
VI.	Cash and cash equivalents at beginning of the period	9.201.195	9.272.213
VII.	Cash and cash equivalents at end of the period	VI 10.492.977	12.529.102

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

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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

Section Three

Accounting policies

I. Explanations on basis of presentation:

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

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

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

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

The accounting policies and valuation principles applied in the preparation of financial statements are defined and applied in accordance with TAS and are consistent with the accounting policies applied for the year ended December 31, 2014, except for changes on accounting policies from historical cost basis to revaluation basis for intangible assets.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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

Accounting policies (continued)

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

Additional paragraph for convenience translation into English:

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

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

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

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

Bank, upon initial recognition, classifies its financial liabilities as fair value of financial liabilities value through profit / loss in order to eliminate the recognition inconsistency.

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

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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

Accounting policies (continued)

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

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

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

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

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

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

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

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

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

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

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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

Accounting policies (continued)

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

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

As of March 31, 2015, the Bank's credit derivatives portfolio included in the off-balance sheet accounts is composed of credit linked notes (embedded derivatives are separated from host contract in line with TAS 39 and recorded as credit default swaps) and credit default swaps.

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

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

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

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

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

V. Explanations on interest income and expense:

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

VI. Explanations on fee and commission income and expenses:

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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

Accounting policies (continued)

VII. Explanations on financial assets:

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

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

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

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

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

b. Held-to-maturity financial assets:

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

There are no financial assets that were previously classified as held-to-maturity but cannot be subject to this classification for two years due to breach of classification principles. In accordance with TAS 39, sales or reclassification to available for sale portfolio of insignificant amount of financial assets, sale or reclassification to available for sale portfolio of financial assets which are close to maturity less than three months, or sale or reclassification to available for sale portfolio of assets as a result of significant increase in the risk weights of held-to-maturity investments used for regulatory risk-based capital purposes will not result in tainting.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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

Accounting policies (continued)

c. Loans and receivables:

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

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

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

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

d. Available-for-sale financial assets:

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

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

Interest income on available for sale financial assets are calculated by effective interest rate method and are accounted for in interest income account. At the time of sale of an available for sale financial assets before the maturity, the difference between the profit, which is the difference between the cost and sales price of the financial assets, and the interest income accrual are accounted under UCA.

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Yapı ve Kredi Bankası A.Ş.

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Accounting policies (continued)

VIII. Explanations on impairment of financial assets:

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

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

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

IX. Explanations on offsetting financial assets:

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

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

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

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

The Bank has no securities lending transactions.

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Accounting policies (continued)

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

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

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

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

XII. Explanations on goodwill and other intangible assets:

a. Goodwill:

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

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

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Accounting policies (continued)

b. Other intangible assets:

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

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

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

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

XIII. Explanations on property and equipment:

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

The Bank adopted a fair value accounting method for its buildings as of March 31, 2015 in tangible assets in accordance with TAS 16.

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

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

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

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

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

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Accounting policies (continued)

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

XIV. Explanations on leasing transactions:

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

Financial lease

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

Operational lease

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

XV. Explanations on provisions, contingent liabilities:

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

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

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

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Accounting policies (continued)

XVI. Explanations on obligations related to employee rights:

a. Employee termination benefits

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

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

b. Pension rights

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

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

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

The reasoning of the Constitutional Court regarding the abrogation of the corresponding article was published in the Official Gazette dated December 15, 2007, No 26372. With the publication of the reasoning of the decision, the Grand National Assembly of Turkey ("GNAT") started to work on new legal arrangements regarding the transfer of the fund members to SSI and the related articles of the "Law Regarding the Changes in Social Insurance and General Health Insurance Law and Other Related Laws and Regulations" No 5754 ("the New Law") regulating the transfer of the funds were approved by the GNAT on April 17, 2008. The New Law was published in the Official Gazette No. 26870 dated May 8, 2008. With the new law, the banks' pension funds will be transferred to SSI within three years from the date of publication of the decree and this period can be extended for a maximum of two years with the decision of the Council of Ministers. The transfer period was extended for another two years with the decision of the Council of Ministers No. 2011/1559 published in the Official Gazette dated April 9, 2011. According to the "Amendment of Social Insurance and General Health Insurance Law No. 6283" published in the Official Gazette dated March 8, 2012, Council of Ministers was authorized to increase the two-year extension period mentioned above to four years. According to the decision of The Council of Ministers dated February 24, 2014, the transfer date is set as May 2015. The Council of Ministers was authorized to determine the transfer date of pension funds in accordance with the last amendment in the first paragraph of the 20th provisional article of Law No.5510 implemented by the Law No. 6645 on Amendment of the Occupational Health and Safety Law and Other Laws and Decree Laws published in the Official Gazette dated 23 April 2015 and numbered 29335.

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Accounting policies (continued)

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

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

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

c. Short term benefits of employee:

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

XVII. Explanations on taxation:

a. Current tax:

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

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

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

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

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Accounting policies (continued)

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

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Tax returns are required to be filled and delivered to the related tax office until the evening of the 25th of the fourth month following the balance sheet date and the accrued tax is paid until the end of the same month. Tax returns are open for 5 years from the beginning of the year following the balance sheet date and during this period the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

b. Deferred tax:

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

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

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

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

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

c. Transfer pricing:

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

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

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

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Accounting policies (continued)

XVIII. Explanations on borrowings:

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

Bank, classified it's part of the financial debts as fair value through profit / loss on financial liabilities. Difference between fair value of the debt and amortised cost of the debt together with the interest expense paid on financial instrument is presented as trading gain and losses in the accompanying financial statements.

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

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

XIX. Explanations on issuance of share certificates:

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

No dividend payments were announced after the balance sheet date.

XX. Explanations on avalized drafts and letter of acceptances:

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

XXI. Explanations on government grants:

In accordance with the related articles of the "Law Regarding the Supporting of Research and Development Activities" numbered 5746, until balance sheet date, the Bank received government grant from TÜBİTAK amounting to TL 1.820 (December 31, 2014 - TL 1.585).

XXII. Profit reserves and profit distribution:

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

XXIII. Earnings per share:

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

	Current Period	Prior Period
Net Income/(loss) from continuing operations to be appropriated to ordinary shareholders	521.865	486.980
Weighted average number of issued ordinary shares(thousand)	434.705.128	434.705.128
Earnings per share from continued operations (full TL)	0,0012	0,0011

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Accounting policies (continued)

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

No bonus shares were issued as of March 31, 2015 (December 31, 2014 - no bonus shares were issued).

XXIV. Related parties:

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

XXV. Explanations on operating segments:

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

XXVI. Explanations on other matters:

None.

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Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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Section Four

Information related to financial position of the Bank

I. Explanations on capital adequacy ratio:

- a. The capital adequacy ratio of the Bank is 14,25% (December 31, 2014 – 15,03%).
- b. The capital adequacy ratio is calculated in accordance with the "Regulation Regarding the Measurement and Evaluation of Banks' Capital Adequacy Ratio", "Regulation Credit Risk Mitigation Techniques", "Regulation on calculation of Risk-Weighted Amounts of Securitizations" published in the Official Gazette No. 28337 dated June 28, 2012 and "Regulation Regarding Banks' Shareholders' Equity" published in the Official Gazette No. 28756 as of September 5, 2013".

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

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

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

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

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

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

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Information related to financial position of the Bank (continued)

Information related to capital adequacy ratio:

	Risk Weights								Toplam
	%0	%20	%50	%75	%100	%150	%200	%250	
Amounts subject to credit risk	45.657.667	7.727.663	32.530.269	40.184.784	93.136.246	3.715.906	9.054.226	305.250	232.312.011
Risk classifications:									
Conditional and unconditional receivables from central governments or central banks	43.082.700	-	5.824.589	-	-	-	-	-	48.907.289
Conditional and unconditional receivables from regional or local governments	-	158	-	-	-	-	-	-	158
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	1.055	-	-	-	1.055
Conditional and unconditional receivables from multilateral development banks	4.152	-	-	-	-	-	-	-	4.152
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	7.597.722	7.858.421	-	147.322	-	-	-	15.603.465
Conditional and unconditional receivables from corporates	-	-	-	-	80.370.408	-	-	-	80.370.408
Conditional and unconditional retail receivables	-	-	-	40.184.784	6.411.708	-	-	-	46.596.492
Conditional and unconditional receivables secured by mortgages	-	-	18.819.854	-	-	-	-	-	18.819.854
Past due receivables	-	-	-	-	937.709	544.488	-	-	1.482.197
Receivables defined as high risk category by the Regulator	-	-	27.405	-	-	3.171.418	9.054.226	305.250	12.558.299
Secured by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-
Other receivables	2.570.815	129.783	-	-	5.268.044	-	-	-	7.968.642
Credit Risk Weighted Amounts	-	1.545.533	16.265.135	30.138.588	93.136.246	5.573.859	18.108.452	763.125	165.530.938

Summary information about capital adequacy ratio:

	Current Period	Prior Period
Capital Requirement for Credit Risk (Value at Credit Risk*0,08) (CRCR)	13.242.475	12.205.770
Capital requirement for market risk (MRCR)	169.165	130.250
Capital requirement for operational risk (ORCR)	934.030	817.197
Shareholders' equity	25.554.921	24.705.420
Shareholders' Equity/((CRCR+MRCR+ORCR) * 12,5) * 100	14,25	15,03
Tier 1 capital /((CRCR+MRCR+ORCR) * 12,5) * 100	10,36	10,94
Common equity Tier 1 capital /((CRCR+MRCR+ORCR) * 12,5) * 100	10,83	11,62

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

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Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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

Information related to financial position of the Bank (continued)

Information about shareholders' equity items:

	Current Period	Prior Period
Common Equity Tier 1 Capital		
Paid-in Capital to be Entitled for Compensation after All Creditors	4.347.051	4.347.051
Share premium	543.881	543.881
Share Cancellation Profits	-	-
Legal reserves	11.901.668	10.457.954
Other Comprehensive Income according to TAS Profit	2.732.400	2.214.422
Net current period profit	521.865	1.844.966
Prior period profit	-	-
Provisions for Possible Losses	112.919	160.839
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	15.107	15.107
Common Equity Tier 1 capital before regulatory adjustments	20.174.891	19.584.220
Common Equity Tier 1 capital: regulatory adjustments		
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	-	-
Leasehold Improvements on Operational Leases (-)	128.832	133.692
Goodwill and Intangible assets and related deferred tax liabilities (-)	561.337	281.203
Net Deferred tax assets / liabilities (-)	-	-
Shares Obtained against Article 56, Paragraph 4 of the Banking Law (-)	-	-
Investments in own common equity (-)	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank does not own 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	-
Mortgage servicing rights (amount above 10% threshold) (-)	-	-
Excess Amount arising from Deferred Tax Assets from Temporary Differences (-)	-	-
Amount exceeding the 15% threshold (-)	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank own more than 10% of the issued share capital (amount above 10% threshold) (-)	-	-
Mortgage servicing rights (amount above 10% threshold) (-)	-	-
Deferred tax assets arising from temporary differences (-)	-	-
Other items to be defined by the regulator (-)	-	-
Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions (-)	63.027	63.027
Total regulatory adjustments to Common equity Tier 1	753.196	477.922
Common Equity Tier 1 capital	19.421.695	19.106.298
Additional Tier 1 capital: Instruments		
Privileged stocks which are not included in common equity and share premiums	-	-
Directly issued qualifying Additional Tier 1 instruments (approved by the regulators) plus related stock surplus	-	-
(Issued or Obtained after 1.1.2014)	-	-
Directly issued qualifying Additional Tier 1 instruments (approved by the regulators) plus related stock surplus	-	-
(Issued or Obtained after 1.1.2014)	-	-
Additional Tier 1 capital before regulatory adjustments	-	-
Additional Tier 1 capital: regulatory adjustments		
Direct and Indirect Investments of the Bank on its own Additional Core Capital (-)	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank does not own 10% or less of the issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank owns more than 10% of the Issued Share Capital (-)	-	-
Other items to be Defined by the regulator (-)	-	-
Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions (-)	-	-
Total regulatory adjustments to Additional Tier 1 capital	-	-
Additional Tier 1 capital	-	-

