

**FİBABANKA A.Ş.**  
**ANNUAL ACTIVITY REPORT OF THE YEAR 2012**

*Prepared according to the “Regulation on Procedures and Principles Regarding Preparation and Publishing of the Annual Activity Reports by Banks”, published by the Banking Regulation and Supervision Agency in the Official Gazette dated 01.11.2006 and issue no. 26333 and the “Regulation on Determination of the Minimum Content of Annual Activity Reports of Companies”, published by the Ministry of Customs and Commerce in the Official Gazette dated 28.08.2012 and issue no. 28395.*

Trade Name of the Bank	: FİBABANKA A.Ş
Trade Registry No.	: 272902
Term which the Report Relates to	: Year 2012
Address of the Head Office	: Emirhan Caddesi, Barbaros Plaza İş Merkezi No:113 Dikilitaş, Beşiktaş / İstanbul
Telephone Number	: 0212 381 82 00
Fax Number	: 0212 258 37 78
Electronic Web Site	: <a href="http://www.fibabanka.com.tr">www.fibabanka.com.tr</a>
Electronic Mail	: <a href="mailto:info@fibabanka.com.tr">info@fibabanka.com.tr</a>
Branches	: As of 31.12.2012 :

Branch	Address	Telephone	Fax
<b>Merkez (Main) Branch</b>	Emirhan Cad. Barbaros Plaza İş Merkezi No: 113/C Zemin Kat Dikilitaş Beşiktaş /İstanbul	(212) 381 8555	(212) 227 2452
<b>Altunizade</b>	Mahir İz Cad. No: 28B Altunizade /İstanbul	(216) 531 7415	(216) 474 1372
<b>Çiftehavuzlar</b>	Bağdat Cad. No: A/228 Çiftehavuzlar /İstanbul	(216) 477 7250	(216) 369 1489
<b>Eminönü</b>	Ankara Cad. No: 30A Eminönü /İstanbul	(212) 455 8112	(212) 526 2030
<b>Etiler</b>	Nispetiye Cad. No: 91 Etiler /İstanbul	(212) 359 8203	(212) 257 2059
<b>Güneşli</b>	Evren Mah., Bahar Cad., Polat İş Merkezi, C Blok, No: 6/2-4 Bağcılar/İstanbul	(212) 550 7854	(212) 550 7855
<b>Kozyatağı</b>	Atatürk Cad. No: 68 Kozyatağı /İstanbul	(216) 477 7132	(216) 369 1136
<b>Levent</b>	Gonca Sk. No: 9 1.Levent /İstanbul	(212) 317 9350	(212) 283 0446
<b>Levent Sanayi</b>	Eski Büyükdere Cad., Destegül Sk., Çınar Plaza, No:1, 4.Levent, Kağıthane /İstanbul	(212) 284 2155	(212) 284 2145
<b>Nişantaşı</b>	Halaskargazi Mah. Valikonağı Cad. No: 77 Şişli /İstanbul	(212) 368 8158	(212) 219 6617
<b>Özyeğin University</b>	Nişantepe Mah. Orman Sk. No: 28-30 Çekmeköy/İstanbul	(216) 525 5000	(216) 525 5001
<b>Pendik</b>	Çınardere Mah. E5 Yanyol Cad. No: 83 Pendik/İstanbul	(216) 598 1525	(216) 598 1585
<b>Suadiye</b>	Bağdat Cad. No: 471/A Suadiye /İstanbul	(216) 569 7120	(216) 372 6934
<b>Şişli</b>	Halaskargazi Cad. No: 207 Şişli /İstanbul	(212) 368 8122	(212) 219 4254
<b>Yeniköy</b>	Köybaşı Cad. No: 150/A Yeniköy /İstanbul	(212) 363 8202	(212) 363 8203
<b>Yeşilköy</b>	İstasyon Cad. No: 23/B Yeşilköy /İstanbul	(212) 468 8480	(212) 468 8481
<b>Ankara</b>	Arjantin Cad. Budak Sk. No: 1 G.O.P./Ankara	(312) 405 4110	(312) 428 7989
<b>Necatibey</b>	Necatibey Cad. No: 23/A Kızılay Çankaya /Ankara	(312) 205 1083	(312) 229 6790
<b>Ostim</b>	Organize Sanayi Bölgesi, 100.Yıl Bulvarı No: 17 Ostim /Ankara	(312) 386 0401	(312) 386 0462
<b>Yıldız</b>	Hilal Mah. Hollanda Cad.No:3/A Çankaya /Ankara	(312) 405 8003	(312) 405 8004
<b>İzmir</b>	Cumhuriyet Meydanı, Meydan Apt. No: 11/A Alsancak /İzmir	(232) 466 0124	(232) 422 4924
<b>Bursa</b>	Doğanbey Mah.Fevzi Çakmak Cad. Burçin3 İşhanı, Zemin Kat No: 6 Osmangazi /Bursa	(224) 280 9020	(224) 224 1130
<b>Akdeniz Corporate</b>	Mehmetçik Mah. Aspendos Bulvarı No: 81/D Muratpaşa /Antalya	(242) 314 1021	(242) 322 2493
<b>Alanya</b>	Saray Mah. Atatürk Bulvarı No: 60/A Alanya /Antalya	(242) 511 5050	(242) 511 6995
<b>Antalya</b>	Şirinyalı Mah. İsmet Gökşen Cad. Elif Apt. No:14/A Muratpaşa /Antalya	(242) 316 4578	(242) 316 6906
<b>Manavgat</b>	Eskihisar Mah. Demokrasi Bulvarı Taşaroğlu Apt. No: 71/B Manavgat /Antalya	(242) 742 3449	(242) 742 8549
<b>Adana</b>	Ziyapaşa Bulvarı, Çınarlı Mah. 61025 Sk. Öngen Apt. No:66/A Seyhan /Adana	(322) 458 8665	(322) 458 8765
<b>Gaziantep</b>	İncili Pınar Mah. Prof.Muammer Aksoy Bulvarı No:19 Şehitkamil /Gaziantep	(342) 215 16 88	(342) 215 16 78