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	Current Period	Prior Period
Regulatory adjustments to Common Equity	-	-
Goodwill and Other Intangible Assets and Related Deferred Taxes not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	842.005	1.124.812
Net Deferred Tax Asset/Liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-	-
Tier 1 capital	18.579.690	17.981.486
Tier 2 capital		
Directly issued qualifying Tier 2 instruments (that are approved by the regulator) plus related stock surplus (Issued or Obtained after 1.1.2014)	-	-
Directly issued qualifying Tier 2 instruments (that are approved by the regulator) plus related stock surplus (Issued or Obtained before 1.1.2014)	5.202.223	5.169.213
Pledged sources on behalf of the Bank for the use of committed share capital increase by shareholders	-	-
Generic Provisions	2.021.216	1.883.267
Tier 2 capital before regulatory adjustments	7.223.439	7.052.480
Tier 2 capital: regulatory adjustments		
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank does not own 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Core Capital and Tier II Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier I Capital (-)	-	-
Other items to be Defined by the regulator (-)	-	-
Total regulatory adjustments to Tier 2 capital	-	-
Tier 2 capital	7.223.439	7.052.480
Total capital	25.803.129	25.033.966
Loans Granted against the Articles 50 and 51 of the Banking Law (-)	5.870	23.496
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years (-)	8.040	7.908
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Subordinated Debts or Debt Instruments Purchased from Such Parties and Qualified as Subordinated Debts (-)	175.610	159.277
Deductions as per the Article 20, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-	-
Other items to be Defined by the regulator (-)	58.688	137.865
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank does not own 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Tier I Capital, Additional Core Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	-	-
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank owns more than 10% of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Additional Core Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	-	-
The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank owns 10% or more of the Issued Share Capital, of the Net Deferred Tax Assets arising from Temporary Differences and of the Mortgage Servicing Rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation (-)	-	-
Shareholders' equity	25.554.921	24.705.420
Amounts below the thresholds for deduction	1.006.246	780.314
Remaining Total of Net Long Positions of the Investments in Own Fund Items of Unconsolidated Banks and Financial Institutions where the Bank owns 10% or less of the Issued Share Capital	-	-
Remaining total of net long positions of the investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank owns more than 10% or less of the Tier I Capital	-	-
Remaining mortgage servicing rights	-	-
Net deferred tax assets arising from temporary differences	1.006.246	780.314

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

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

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Information related to financial position of the Bank (continued)

Details on Subordinated Liabilities:

		Details on Subordinated Liabilities:				
		1	2	3	4	5
Issuer		UNICREDIT BANK	BANK AUSTRIA	MERRILL LYNCH	CITIBANK	YKB
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)		-	-	-	-	XS0861979440/US984848AB73
Governing law(s) of the instrument		BRSA	BRSA	BRSA	BRSA	BRSA/CMB/LONDON STOCK EXCHANGE
Regulatory treatment		Supplementary Capital	Supplementary Capital	Supplementary Capital	Supplementary Capital	Supplementary Capital
Transitional Basel III rules		Yes	Yes	Yes	Yes	Yes
Eligible at stand-alone / consolidated		Stand alone - Consolidated	Stand alone - Consolidated	Stand alone - Consolidated	Stand alone - Consolidated	Stand alone - Consolidated
Instrument type (types to be specified by each jurisdiction)		Loan	Loan	Loan	Loan	Bond
Amount recognised in regulatory capital (Currency in mil. as of most recent reporting date)		1.495	1.227	194	192	2.094
Par value of instrument		1.527	1.227	1.415	566	2.610
Accounting classification		Liability - Subordinated Loans-amortised cost	Liability - Subordinated Loans-amortised cost	Liability - Subordinated Loans-amortised cost	Liability - Subordinated Loans-amortised cost	Liability - Subordinated Loans-amortised cost
Original date of issuance		9 January 2013	21 November 2013	31 March 2006	25 June 2007	06 December 2012
Perpetual or dated		Dated	Dated	Dated	Dated	Dated
Original maturity date		10 years	10 years	10 years	10 years	10 years
Issuer call subject to prior supervisory approval		Yes	Yes	Yes	Yes	Yes
Optional call date, contingent call dates and redemption amount		After 5 th year	After 5 th year	-	-	After 5 th year
Subsequent call dates, if applicable		After 5 th year	After 5 th year	-	-	After 5 th year
Coupons / dividends		3 months	3 months	6 months	6 months	6 months
Fixed or floating dividend/coupon		Fixed	Fixed	Floating	Floating	Fixed
Coupon rate and any related index		5.5	6.35	EURIBOR + 3%	EURIBOR + 2.78%	5.5
Existence of a dividend stopper		-	-	-	-	-
Fully discretionary, partially discretionary or mandatory		-	-	-	-	-

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

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Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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Information related to financial position of the Bank (continued)

Details on Subordinated Liabilities (continued):

	Details on Subordinated Liabilities (continued):				
	1	2	3	4	5
Existence of step up or other incentive to redeem	-	-	-	-	-
Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative
Convertible or non-convertible	None	None	None	None	None
If convertible, conversion trigger (s)	-	-	-	-	-
If convertible, fully or partially	-	-	-	-	-
If convertible, conversion rate	-	-	-	-	-
If convertible, mandatory or optional conversion	-	-	-	-	-
If convertible, specify instrument type convertible into	-	-	-	-	-
If convertible, specify issuer of instrument it converts into	-	-	-	-	-
Write-down feature	None	None	None	None	None
If write-down, write-down trigger(s)	-	-	-	-	-
If write-down, full or partial	-	-	-	-	-
If write-down, permanent or temporary	-	-	-	-	-
If temporary write-down, description of write-up mechanism	-	-	-	-	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	After the senior creditors, before the TIER 1 subdebt, same with TIER 2	After the senior creditors, before the TIER 1 subdebt, same with TIER 2	After the senior creditors, before the TIER 1 subdebt, same with TIER 2	After the senior creditors, before the TIER 1 subdebt, same with TIER 2	After the senior creditors, before the TIER 1 subdebt, same with TIER 2
In compliance with article number 7 and 8 of "Own fund regulation"	No	No	Yes	Yes	Yes
Details of incompliance with article number 7 and 8 of "Own fund regulation"	-	-	8-2-ğ	8-2-ğ	8-2-ğ

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Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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

Information related to financial position of the Bank (continued)

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

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

II. Explanations on credit risk:

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

III. Explanations on market risk:

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

In order to comply with the regulations, the Bank set its activities related with market risk management in accordance with "Regulation on Bank's Internal Control and Risk Management Systems" and "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" published in the Official Gazette no. 29057 dated July 11, 2014.

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

The table below shows details of the market risk as of March 31, 2015 in accordance with "Regulation on Banks' Internal Control and Risk Management Systems" and "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" published in the Official Gazette no. 28337 dated June 28, 2012.

(1) Explanations on market risk:

a. Information on market risk:

	Current Period	Prior Period
(I) Capital requirement against general market risk - standard method	48.807	46.021
(II) Capital requirement against specific risks - standard method	1.609	2.814
Capital requirement against specific risks of securitization positions- standard method	-	-
(III) Capital requirement against currency exchange risk - standard method	39.496	36.113
(IV) Capital requirement against commodity risks - standard method	186	133
(V) Capital requirement against exchange risks - standard method	-	-
(VI) Capital requirement against market risks of options - standard method	1.022	1.718
(VII) Capital requirement against counterparty credit risks - standard method	78.045	43.451
(VIII) Capital requirement against market risks of banks applying risk measurement model	-	-
(IX) Total capital requirement against market risk (I+II+III+IV+V+VI+VII+VIII)	169.165	130.250
(X) Value-at-market risk (12,5 x VIII) or (12,5 x IX)	2.114.563	1.628.125

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Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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

Information related to financial position of the Bank (continued)

b. Average market risk table of calculated market risk at month ends:

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

(2) Quantitative information on counterparty risk:

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

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

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

IV. Explanations on operational risk:

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

V. Explanations on currency risk:

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

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

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

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

(Exchange rates presented as full TL)

	USD	EUR
Balance sheet evaluation rate	TL 2,61020	TL 2,83090
First day current bid rate	TL 2,61070	TL 2,82920
Second day current bid rate	TL 2,59620	TL 2,85890
Third day current bid rate	TL 2,55550	TL 2,80360
Fourth day current bid rate	TL 2,55050	TL 2,79950
Fifth day current bid rate	TL 2,56990	TL 2,78650
Arithmetic average of the last 31 days:	TL 2,58655	TL 2,80536
Balance sheet evaluation rate as of prior period:	TL 2,31890	TL 2,82070

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Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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Information related to financial position of the Bank (continued)

	EUR	USD	OTHER FC ⁽¹⁾	Total
Current Period				
Assets				
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	4.007.853	14.337.758	4.113.232	22.458.843
Banks	212.201	3.540.532	142.650	3.895.383
Financial assets at fair value through profit or loss	37.674	177.487	1.416	216.577
Money market placements	-	54.815	-	54.815
Available-for-sale financial assets	332.335	2.814.756	10.627	3.157.718
Loans ⁽¹⁾	12.560.846	34.675.664	618.860	47.855.370
Investments in associates, subsidiaries and joint ventures	463.275	256.956	43.404	763.635
Held-to-maturity investments	147.352	3.317.225	-	3.464.577
Hedging derivative financial assets	-	-	-	-
Tangible assets	-	-	-	-
Intangible assets	-	-	-	-
Other assets ⁽²⁾	223.438	626.059	431.663	1.281.160
Total assets	17.984.974	59.801.252	5.361.852	83.148.078
Liabilities				
Bank deposits	137.126	1.543.716	17.566	1.698.408
Foreign currency deposits	18.395.924	31.825.975	1.332.753	51.554.652
Funds from money market	-	1.269.914	1	1.269.915
Funds borrowed from other financial institutions	6.827.338	12.724.953	261.194	19.813.485
Marketable securities issued	91.351	7.617.655	169.441	7.878.447
Miscellaneous payables	841.633	1.169.681	18.041	2.029.355
Hedging derivative financial liabilities	58.323	168.365	-	226.688
Other liabilities ⁽³⁾	2.060.713	6.409.881	56.171	8.526.765
Total liabilities	28.412.408	62.730.140	1.855.167	92.997.715
Net on-balance sheet position	(10.427.434)	(2.928.888)	3.506.685	(9.849.637)
Net off-balance sheet position ⁽⁴⁾	9.963.512	3.321.914	(3.565.839)	9.719.587
Financial derivative assets	17.430.398	38.796.962	2.823.854	59.051.214
Financial derivative liabilities	7.466.886	35.475.048	6.389.693	49.331.627
Net Position	(463.922)	393.026	(59.154)	(130.050)
Non-cash loans	10.857.243	21.469.549	1.517.506	33.844.298
Prior Period				
Total assets	17.320.239	52.148.391	4.287.814	73.756.444
Total liabilities	24.977.099	50.626.153	2.059.068	77.662.320
Net on-balance sheet position	(7.656.860)	1.522.238	2.228.746	(3.905.876)
Net off-balance sheet position	7.230.615	(1.468.534)	(2.123.726)	3.638.355
Financial derivative assets	9.547.307	21.104.210	1.060.608	31.712.125
Financial derivative liabilities	2.316.692	22.572.744	3.184.334	28.073.770
Net Position	(426.245)	53.704	105.020	(267.521)
Non-cash loans	10.926.151	19.830.097	1.536.394	32.292.642

(1) Includes FX indexed loans amounting to TL 5.290.604 (December 31, 2014 – TL 5.103.401) which have been disclosed as TL in the financial statements.

(2) Does not include foreign currency prepaid expenses amounting to TL 69.558 (December 31, 2014 - TL 71.025).

(3) Does not include foreign currency denominated general provisions for foreign currencies, hedged funds and marketable securities valuation differences under equity.

(4) Other FC column also includes gold balance.

(5) Forward transactions classified as commitments are also included.

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Information related to financial position of the Bank (continued)

VI. Explanations on interest rate risk:

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

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

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

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

Current Period	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Non interest bearing	Total
Assets							
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	289.341	-	-	-	-	24.199.908	24.489.249
Banks	4.113.785	101.706	14.921	-	-	886.602	5.117.014
Financial assets at fair value through profit/loss	527.584	767.370	1.145.149	218.626	84.433	-	2.743.162
Money market placements	782.835	-	-	-	-	-	782.835
Available-for-sale financial assets	3.054.218	2.441.692	7.889.827	4.018.475	3.625.638	95.839	21.125.689
Loans	28.728.154	24.022.671	43.689.367	26.716.885	7.746.352	1.482.197	132.385.626
Held-to-maturity investments	1.034.775	-	344.084	542.630	3.464.577	-	5.386.066
Other assets	188.040	186.588	136.698	-	-	8.583.426	9.094.752
Total assets	38.716.732	27.520.027	53.220.046	31.496.616	14.921.000	35.247.972	201.124.393
Liabilities							
Bank deposits	2.620.364	106.337	7.956	-	-	1.205.833	3.940.490
Other deposits	68.657.592	22.157.964	5.742.521	21.448	-	17.189.872	113.769.397
Funds from money market	5.929.359	920.510	130.633	219.502	-	-	7.200.004
Miscellaneous payables	-	-	-	-	-	9.121.892	9.121.892
Marketable securities issued	1.245.924	3.070.207	1.395.566	5.308.795	28.856	-	11.049.348
Funds borrowed from other financial institutions	4.490.819	9.807.214	5.399.795	242.709	514.919	-	20.455.456
Other liabilities and shareholders' equity	504.413	1.574.051	2.152.214	180.524	5.446.260	25.730.344	35.587.806
Total liabilities	83.448.471	37.636.283	14.828.685	5.972.978	5.990.035	53.247.941	201.124.393
Balance sheet long position	-	-	38.391.361	25.523.638	8.930.965	-	72.845.964
Balance sheet short position	(44.729.739)	(10.116.256)	-	-	-	(17.999.969)	(72.845.964)
Off-balance sheet long position	3.488.079	14.409.262	1.990.093	-	-	-	19.887.434
Off-balance sheet short position	-	-	-	(17.532.715)	(2.365.199)	-	(19.897.914)
Total position	(41.241.660)	4.293.006	40.381.454	7.990.923	6.565.766	(17.999.969)	(10.480)

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

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

Information related to financial position of the Bank (continued)

Prior Period	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Non interest bearing	Total
Assets							
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	1.293.701	-	-	-	-	21.675.187	22.968.888
Banks	162.866	376.020	33.136	-	-	1.823.326	2.395.348
Financial assets at fair value through profit/loss	317.306	233.220	521.308	72.393	52.789	-	1.197.016
Money market placements	1.568.654	-	-	-	-	-	1.568.654
Available-for-sale financial assets	1.047.104	3.376.027	7.678.855	3.613.615	2.795.026	75.531	18.586.158
Loans	26.851.249	28.464.328	33.429.268	24.689.592	7.303.116	1.255.849	121.993.402
Held-to-maturity investments	-	344.493	1.013.710	529.023	3.131.823	-	5.019.049
Other assets	27.825	49.564	178.757	-	-	7.216.624	7.472.770
Total assets	31.268.705	32.843.652	42.855.034	28.904.623	13.282.754	32.046.517	181.201.285
Liabilities							
Bank deposits	1.421.033	32.118	15.594	-	-	506.736	1.975.481
Other deposits	57.042.847	26.655.197	3.967.830	15.180	-	15.463.804	103.144.858
Funds from money market	5.233.568	655.032	116.054	195.919	-	-	6.200.573
Miscellaneous payables	-	-	-	-	-	8.401.384	8.401.384
Marketable securities issued	345.662	1.530.592	3.121.610	3.611.241	1.111.294	-	9.720.399
Funds borrowed from other financial institutions	3.935.924	8.629.928	4.858.209	213.741	483.771	-	18.121.573
Other liabilities and shareholders' equity	290.709	1.895.404	962.141	62.709	4.794.907	25.631.147	33.637.017
Total liabilities	68.269.743	39.398.271	13.041.438	4.098.790	6.389.972	50.003.071	181.201.285
Balance sheet long position	-	-	29.813.596	24.805.833	6.892.782	-	61.512.211
Balance sheet short position	(37.001.038)	(6.554.619)	-	-	-	(17.956.554)	(61.512.211)
Off-balance sheet long position	3.356.518	13.312.654	1.572.870	-	-	-	18.242.042
Off-balance sheet short position	-	-	-	(18.166.561)	(408.169)	-	(18.574.730)
Total position	(33.644.520)	6.758.035	31.386.466	6.639.272	6.484.613	(17.956.554)	(332.688)

b. Average interest rates for monetary financial instruments:

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

Current Period	EUR	USD	Yen	TL
	%	%	%	%
Assets⁽¹⁾				
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	-	-	-	1,03
Banks	-	0,16	-	15,10
Financial assets at fair value through profit/loss	1,97	4,38	-	8,81
Money market placements	-	0,35	-	11,39
Available-for-sale financial assets	5,49	5,99	-	9,21
Loans	4,38	4,88	4,97	13,25
Held-to-maturity investments	5,20	5,51	-	9,58
Liabilities⁽¹⁾				
Bank deposits	0,80	0,40	-	11,64
Other deposits	1,79	2,19	1,78	10,65
Funds from money market	-	0,88	-	8,17
Miscellaneous payables	-	-	-	-
Marketable securities issued	3,00	4,18	-	9,14
Funds borrowed from other financial institutions	1,52	3,31	3,04	9,22

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Information related to financial position of the Bank (continued)

Prior Period	EUR	USD	Yen	TL
	%	%	%	%
Assets⁽¹⁾				
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	-	-	-	1,30
Banks	0,60	1,86	-	10,28
Financial assets at fair value through profit/loss	1,97	4,41	-	8,51
Money market placements	-	-	-	11,73
Available-for-sale financial assets	5,49	6,28	-	10,01
Loans	4,56	4,93	5,20	13,53
Held-to-maturity investments	5,20	5,51	-	9,82
Liabilities⁽¹⁾				
Bank deposits	-	0,46	-	10,34
Other deposits	1,84	2,11	1,82	10,74
Funds from money market	-	0,85	-	8,62
Miscellaneous payables	-	-	-	-
Marketable securities issued	2,41	4,22	-	9,15
Funds borrowed from other financial institutions	1,60	3,40	3,02	9,43

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

c. Interest rate risk arising from banking accounts:

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

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

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

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

Economic value differences resulting from interest rate fluctuations as of March 31, 2015 are presented in the table below in accordance with the "Regulation of measurement and assessment of interest rate risk by standard shock method arising from banking accounts".

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Information related to financial position of the Bank (continued)

Currency	Applied shock (+/- x basis points)*	Gains/Losses	Gains/SE- Losses/SE
TRY	(+)500 bp	(2,440,872)	(9,55)%
TRY	(-)400 bp	2,395,185	9,37%
EUR	(+)200 bp	(110,730)	(0,43)%
EUR	(-)200 bp	168,445	0,66%
USD	(+)200 bp	84,468	0,33%
USD	(-)200 bp	67,835	0,27%
Total (For negative shocks)		2,631,464	10,30%
Total (For positive shocks)		(2,467,133)	(9,65)%

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

- Consolidated subsidiaries of the Bank are carried at fair value in the accompanying financial statements. Valuation differences at the end of the period are presented in marketable securities valuation differences account in shareholder's equity.
- Comparison of carrying value of equity investments at fair value with the market value;

There is no equity instruments which are traded in organized markets, as of 31, March 2015.
- Information on realized gains/losses, revaluation surpluses and unrealized gains/losses on equity securities and results included in core and supplementary capitals:

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

Portfolio	Realized gains (losses) in the current period	Revaluation Surpluses		Unrealized gains and losses		
		Total	Amount under supplementary capital ⁽¹⁾	Total	Amount under core capital	Amount under supplementary capital
1. Equity Shares Investments	-	542.823	542.823	-	-	-
2. Quoted Equity Shares	-	-	-	-	-	-
3. Other Equity Shares	-	-	-	-	-	-
Total	-	542.823	542.823	-	-	-

(1) The amount has been presented as tier 1 capital in own fund calculation.

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Information related to financial position of the Bank (continued)

VIII. Explanations on liquidity risk:

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

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

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

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

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

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Information related to financial position of the Bank (continued)

Breakdown of assets and liabilities according to their remaining maturities:

	Demand	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Unclassified ^{(1),(2)}	Total
Current Period								
Assets								
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	4.632.022	19.857.227	-	-	-	-	-	24.489.249
Banks	886.602	4.113.785	101.706	14.921	-	-	-	5.117.014
Financial assets at fair value through profit or loss	-	452.121	592.473	1.087.685	432.871	178.012	-	2.743.162
Money market placements	-	782.835	-	-	-	-	-	782.835
Available-for-sale financial assets	89.859	6.919	188.834	4.480.901	6.069.964	10.283.232	5.980	21.125.689
Loans	-	19.694.119	10.220.566	31.177.281	41.276.109	28.535.354	1.482.197	132.385.626
Held-to-maturity investments	-	-	-	-	1.621.483	3.764.583	-	5.386.066
Other assets ⁽¹⁾	1.622.993	1.088.378	4.484	4.278	479.410	23.151	5.872.058	9.094.752
Total assets	7.231.476	45.995.384	11.108.063	38.765.066	49.879.837	42.784.332	7.360.235	201.124.393
Liabilities								
Bank deposits	1.205.833	2.620.364	106.337	7.956	-	-	-	3.940.490
Other deposits	17.189.872	68.657.592	22.157.964	5.742.521	21.448	-	-	113.769.397
Funds borrowed from other financial institutions	-	789.502	4.302.714	7.946.525	3.019.964	4.396.751	-	20.455.456
Funds from money market	-	5.929.359	920.510	130.633	219.502	-	-	7.200.004
Marketable securities issued	-	974.019	2.359.923	1.957.658	5.728.892	28.856	-	11.049.348
Miscellaneous payables	8.192.078	929.814	-	-	-	-	-	9.121.892
Other liabilities ⁽²⁾	706.948	624.778	688.792	1.220.491	3.971.155	6.162.718	22.212.924	35.587.806
Total liabilities	27.294.731	80.525.428	30.536.240	17.005.784	12.960.961	10.588.325	22.212.924	201.124.393
Net liquidity gap	(20.063.255)	(34.530.044)	(19.428.177)	19.759.282	36.918.876	32.196.007	(14.852.689)	-
Prior Period								
Total assets	8.569.305	39.352.457	13.613.254	29.873.492	45.241.770	38.211.480	6.339.527	181.201.285
Total liabilities	23.798.557	65.603.718	30.263.226	18.578.748	11.042.303	9.431.387	22.483.346	181.201.285
Net liquidity gap	(15.229.252)	(26.251.261)	(16.649.972)	11.294.744	34.199.467	28.780.093	(16.143.819)	-

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

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

IX. Explanations on securitization positions:

None.

X. Credit risk mitigation techniques:

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

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

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

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

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

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

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

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

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

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

Information about guarantees according to risk classifications:

Risk Classifications	Amount⁽¹⁾	Financial guarantees⁽²⁾	Other / Physical guarantees⁽²⁾	Guarantees and credit derivatives⁽²⁾
Conditional and unconditional receivables from central governments or central banks	51.462.050	1.268.803	-	-
Conditional and unconditional receivables from regional or local governments	791	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	14.046	-	-	-
Conditional and unconditional receivables from multilateral development banks	208.816	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	43.751.315	11.272	-	-
Conditional and unconditional receivables from corporates	261.099.206	3.722.083	-	231.026
Conditional and unconditional retail receivables	121.239.512	313.213	-	10.298
Conditional and unconditional receivables secured by mortgages	19.266.758	-	-	-
Past due receivables	1.482.197	-	-	-
Receivables defined in high risk category by the Regulator	12.658.868	37.812	-	-
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-
Other Receivables	7.968.642	-	-	-
Total	519.152.201	5.353.183	-	241.324

(1) Figures represent the total amount of credit risks prior to the risk mitigating calculations as per the "Regulation on Credit Risk Mitigation Techniques".

(2) Figures represent the total amount of collaterals which are taken into consideration for the risk mitigating calculations. Other risk reducing items are not included in this table such as; mortgages, pledges, guarantees and warranties.

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Information related to financial position of the Bank (continued)

XI. Strategies and policies of the risk management system:

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

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

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

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

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

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

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

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

XIII. Explanations on hedge accounting:

The Bank applies the following hedge accounting models as of March 31, 2015:

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

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

Contractual amounts and the fair values as at March 31, 2015 and December 31, 2014 of these hedging instruments are presented in the table below:

	Current Period			Prior Period		
	Notional ⁽¹⁾	Asset	Liability	Notional ⁽¹⁾	Asset	Liability
Hedging instrument						
Interest rate swap / Cross currency interest rate swap (CFH)	23.764.892	242.447	374.092	20.360.998	78.251	439.791
Cross currency interest rate swap (FVH)	448.845	268.878	-	455.325	177.895	-
Total	24.213.737	511.325	374.092	20.816.323	256.146	439.791

(1) Only the "sell" legs of the related derivatives are presented with the addition of the "buy" legs of these derivatives amounting to TL 24.667.077 (December 31, 2014 – TL 21.080.221) the total notional of derivative financial assets amounting to TL 48.880.814 (December 31, 2014 – TL 41.896.544) is accounted for in off-balance sheet under "Hedging Derivative Financial Instruments" line item.

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

Fair value hedge accounting:

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

The impact of application of FVH accounting is summarized below:

Current Period						
Type of hedging instrument	Hedged item (asset and liability)	Nature of hedged risks	Fair value difference / adjustment of the hedged item ⁽¹⁾	Net fair value of the hedging instrument ⁽²⁾		Net gain/(loss) recognised in the income statement (Derivative financial transactions gains/losses) ⁽³⁾
				Asset	Liability	
Cross currency interest rate swaps	Fixed interest TL mortgage and car loan portfolios and foreign currency funds	Fixed interest and changes in foreign exchange rate risk	(16.712)	268.878	-	(6.196)

(1) The amount refers to the fair value of the hedged item calculated for the TL fixed interest mortgage and car loans in accordance with hedge accounting effectiveness tests. The foreign exchange rate changes of foreign currency fundings and cross-currency swaps are reflected to the income statement in foreign exchange gains / losses line item.

(2) The amounts include the foreign exchange differences and net straight line interest accruals of the related derivatives.

(3) The ineffective portion of the mentioned hedging transaction is TL 942.

Prior Period						
Type of hedging instrument	Hedged item (asset and liability)	Nature of hedged risks	Fair value difference / adjustment of the hedged item ⁽¹⁾	Net fair value of the hedging instrument ⁽²⁾		Net gain/(loss) recognised in the income statement (Derivative financial transactions gains/losses) ⁽³⁾
				Asset	Liability	
Cross currency interest rate swaps	Fixed interest TL mortgage and car loan portfolios and foreign currency funds	Fixed interest and changes in foreign exchange rate risk	(10.516)	177.895	-	(5.403)

(1) The amount refers to the fair value of the hedged item calculated for the TL fixed interest mortgage and car loans in accordance with hedge accounting effectiveness tests. The foreign exchange rate changes of foreign currency funding and cross-currency swaps are reflected to the income statement in foreign exchange gains / losses line item.

(2) The amounts include the foreign exchange differences and net straight line interest accruals of the related derivatives.

(3) The ineffective portion of the mentioned hedging transaction is TL 2.913.

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

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Information related to financial position of the Bank (continued)

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

Cash flow hedge accounting:

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

The impact of application of CFH accounting is summarized below:

Current Period						
Type of hedging instrument	Hedged item (asset and liability)	Nature of hedged risks	Net fair value of the hedging instrument		Net gain/(loss) recognized in hedging funds ⁽¹⁾	Net gain/(loss) reclassified to equity ⁽²⁾⁽³⁾
			Asset	Liability		
Interest rate swaps	Customer deposits, borrowings and repos	Cash flow risk due to the changes in the interest rates	242.447	374.092	(184.577)	112.432

(1) Includes deferred tax impact.

(2) Includes tax and foreign exchange differences.

(3) The ineffective portion of the mentioned hedging transaction is amounting TL 9.015 realized as an expense.

Prior Period						
Type of hedging instrument	Hedged item (asset and liability)	Nature of hedged risks	Net fair value of the hedging instrument		Net gain/(loss) recognized in hedging funds ⁽¹⁾	Net gain/(loss) reclassified to equity ⁽²⁾⁽³⁾
			Asset	Liability		
Interest rate swaps	Customer deposits and repos	Cash flow risk due to the changes in the interest rates	78.251	439.791	(297.009)	(181.892)

(1) Includes deferred tax impact.

(2) Includes tax and foreign exchange differences.

(3) The ineffective portion of the mentioned hedging transaction is TL 12.225.

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

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

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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

Information related to financial position of the Bank (continued)

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

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

XV. Explanations on operating segments:

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

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

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

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

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

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

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

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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

Information related to financial position of the Bank (continued)

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

Current Period	Retail banking	Corporate and commercial banking	Private banking and wealth management	Treasury, asset-liability management and other	Total operations of the Bank
Operating revenue continuing	896.951	535.284	49.696	725.875	2.207.806
Operating expenses continuing	(842.653)	(302.692)	(20.974)	(500.409)	(1.666.728)
Net operating income continuing	54.298	232.592	28.722	225.466	541.078
Dividend income ⁽¹⁾	-	-	-	113.691	113.691
Profit before tax	54.298	232.592	28.722	339.157	654.769
Tax provision expense ⁽¹⁾	-	-	-	(132.904)	(132.904)
Net period income from continuing operations	54.298	232.592	28.722	206.253	521.865
Net period income from discontinued operations	-	-	-	-	-
Net profit	54.298	232.592	28.722	206.253	521.865
Segment asset	60.126.708	62.773.460	182.051	75.603.096	198.685.315
Investments in associates, subsidiaries and joint ventures	-	-	-	2.439.078	2.439.078
Total assets	60.126.708	62.773.460	182.051	78.042.174	201.124.393
Segment liabilities	43.194.882	47.786.334	26.197.264	64.068.518	181.246.998
Shareholders' equity	-	-	-	19.877.395	19.877.395
Total liabilities	43.194.882	47.786.334	26.197.264	83.945.913	201.124.393

Prior Period	Retail banking	Corporate and commercial banking	Private banking and wealth management	Treasury, asset-liability management and other	Total operations of the Bank
Operating revenue continuing ⁽²⁾	648.498	477.718	50.377	533.260	1.709.853
Operating expenses continuing ⁽²⁾	(681.700)	(160.715)	(20.249)	(446.808)	(1.309.472)
Net operating income continuing⁽²⁾	(33.202)	317.003	30.128	86.452	400.381
Dividend income ⁽¹⁾⁽²⁾	-	-	-	174.123	174.123
Profit before tax⁽²⁾	(33.202)	317.003	30.128	260.575	574.504
Tax provision expense ⁽¹⁾⁽²⁾	-	-	-	(87.524)	(87.524)
Net period income from continuing operations⁽²⁾	(33.202)	317.003	30.128	173.051	486.980
Net period income from discontinued operations⁽²⁾	-	-	-	-	-
Net profit⁽²⁾	(33.202)	317.003	30.128	173.051	486.980
Segment assets	56.570.591	56.386.444	170.177	65.569.693	178.696.905
Investments in associates, subsidiaries and joint ventures	-	-	-	2.504.380	2.504.380
Total assets	56.570.591	56.386.444	170.177	68.074.073	181.201.285
Segment liabilities	41.080.689	44.598.409	22.300.382	54.095.433	162.074.913
Shareholders' equity	-	-	-	19.126.372	19.126.372
Total liabilities	41.080.689	44.598.409	22.300.382	73.221.805	181.201.285

(1) Dividend income and tax provision have not been distributed based on operating segments and presented under "Treasury, Asset-Liability Management and Other".

(2) Income statement figures represent balances for the 3 months period ended March 31, 2014.

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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

Section Five

Explanations and notes related to unconsolidated financial statements

I. Explanations and notes related to assets

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash	1.734.921	533.822	1.696.963	517.372
The CBRT ⁽¹⁾	295.485	21.924.585	1.293.701	19.460.663
Other	-	436	-	189
Total	2.030.406	22.458.843	2.990.664	19.978.224

(1) The balance of gold amounting to TL 4.077.508 is accounted for under the Central Bank foreign currency account (December 31, 2014 – TL 3.302.860).

2. Information on the account of the CBRT:

	Current Period		Prior Period	
	TL	FC	TL	FC
Demand unrestricted amount ⁽¹⁾	295.485	2.067.358	1.293.701	2.046.196
Time unrestricted amount	-	-	-	-
Reserve requirement ⁽²⁾	-	19.857.227	-	17.414.467
Total	295.485	21.924.585	1.293.701	19.460.663

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

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

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

The Bank does not have financial assets at fair value through profit and loss subject to repo transactions and does not have financial assets at fair value through profit and loss given as collateral/blocked amount (December 31, 2014 - None).

c. Positive differences related to trading derivative financial assets:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward transactions	170.786	-	48.509	-
Swap transactions ⁽¹⁾	1.962.498	163.342	905.200	102.595
Futures transactions	-	-	-	-
Options	71.185	21.936	27.318	18.243
Other	-	-	-	-
Total	2.204.469	185.278	981.027	120.838

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

ç. Information on banks:

1. Information on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	37.078	222.202	88.347	4.967
Foreign ⁽¹⁾	1.184.553	3.673.181	3.296	2.298.738
Head quarters and branches abroad	-	-	-	-
Total	1.221.631	3.895.383	91.643	2.303.705

(1) The balance of foreign currency account in foreign banks includes the balance of gold amounting to TL 68.110 (December 31, 2014 – TL 59.588).

2. Information on foreign banks account:

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

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

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

Available-for-sale financial assets given as collateral/blocked amounts to TL 2.717.864 (December 31, 2014 - TL 1.098.021) and available-for-sale financial assets subject to repo transactions amounts to TL 4.991.546 (December 31, 2014 – TL 4.607.767).

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

	Current Period	Prior Period
Debt securities	21.135.304	18.576.430
Quoted on stock exchange	19.547.508	17.045.319
Not quoted ⁽¹⁾	1.587.796	1.531.111
Share certificates	51.299	51.298
Quoted on stock exchange	-	-
Not quoted	51.299	51.298
Impairment provision (-) ⁽²⁾	(154.299)	(114.222)
Other ⁽³⁾	93.385	72.652
Total	21.125.689	18.586.158

(1) Includes credit linked notes amounting to TL 830.953 (December 31, 2014 - TL 986.135).

(2) The figure includes the negative differences between the cost and the market price of the securities and the impairment provisions, if any.

(3) Other available-for-sale financial assets include mutual funds

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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

(4)

Explanations and notes related to unconsolidated financial statements (continued)

f. Explanations on loans:

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

	Current Period		Prior Period	
	Cash	Non-cash	Cash	Non-cash
Direct loans granted to shareholders	-	-	-	-
Corporate shareholders	-	-	-	-
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	33.241	639.526	29.825	536.763
Loans granted to employees	121.238	2	127.270	412
Total	154.479	639.528	157.095	537.175

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

Cash Loans	Standard loans and other receivables		Loans and other receivables under close monitoring			
	Loans and other receivables (Total)	of which, terms & conditions are changed		Loans and other receivables (Total)	of which, terms & conditions are changed	
		Payment plan extensions	Other		Payment plan extensions	Other
Non-specialized loans	126.705.720	1.496.070	-	4.197.709	1.324.162	42.145
Loans given to enterprises	61.092.776	217.477	-	1.150.538	442.919	14.997
Export loans	5.383.965	100.038	-	72.123	49.489	-
Import loans	-	-	-	-	-	-
Loans given to financial sector	2.350.143	-	-	-	-	-
Consumer loans	23.741.347	586.236	-	1.346.586	142.799	18.303
Credit cards	17.478.216	403.927	-	564.353	345.665	6.853
Other ⁽¹⁾	16.659.273	188.392	-	1.064.109	343.290	1.992
Specialized loans	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-
Total	126.705.720	1.496.070	-	4.197.709	1.324.162	42.145

(1) Fair value differences of the hedged item amounting to TL (16.712) are classified in other loans as explained in Note IV, Section XIII.

	Standard loans and other receivables	Loans and other receivables under close monitoring
Number of modifications made to extend payment plan⁽¹⁾⁽²⁾⁽³⁾		
Extended by 1 or 2 times	1.356.870	1.022.878
Extended by 3,4 or 5 times	69.315	289.819
Extended by more than 5 times	69.885	11.465
Total	1.496.070	1.324.162

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

Extended period of time⁽¹⁾⁽²⁾⁽³⁾	Standard loans and other receivables	Loans and other receivables under close monitoring
0 - 6 Months	707.204	280.546
6 - 12 Months	142.809	139.767
1 - 2 Years	295.158	193.894
2 - 5 Years	303.827	381.415
5 Years and over	47.072	328.540
Total	1.496.070	1.324.162

- (1) There is no loan which is subject to the temporary article 5 subsection 2 of the amendment of Provisioning Regulation dated on April 9, 2011.
- (2) There are twenty-six loans restructured in accordance with temporary article 6 subsection 2 of the amendment of Provisioning Regulation dated December 30, 2011 with maturities until 6 months and 1 to 5 years. Three of them was restructured three times, seventeen were twice and rest of the six are restructured once.
- (3) There is no loan which is subject to the temporary article 7 of the amendment of Provisioning Regulation dated on September 21, 2012.

3. Loans according to their maturity structure:

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

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

	Short-term	Medium and long-term	Total
Consumer loans-TL	199.837	24.144.211	24.344.048
Real estate loans	9.997	11.396.050	11.406.047
Automotive loans	3.713	571.542	575.255
Consumer loans	186.127	12.176.619	12.362.746
Consumer loans-FC indexed	-	57.992	57.992
Real estate loans	-	57.240	57.240
Automotive loans	-	-	-
Consumer loans	-	752	752
Individual credit cards-TL	12.701.715	680.320	13.382.035
With installments	6.542.051	674.566	7.216.617
Without installments	6.159.664	5.754	6.165.418
Personnel loans-TL	5.015	53.282	58.297
Real estate loans	69	1.033	1.102
Automotive loans	-	508	508
Consumer loans	4.946	51.741	56.687
Personnel loans-FC indexed	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Personnel credit cards-TL	61.837	482	62.319
With installments	30.234	482	30.716
Without installments	31.603	-	31.603
Credit deposit account-TL (real person)⁽¹⁾	627.596	-	627.596
Total	13.596.000	24.936.287	38.532.287

- (1) TL 622 of the credit deposit account belongs to the loans used by personnel.

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

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

	Short-term	Medium and long-term	Total
Commercial installments loans-TL	915.551	9.178.163	10.093.714
Business loans	2.565	663.305	665.870
Automotive loans	33.704	1.827.925	1.861.629
Consumer loans	879.282	6.686.933	7.566.215
Other	-	-	-
Commercial installments loans-FC indexed	28.860	240.577	269.437
Business loans	-	15.377	15.377
Automotive loans	-	57.414	57.414
Consumer loans	28.860	167.786	196.646
Other	-	-	-
Corporate credit cards-TL	4.592.795	5.420	4.598.215
With installment	2.881.086	5.052	2.886.138
Without installment	1.711.709	368	1.712.077
Credit deposit account-TL (legal person)	1.076.223	-	1.076.223
Total	6.613.429	9.424.160	16.037.589

6. Loans according to types of borrowers:

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

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

	Current Period	Prior Period
Domestic loans	129.482.861	119.351.163
Foreign loans	1.420.568	1.386.390
Total	130.903.429	120.737.553

8. Loans granted to associates and subsidiaries:

	Current Period	Prior Period
Direct loans granted to associates and subsidiaries	90.113	99.878
Indirect loans granted to associates and subsidiaries	-	-
Total	90.113	99.878

9. Specific provisions provided against loans:

	Current Period	Prior Period
Loans and other receivables with limited collectibility	135.922	96.941
Loans and other receivables with doubtful collectibility	500.253	477.579
Uncollectible loans and other receivables	2.802.407	2.503.406
Total	3.438.582	3.077.926

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

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

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

	III. Group Loans and other receivables with limited collectibility	IV. Group Loans and other receivables with doubtful collectibility	V. Group Uncollectible loans and other receivables
Current Period	2.878	31.498	276.199
(Gross amounts before specific reserves)			
Restructured loans and other receivables	2.878	31.498	276.199
Rescheduled loans and other receivables	-	-	-
Prior Period	12.977	32.628	304.889
(Gross amounts before specific reserves)			
Restructured loans and other receivables	12.977	32.628	304.889
Rescheduled loans and other receivables	-	-	-

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

	III. Group Loans and other receivables with limited collectibility	IV. Group Loans and other receivables with doubtful collectibility	V. Group Uncollectible loans and other receivables
Prior Period	619.940	1.040.226	2.673.609
Additions (+)	789.136	21.382	46.906
Transfers from other categories of non-performing loans (+)	-	623.479	419.234
Transfer to other categories of non-performing loans (-)	623.479	419.234	-
Collections (-)	33.368	63.306	173.746
Write-offs(-)	-	-	-
Corporate and commercial loans	-	-	-
Consumer loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Current Period	752.229	1.202.547	2.966.003
Specific provision (-)	(135.922)	(500.253)	(2.802.407)
Net balance on balance sheet	616.307	702.294	163.596

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

	III. Group Loans and other receivables with limited collectibility	IV. Group Loans and other receivables with doubtful collectibility	V. Group Uncollectible loans and other receivables
Current Period			
Period end balance	225.001	62.350	505.499
Specific provision (-)	(41.674)	(9.175)	(380.929)
Net balance on-balance sheet	183.327	53.175	124.570
Prior Period			
Period end balance	57.731	11.158	502.362
Specific provision (-)	(2.280)	(7.858)	(364.273)
Net balance on-balance sheet	55.451	3.300	138.089

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

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

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectibility	Loans and other receivables with doubtful collectibility	Uncollectible loans and other receivables
Current Period (net)	616.307	702.294	163.596
Loans granted to real persons and corporate entities (gross)	752.229	1.202.547	2.857.432
Specific provision amount (-)	(135.922)	(500.253)	(2.693.836)
Loans granted to real persons and corporate entities (net)	616.307	702.294	163.596
Banks (gross)	-	-	24.575
Specific provision amount (-)	-	-	(24.575)
Banks (net)	-	-	-
Other loans and receivables (gross) ⁽¹⁾	-	-	83.996
Specific provision amount (-) ⁽¹⁾	-	-	(83.996)
Other loans and receivables (net) ⁽¹⁾	-	-	-
Prior Period (net)	522.999	562.647	170.203
Loans granted to real persons and corporate entities (gross)	619.940	1.040.226	2.565.013
Specific provision amount (-)	(96.941)	(477.579)	(2.394.810)
Loans granted to real persons and corporate entities (net)	522.999	562.647	170.203
Banks (gross)	-	-	24.600
Specific provision amount (-)	-	-	(24.600)
Banks (net)	-	-	-
Other loans and receivables (gross) ⁽¹⁾	-	-	83.996
Specific provision amount (-) ⁽¹⁾	-	-	(83.996)
Other loans and receivables (net)	-	-	-

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

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

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

12. Explanation on "Write-off" policies:

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

g. Information on held-to-maturity investments:

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

Held-to-maturity investments given as collateral / blocked amounts to TL 1.647.554 (December 31, 2014 - TL 1.581.166). The amount of held-to-maturity investments subject to repurchase agreements amounting to TL 1.975.527 (December 31, 2014 - TL 2.017.953).

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

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

	Current Period	Prior Period
Government bond	5.386.066	5.019.049
Treasury bill	-	-
Other debt securities	-	-
Total	5.386.066	5.019.049

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

	Current Period	Prior Period
Debt securities	5.530.032	5.141.589
Quoted on stock exchange	5.530.032	5.141.589
Not quoted	-	-
Impairment provision (-) ⁽¹⁾	(143.966)	(122.540)
Total	5.386.066	5.019.049

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

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

	Current Period	Prior Period
Beginning balance	5.019.049	6.453.908
Foreign currency differences on monetary assets ⁽¹⁾	388.283	218.361
Purchases during the year	196	561.762
Disposals through sales and redemptions	(36)	(2.223.085)
Impairment provision (-) ⁽²⁾	(21.426)	8.103
Period end balance	5.386.066	5.019.049

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

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

ğ. Information on investments in associates (net):

1. Information on unconsolidated investments in associates:

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

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

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

No	Total assets	Shareholders' equity	Total fixed assets	Interest income	Income from marketable securities portfolio	Current period profit/loss	Prior period profit/loss	Fair value
1.	8.662.767	1.007.698	6.327	25.191	4.264	19.917	18.031	-
2.	115.240	91.597	59.454	4.246	18	21.834	32.665	-
3.	56.641	25.774	32.679	1.009	-	3.490	2.644	-

(1) Financial statement information disclosed above shows December 31, 2014 results.

3. Movement of unconsolidated investments in associates:

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

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

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

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

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

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

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

1. Information on equity of the subsidiaries:

	Yapı Kredi Yatırım Menkul Değerler A.Ş.	Yapı Kredi Faktoring A.Ş.	Yapı Kredi Finansal Kiralama A.O.	Yapı Kredi Portföy Yönetimi A.Ş.	Yapı Kredi Nederland N.V.
Core Capital					
Paid-in capital	98.918	60.714	389.928	5.707	112.442
Inflation adjustment to share capital	-	-	-	-	-
Share premium	-	-	-	-	-
Marketable Securities Valuation Differences	13.597	-	-	-	(4.193)
Other capital reserves	93.423	-	(217.104)	-	-
Legal reserves	66.880	8.034	79.305	16.314	-
Extraordinary reserves	209.302	10.458	771.384	-	423.809
Other reserves	(94)	(10)	40	-	248.604
Profit/loss	(40.198)	114.308	320.722	5.622	14.090
Current period net profit	29.748	7.444	42.481	5.622	14.090
Prior period profit	(69.946)	106.864	278.241	-	-
Leasehold improvements (-)	-	-	-	-	-
Intangible assets (-)	1.998	488	3.139	747	459
Total core capital	439.830	193.016	1.341.136	26.896	794.293
Supplementary capital	-	10.127	27.595	-	159
Capital	439.830	203.143	1.368.731	26.896	794.452
Deductions from the capital	-	-	-	-	-
Total shareholders' equity	439.830	203.143	1.368.731	26.896	794.452

The above information is based on the consolidated financial statements of the Bank as of March 31, 2015.

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

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

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

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

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

2. Information on subsidiaries:

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

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

No	Total assets	Shareholders' equity	Total fixed assets	Interest income	Income from marketable securities portfolio	Current period profit / loss	Prior period profit /loss	Market value	Require d equity
1.	227.084	227.011	-	-	-	443	(30)	-	-
2.	3.513.661	446.332	10.320	37.794	947	29.748	33.838	-	-
3.	2.841.947	193.504	1.210	37.475	-	7.444	15.877	-	-
4.	458.899	121.364	7.408	7.968	506	2.553	2.963	-	-
5.	5.978.992	1.344.275	3.761	93.573	-	42.481	29.444	-	-
6.	35.221	27.643	1.634	917	-	5.622	4.210	-	-
7.	5.172.286	794.752	1.387	48.583	2.341	14.090	18.384	-	-
8.	952.754	173.902	47.701	25.547	31	2.101	9.603	-	-
9.	39.377	26.338	3.786	443	-	27	461	-	-
10.	23.738	18.240	829	-	-	2.061	968	-	-

(1) Consolidated financial statements are used for the financial information above.

The above figures are extracted from the financial statements on at March 31, 2015.

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

4. Movement schedule of subsidiaries:

	Current Period	Prior Period
Balance at the beginning of the period	2.434.550	2.363.467
Movements in period	(65.302)	71.083
Purchases	-	124.138
Free shares obtained profit from current years share	-	-
Dividends from current year income	-	-
Sales	-	-
Liquidation ⁽¹⁾	-	(39.558)
Transfers	-	-
Revaluation increase/decrease	(65.302)	(13.497)
Impairment provision	-	-
Balance at the end of the period	2.369.248	2.434.550
Capital Commitments	-	-
Share holding percentage at the end of the period (%)		

(1) In the Extraordinary end of liquidation General Assembly of YKYO held on July 8, 2014, it was decided to conclude the liquidation process and to pay the remaining liquidation liabilities to the shareholders. In addition, it was decided to delist the official name, information and registry record of the YKYO from the trade registry records and other governmental agencies' records.

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

Financial subsidiaries	Current Period	Prior Period
Banks	467.395	525.238
Insurance companies	-	-
Factoring companies	335.223	328.859
Leasing companies	898.691	908.760
Finance companies	-	-
Other financial subsidiaries	667.939	671.693
Total financial subsidiaries	2.369.248	2.434.550

6. Subsidiaries quoted on stock exchange:

None (December 31, 2014 - None).

I. Information on joint ventures (net):

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

Joint ventures	Bank's share	Group's share	Current assets	Non-current assets	Long term debt	Income	Expense
Yapı Kredi - Koray Gayrimenkul Yatırım Ortaklığı A.Ş.	30,45	30,45	67.518	144.900	8.987	21.285	(18.564)
Total	30,45	30,45	67.518	144.900	8.987	21.285	(18.564)

The above figures are extracted from the financial statements on at March 31, 2015.

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

i. Information on lease receivables (net):

None (December 31, 2014 - None).

j. Information on hedging derivative financial assets:

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair value hedge ⁽¹⁾	268.878	-	177.895	-
Cash flow hedge ⁽¹⁾	242.447	-	78.251	-
Foreign net investment hedge	-	-	-	-
Total	511.325	-	256.146	-

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

k. Information on tangible assets:

The Bank decided to change its accounting policy on valuation of buildings to fair value accounting in accordance with TAS 16. Based on valuation reports of expertise companies, authorized by CMB and BRSA, the Bank realized a positive fair valuation difference as other comprehensive income amounting to TL 785.382. Additionally, there has been a reversal out of previously incurred impairment amounting to TL 103.401, which is booked as an income. Had the Bank did not apply fair value accounting; carrying amount of buildings would have been TL 540.917, as of March 31, 2015.

l. Information on intangible assets:

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

m. Information on investment property:

None (December 31, 2014 - None).

n. Information on deferred tax asset:

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

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

	Current Period	Prior Period
Net book value at the beginning of the period	150.499	151.396
Additions	13.404	63.384
Transfers	-	-
Disposals (-), net	(13.794)	(59.736)
Impairment provision reversal	204	979
Impairment provision (-)	(92)	(566)
Depreciation (-)	(1.284)	(4.958)
Net book value at the end of the period	148.937	150.499
Cost at the end of the period	163.118	164.041
Accumulated depreciation at the end of the period (-)	(14.181)	(13.542)
Net book value at the end of the period	148.937	150.499

As of March 31, 2015, the Bank booked impairment provision on assets held for resale with an amount of TL 7.886 (December 31, 2014 - TL 7.998).

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

ö. Information on other assets:

As of March 31, 2015, other assets do not exceed 10% of the total assets.

II. Explanations and notes related to liabilities

a. Information on deposits:

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

1 (i). Current Period:

	Demand	Up to 1 month	1-3 months	3-6 months	6 months- 1 year	1 year and over	Total
Saving deposits	3.665.266	2.426.780	22.715.037	1.005.869	258.580	243.461	30.314.993
Foreign currency deposits	7.559.418	6.437.623	28.915.271	4.970.886	2.342.894	672.659	50.898.751
Residents in Turkey	7.449.285	6.392.496	28.183.083	2.161.044	1.101.689	446.362	45.733.959
Residents abroad	110.133	45.127	732.188	2.809.842	1.241.205	226.297	5.164.792
Public sector deposits	1.110.311	231	66.807	297	255	72	1.177.973
Commercial deposits	4.419.590	5.840.031	14.227.270	1.184.286	407.000	315.004	26.393.181
Other institutions deposits	75.883	60.413	2.770.246	810.881	605.355	5.820	4.328.598
Precious metals vault	359.404	21.946	59.788	26.393	42.004	146.366	655.901
Bank deposits	1.205.833	2.169.214	455.204	89.816	13.947	6.476	3.940.490
The CBRT	-	-	-	-	-	-	-
Domestic banks	2.095	2.167.144	423.180	2.021	6.117	6.476	2.607.033
Foreign banks	179.761	2.070	32.024	87.795	7.830	-	309.480
Participation banks	1.023.977	-	-	-	-	-	1.023.977
Other	-	-	-	-	-	-	-
Total	18.395.705	16.956.238	69.209.623	8.088.428	3.670.035	1.389.858	117.709.887

1 (ii). Prior Period:

	Demand	Up to 1 month	1-3 months	3-6 months	6 months- 1 year	1 year and over	Total
Saving deposits	3.183.149	1.471.397	23.303.212	1.124.141	260.728	238.187	29.580.814
Foreign currency deposits	6.344.230	5.558.209	21.712.356	3.526.343	1.256.693	593.191	38.991.022
Residents in Turkey	6.212.285	5.512.089	20.735.576	1.200.171	599.421	565.060	34.824.602
Residents abroad	131.945	46.120	976.780	2.326.172	657.272	28.131	4.166.420
Public sector deposits	899.028	-	3.076	417	516	1	903.038
Commercial deposits	4.445.719	5.666.644	13.970.380	2.808.340	501.598	123.732	27.516.413
Other institutions deposits	92.324	970.381	3.557.132	253.563	434.066	5.740	5.313.206
Precious metals vault	499.354	1.472	91.739	29.870	49.681	168.249	840.365
Bank deposits	506.736	975.828	463.012	3.606	19.966	6.333	1.975.481
The CBRT	2	-	-	-	-	-	2
Domestic banks	2.987	878.863	445.203	-	12.715	6.333	1.346.101
Foreign banks	221.999	96.965	17.809	3.606	7.251	-	347.630
Participation banks	281.748	-	-	-	-	-	281.748
Other	-	-	-	-	-	-	-
Total	15.970.540	14.643.931	63.100.907	7.746.280	2.523.248	1.135.433	105.120.339

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

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Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

2. Information on saving deposits insurance:

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

Saving deposits	Under the guarantee of deposit insurance		Exceeding limit of the deposit insurance	
	Current Period	Prior Period	Current Period	Prior Period
Saving deposits	15.292.443	14.292.214	15.022.119	15.288.190
Foreign currency savings deposit	4.219.198	3.886.738	14.502.824	11.760.497
Other deposits in the form of saving deposits	299.792	453.318	294.524	300.290
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore banking regions' deposits under foreign authorities' insurance	-	-	-	-

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

	Current Period	Prior Period
Foreign branches' deposits and other accounts	7.046	6.348
Saving deposits and other accounts of controlling shareholders and deposits of their mother, father, spouse, children in care	-	-
Saving deposits and other accounts of president and members of board of directors, CEO and vice presidents and deposits of their mother, father, spouse, children in care	123.224	88.277
Saving deposits and other accounts in scope of the property holdings derived from crime defined in article 282 of Turkish criminal law no:5237 dated 26.09.2004	-	-
Saving deposits in deposit bank which is established in Turkey in order to engage in off-shore banking activities solely	-	-

b. Information on trading derivative financial liabilities:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward transactions	185.907	-	58.914	-
Swap transactions	1.646.022	147.355	608.374	73.681
Futures transactions	-	-	-	-
Options	67.545	29.399	31.606	22.955
Other	-	-	-	-
Total	1.899.474	176.754	698.894	96.636

c. Information on borrowings:

1. Information on borrowings:

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of the Republic of Turkey borrowings	-	-	-	-
From domestic banks and institutions	208.243	208.420	228.832	222.478
From foreign banks, institutions and funds	433.728	19.605.065	633.725	17.036.538
Total	641.971	19.813.485	862.557	17.259.016

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

2. Information on maturity structure of borrowings:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term	222.404	10.900.575	244.283	9.841.968
Medium and long-term	419.567	8.912.910	618.274	7.417.048
Total	641.971	19.813.485	862.557	17.259.016

3. Information on securitization borrowings:

	Current Period		Prior Period	
	TL	FC	TL	FC
From foreign banks	-	-	-	-
From foreign institutions ⁽¹⁾	-	4.287.500	-	3.054.498
From foreign funds	-	-	-	-
Total	-	4.287.500	-	3.054.498

(1) The Bank classified some of its financial liabilities as the financial liabilities classified at fair value through profit/loss in order to eliminate the accounting mismatch at the initial recognition in accordance with IAS 39 paragraph 9. As of March 31, 2015, the total amount of financial liabilities classified as fair value through profit/loss is TL 2.111.776 (December 31, 2014 –TL 1.163.996) and the fair value difference is TL 28.830 (December 31, 2014 –TL 5.673) recognised in the income statement as income.

ç. Information on marketable securities issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Bills	2.011.917	2.003.649	1.638.373	1.712.209
Bonds	1.158.984	5.874.798	1.181.861	5.187.956
<i>Collateralized securities</i>	471.373	-	462.642	-
Total	3.170.901	7.878.447	2.820.234	6.900.165

d. Information on other liabilities:

As of March 31, 2015, other liabilities do not exceed 10% of the total balance sheet commitments.

e. Information on lease payables:

1. Information on financial leasing agreements:

None (December 31, 2014 None).

2. Information on operational leasing agreements:

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

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

f. Information on hedging derivative financial liabilities:

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair value hedge ⁽¹⁾	-	-	-	-
Cash flow hedge ⁽¹⁾	147.404	226.688	228.442	211.349
Foreign net investment hedge	-	-	-	-
Total	147.404	226.688	228.442	211.349

(1) Explained in Note XIII of Section IV.

g. Information on provisions:

1. Information on general provisions:

	Current Period	Prior Period
Provisions for first group loans and receivables	1.547.066	1.451.714
<i>of which, Provision for Loans and Receivables with Extended Maturity</i>	<i>90.514</i>	<i>61.798</i>
Provisions for second group loans and receivables	186.391	188.332
<i>of which, Provision for Loans and Receivables with Extended Maturity</i>	<i>53.198</i>	<i>55.839</i>
Provisions for non cash loans	87.002	84.527
Others	200.757	158.694
Total	2.021.216	1.883.267

2. Information on reserve for employee rights:

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

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

	Current Period	Prior Period
Discount rate (%)	3,50	3,50
Probability of retirement rate (%)	94,11	94,11

The principal actuarial assumption is that the maximum liability will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. As the annual ceiling is revised semi-annually, the ceiling of full TL 3.541,37 effective from January 1, 2015 (January 1, 2014: full TL 3.438,22) has been taken into consideration in calculating the reserve for employment termination benefits.

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

Movement of employment termination benefits liability in the balance sheet:

	Current Period	Prior Period
Prior period ending balance	123.200	108.664
Changes during the period	8.424	23.594
Recognized in equity	-	17.405
Paid during the period	(10.184)	(26.463)
Balance at the end of the period	121.440	123.200

In addition, the Bank has accounted for unused vacation rights provision amounting to TL 135.905 as of March 31, 2015 (December 31, 2014 - TL 128.395).

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

As of March 31, 2015, the provision related to the foreign currency difference of foreign currency indexed loans amounts to TL 11.768 (December 31, 2014 - TL 25.125). Provisions related to the foreign currency difference of foreign currency indexed loans are netted from the loan amount in the financial statements.

4. Other provisions:

- (i) Information on other provisions:

	Current Period	Prior Period
Pension fund provision	654.901	654.901
Provisions on unindemnified non cash loans	90.803	82.424
Provisions on credit cards and promotion campaigns related to banking services	35.103	34.417
Provision on export commitment tax and funds liability	45.699	44.489
Other	20.277	133.624
Total	846.783	949.855

- (ii) General reserves for possible losses:

	Current Period	Prior Period
General reserves for possible losses	112.919	160.839
Total	112.919	160.839

5. Pension fund provision:

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

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

ğ. Information on taxes payable:

(i) Information on taxes payable:

	Current Period	Prior Period
Corporate Tax Payable	11.529	131.719
Taxation of Marketable Securities	100.784	94.719
Property Tax	2.857	2.411
Banking Insurance Transaction Tax ("BITT")	78.393	78.269
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	3.255	9.783
Other	53.713	28.754
Total	250.531	345.655

(ii) Information on premium payables:

	Current Period	Prior Period
Social security premiums – employee	-	-
Social security premiums – employer	-	-
Bank pension fund premiums – employee	15.681	11.981
Bank pension fund premiums – employer	16.210	12.397
Pension fund deposit and provisions – employee	-	-
Pension fund deposit and provisions – employer	-	-
Unemployment insurance – employee	1.119	855
Unemployment insurance – employer	2.239	1.711
Other	-	-
Total	35.249	26.944

(iii) Information on deferred tax liability:

Deferred tax liability, amounting to TL 50.809 represents net of deferred tax assets and deferred tax liabilities, as of March 31, 2015. (December 31, 2014 - None).

h. Information on subordinated loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
From domestic banks	-	-	-	-
From other domestic institutions	-	-	-	-
From foreign banks ⁽¹⁾	-	7.407.141	-	6.770.549
From other foreign institutions	-	-	-	-
Total	-	7.407.141	-	6.770.549

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

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

I. Information on shareholders' equity:

1. Presentation of paid-in capital:

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

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

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

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

None (December 31, 2014 - None).

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

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

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

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

7. Privileges on the corporate stock: None.

8. Information on value increase fund of marketable securities:

	Current Period		Prior Period	
	TL	FC	TL	FC
From investments in associates, subsidiaries, and joint ventures	374.541	168.282	359.715	248.414
Valuation difference	374.541	168.282	359.715	248.414
Foreign currency difference	-	-	-	-
From fixed assets held for sale				
Valuation difference	-	-	-	-
Foreign currency difference	-	-	-	-
Available for sale securities	(6.704)	218.362	180.396	234.848
Valuation differences ⁽¹⁾	(6.704)	218.362	180.396	234.848
Foreign currency differences	-	-	-	-
Total	367.837	386.644	540.111	483.262

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

9. Other:

It was decided to distribute unconsolidated net profit of TL 1.844.966 as of December 31, 2014, in accordance with the General Assembly dated 25 March 2015 as follows: TL 400.000 to be paid as dividend to shareholders, TL 110.512 to be transferred to legal reserves, TL 1.487 to be transferred to special funds account in accordance with the article No 5 1/e section of the Corporate Tax Law numbered 5520 as 75% of the profit from the sale of real estate and the remaining TL 1.332.967 to be transferred to extraordinary reserves.

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

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

a. Information on off balance sheet commitments:

1. The amount and type of irrevocable commitments:

	Current Period	Prior Period
Commitments on credit card limits	26.529.698	25.612.776
Loan granting commitments	8.166.974	8.125.659
Commitments for cheques	6.434.466	5.981.382
Other irrevocable commitments	34.577.072	6.703.313
Total	75.708.210	46.423.130

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

Obligations arising from off-balance sheet are disclosed in "Off-balance sheet commitments". The Bank set aside general provision for its non-cash loans amounting to TL 87.001 (December 31, 2014 - TL 84.527) and specific provision amounting to TL 410.215 (December 31, 2014 - TL 381.510) for non-cash loans which are not indemnified yet amounting to TL 90.803 (December 31, 2014 - TL 82.424).

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

	Current Period	Prior Period
Bank acceptance loans	127.168	126.982
Letter of credits	7.904.560	7.592.268
Other guarantees and collaterals	3.077.316	2.774.812
Total	11.109.044	10.494.062

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

	Current Period	Prior Period
Temporary letter of guarantees	1.755.034	1.825.976
Definite letter of guarantees	28.407.426	27.400.824
Advance letter of guarantees	4.627.693	4.310.727
Letter of guarantees given to customs	2.021.546	2.067.368
Other letter of guarantees	2.372.247	2.176.908
Total	39.183.946	37.781.803

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

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

	Current Period	Prior Period
Non-cash loans given against cash loans	2.117.783	1.915.986
With original maturity of 1 year or less than 1 year	354.643	322.011
With original maturity of more than 1 year	1.763.140	1.593.975
Other non-cash loans	48.175.207	46.359.879
Total	50.292.990	48.275.865

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

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

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

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

3(iv). Maturity distribution of non cash loans:

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b. Information on derivative financial instruments:

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

c. Information on credit derivatives and risk exposures:

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

ç. Information on contingent liabilities and assets:

The Bank has recorded a provision of TL 62.493 (December 31, 2014 - TL 61.683) for litigation and has accounted for it in the accompanying financial statements under the "Other Provisions" account. Except for the claims where provisions are recorded, management considers as remote the probability of a negative result in ongoing litigations and therefore does not foresee cash outflow for such claims.

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

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

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

IV. Explanations and notes related to income statement:

a. Information on interest income:

1. Information on interest income on loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term loans ⁽¹⁾	1.136.324	41.838	885.426	37.749
Medium/long-term loans ⁽¹⁾	1.193.141	473.345	809.028	358.673
Interest on loans under follow-up	18.711	40	26.709	180
Premiums received from resource utilization support fund	-	-	-	-
Total	2.348.176	515.223	1.721.163	396.602

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

2. Information on interest income on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
From the CBRT	-	-	-	-
From domestic banks	14.158	82	18.266	127
From foreign banks	1.031	30.691	1.408	1.993
Headquarters and branches abroad	-	-	-	-
Total	15.189	30.773	19.674	2.120

3. Information on interest income on marketable securities:

	Current Period		Prior Period	
	TL	FC	TL	FC
From trading financial assets	1.558	285	327	493
From financial assets at fair value through profit or loss	-	-	-	-
From available-for-sale financial assets	314.127	49.483	273.978	53.369
From held-to-maturity investments	41.389	50.233	73.480	47.108
Total	357.074	100.001	347.785	100.970

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

	Current Period	Prior Period
Interest received from associates and subsidiaries	3.871	7.707

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

b. Information on interest expense:

1. Information on interest expense on borrowings:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	21.517	179.439	21.794	153.227
The CBRT	-	-	-	-
Domestic banks	3.816	1.177	3.429	2.007
Foreign banks	17.701	178.262	18.365	151.220
Headquarters and branches abroad	-	-	-	-
Other institutions	-	13.780	-	94
Total ⁽¹⁾	21.517	193.219	21.794	153.321

(1) Includes fees and commissions related to borrowings.

2. Information on interest expense to associates and subsidiaries:

	Current Period	Prior Period
Interest paid to associates and subsidiaries	21.251	18.300

3. Information on interest expense to marketable securities issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest expense to marketable securities issued	62.582	88.554	43.954	49.109
Total	62.582	88.554	43.954	49.109

4. Maturity structure of the interest expense on deposits:

Account name	Demand deposit	Time deposit						Accumulating deposit	Total	Prior period
		Up to 1 month	Up to 3 months	Up to 6 months	Up to 1 year	More than 1 year				
TL										
Bank deposits	59	13.177	305	76	330	-	-	13.947	2.214	
Saving deposits	-	38.566	551.327	29.866	5.753	5.528	-	631.040	462.471	
Public sector deposits	-	14	1.246	5	11	-	-	1.276	933	
Commercial deposits	8	84.590	342.193	69.304	10.984	6.078	-	513.157	236.868	
Other deposits	-	4.619	99.693	17.305	12.237	139	-	133.993	120.246	
Deposits with 7 days notification	-	-	-	-	-	-	-	-	-	
Total	67	140.966	994.764	116.556	29.315	11.745	-	1.293.413	822.732	
FC										
Foreign currency deposits	45	41.868	127.836	8.168	4.253	3.491	-	185.661	242.245	
Bank deposits	14	649	169	42	49	-	-	923	514	
Deposits with 7 days notification	-	-	-	-	-	-	-	-	-	
Precious metal vault	-	197	229	22	36	9	-	493	623	
Total	59	42.714	128.234	8.232	4.338	3.500	-	187.077	243.382	
Grand total	126	183.680	1.122.998	124.788	33.653	15.245	-	1.480.490	1.066.114	

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

c. Information on dividend income:

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

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

	Current Period	Prior Period
Gain	10.469.977	8.446.035
Gain from capital market transactions	156.429	26.951
Derivative financial transaction gains	3.951.152	2.938.772
Foreign exchange gains	6.362.396	5.480.312
Loss(-)	(10.538.766)	(8.659.075)
Loss from capital market transactions	(21.848)	(12.433)
Derivative financial transaction losses	(4.313.848)	(3.037.511)
Foreign exchange loss	(6.203.070)	(5.609.131)
Net gain/loss	(68.789)	(213.040)

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

The amount of net income/loss from derivative financial transactions related to exchange rate changes is TL (164.467) loss (March 31, 2014 – TL 150.625 income).

e. Information on other operating income:

Based on valuation reports of expertise companies, authorized by CMB and BRSA, the Bank booked a reversal out of previously incurred impairment amounting to TL 103.401, as an income. Other operating income mainly results from collections from provisions recorded as expense, release of provisions and sale of fixed assets.

f. Provision for impairment of loans and other receivables:

	Current Period	Prior Period
Specific provisions for loans and other receivables	380.945	317.830
III. Group loans and receivables	57.444	11.853
IV. Group loans and receivables	34.034	56.897
V. Group loans and receivables	289.467	249.080
General provision expenses	137.949	85.728
Provision expense for possible risks	3.085	6.720
Marketable securities impairment expenses ⁽¹⁾	8.307	11.698
Financial assets at fair value through profit or loss	217	206
Available-for-sale financial assets	8.090	11.492
Impairment of investments in associates, subsidiaries and held-to-maturity securities	6.937	9.040
Investments in associates	-	-
Subsidiaries	-	-
Joint ventures	-	-
Held-to-maturity investments ⁽¹⁾	6.937	9.040
Other	13.242	3.116
Total	550.465	434.132

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

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

g. Information related to other operating expenses:

	Current Period	Prior Period
Personnel expenses	428.863	357.558
Reserve for employee termination benefits	-	-
Provision expense for pension fund	-	-
Impairment expenses of property and equipment	-	-
Depreciation expenses of property and equipment	46.936	37.189
Impairment expenses of intangible assets	-	-
Goodwill impairment expenses	-	-
Amortisation expenses of intangible assets	29.187	22.834
Impairment expenses of equity participations for which equity method applied	-	-
Impairment expenses of assets held for resale	92	102
Depreciation expenses of assets held for resale	1.284	1.243
Impairment expenses of fixed assets held for sale and assets related to discontinued operations	-	-
Other operating expenses	368.467	279.433
Operational lease expenses	55.505	46.445
Repair and maintenance expenses	15.365	6.318
Advertising expenses	26.400	22.106
Other expense	271.197	204.564
Loss on sales of assets	23	45
Other	241.411	176.936
Total	1.116.263	875.340

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

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

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

As of March 31, 2015, the Bank has TL 6.683 (March 31, 2014 – TL 164.726) tax expense from continued operations and deferred tax income from continued operations amounting to TL 126.221 (March 31, 2014 – TL 77.202 deferred tax income).

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

1. The characteristics, dimension and recurrence of income or expense items arising from ordinary banking transactions do not require any additional explanation to understand the Bank's current period performance.
2. Information on any change in the accounting estimates concerning the current period or future periods: None.

i. Other items in income statement:

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

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

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

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

VI. Explanations and notes related to statement of cash flows

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

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

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

1. Current Period:

Bank's risk group ^{(1), (2)}	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at the beginning of the period	99.878	422.846	47.802	536.763	1.288.096	2.092.659
Balance at the end of the period	150.067	323.047	51.066	639.526	1.775.493	1.630.321
Interest and commission income received	3.871	328	3.983	1.213	35.513	1.903

(1) Defined in subsection 2 of the 49th article of the Banking Act No.5411.

(2) The information in table above includes loans and due from banks as well as marketable securities.

Prior Period:

Bank's risk group ^{(1), (2)}	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at the beginning of the period	109.348	497.720	52.615	450.294	806.128	1.048.902
Balance at the end of the period	99.878	422.846	47.802	536.763	1.288.096	2.092.659
Interest and commission income received ⁽³⁾	7.707	671	1.265	947	23.579	2.990

(1) Defined in subsection 2 of the 49th article of the Banking Act No.5411.

(2) The information in table above includes marketable securities and due from banks as well as loans.

(3) Represent profit / loss figures for the 3 months period ended March 31, 2014.

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

Bank's risk group ^{(1), (2)}	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposit						
Beginning of the period	2.229.278	2.443.971	10.228.006	11.261.140	10.038.882	6.391.249
End of the period	2.617.819	2.229.278	9.940.413	10.228.006	6.556.512	10.038.882
Interest expense on deposits ⁽³⁾	21.251	18.300	172.948	122.036	104.830	71.490

(1) Defined in subsection 2 of the 49th article of the Banking Act No. 5411.

(2) The information in table above includes borrowings, marketable securities issued and repo transactions as well as deposits.

(3) Prior period columns represent profit / loss figures for the 3 months period ended March 31, 2014.

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

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Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

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

Bank's risk group ⁽¹⁾	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions at fair value through profit or loss⁽²⁾						
Beginning of the period ⁽³⁾	872.477	5.973.118	428.403	460.395	718.079	659.635
End of the period ⁽³⁾	2.145.409	872.477	1.099.491	428.403	1.000.130	718.079
Total profit / (loss)⁽⁴⁾	58.253	(42.367)	(1.323)	2.855	(44.825)	(40.032)
Transactions for hedging purposes⁽²⁾						
Beginning of the period ⁽³⁾	-	-	-	-	-	-
End of the period ⁽³⁾	-	-	-	-	-	-
Total profit / (loss)⁽¹⁾	-	-	-	-	-	-

(1) Defined in subsection 2 of the 49th article of the Banking Act No. 5411.

(2) The Bank's derivative instruments are classified as "at Fair Value Through Profit or Loss" or "for Hedging Purposes" according to TAS 39.

(3) The balances at the beginning and end of the periods are disclosed as the total of buy and sell amounts of derivative financial instruments.

(4) Prior period columns represent profit / loss figures for the 3 months period ended March 31, 2014.

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

Salaries and benefits paid to the Bank's top management amount to TL 21.994 as of March 31, 2015 (March 31, 2014 – TL 17.728).

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

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

IX. Explanations and notes related to subsequent events:

None.

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of March 31, 2015 (continued)

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

Section Six

Explanations on independent review report

I. Explanations on independent auditor's review report

The unconsolidated financial statements for the period ended March 31, 2015 have been reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A member firm of Ernst & Young Global Limited). The independent auditor's review report dated May 8, 2015 is presented preceding the unconsolidated financial statements.

II. Explanations and notes prepared by independent auditor

None.