## **CONTENTS**

### **I. PRESENTATION**

- A) Brief Financial Information Relating to Results of Activities During the Term
- B) Historical Development of the Bank and Changes Made in the Articles of Association During This Period and the Reasons Thereof
- C) Share Capital Structure of the Bank, Changes Occurred in the Share Capital and Shareholder Structure of the Bank During the Term
  - 1) Share capital structure
  - 2) Changes occurred in the share capital
  - 3) Changes occurred in the shareholder structure
- D) Explanations Regarding the Shares Held by the Chairman and the Members of the Board of Directors of the Bank, Members of the Audit Committee, General Manager and Assistant General Managers
- E) Evaluations of the Chairman of the Board of Directors and the General Manager Regarding the Term and Their Expectations Relating to Future Activities
- F) Explanations Relating to the Number of Personnel and the Branches, Types of Services provided by the Bank and Its Fields of Activities and Evaluation of the Bank in the Sector Based on the Related Information
- G) Information Relating to Research and Development Applications in connection with New Services and Activities
- H) Opinion Regarding Compliance of the Annual Activities Report

### **II. INFORMATION REGARDING THE MANAGEMENT AND CORPORATE GOVERNANCE PRACTICES**

- A) Names and Surnames, Assignment Terms, Responsibility Areas, Education, Professional Experience of the Chairman and Members of the Board of Directors, General Manager and his/her Assistants, Members of the Audit Committee and Managers of the Departments within the scope Internal Systems
- B) Auditor
- C) Information Regarding the Activities of the Credit Committee and Committees Established to Support the Board of Directors within the framework of Risk Management Systems according to the Regulation on Internal Systems of Banks and the Names and Surnames of the Chairman and Members of These Committees and Their Main Duties
- D) Information regarding the Board of Directors and Participation of the Members of Board of Directors to Meetings
- E) Brief Board of Directors Report Presented to the General Assembly
- F) Information Relating to Human Resources Practices
- G) Information Relating to the Risk Group,
- H) Information Regarding the Fields of Activities for Which Support Services are Received According to the Regulation on Authorisation of Institutions Which Shall Provide Support Services to Banks, and Information Regarding the Persons and Institutions From Which These Services are Received

### **III. FINANCIAL INFORMATION AND INFORMATION RELATING TO RISK MANAGEMENT**

- A) The Report Prepared by the Auditors According to Article 399 of the Turkish Commercial Code
- B) Evaluations of the Audit Committee Relating to Operation of the Internal Control, Internal Audit and Risk Management Systems and Information Regarding Its Activities During the Accounting Term
- C) Information Regarding Financial Statements and the Financial Structure
- D) Evaluations Relating to Financial Situation, Profitability and Solvency
- E) Information Regarding Risk Policies Implemented Based on the Types of Risks
- F) Rating Note Given by Rating Agencies and Information Relating to the Basis of This Note
- G) Condensed Financial Information Regarding Last Five Years Including the Term for Which the Report is Prepared
- H) Activities of the Bank and Important Developments Relating to Its Activities
- I) Independent Audit Report

## I. PRESENTATION

### A) Brief Financial Information Relating to Results of Activities During the Term:

#### Balance Sheet

(Thousand TL)

	<u>31/12/12</u>	<u>31/12/11</u>	<u>Change %</u>
Cash and Balances with Central Bank	429,812	243,385	77%
Financial Assets at Fair Value Through Profit or Loss (net)	43,709	54,132	(19%)
Due from Banks	25,047	18,903	33%
Money Market Placements	30,304	--	0%
Financial Assets Available for Sale (net)	108,733	15,844	586%
Loans and Advances to Customers	3,220,704	2,106,677	53%
Investments Held to Maturity (net)	--	--	0%
Investments in Associates (net)	--	--	0%
Derivative Assets Held for Hedging (net)	--	--	0%
Tangible Assets (net)	15,846	11,663	36%
Intangible Assets (net)	6,211	6,074	2%
Deferred Tax Assets	5,369	20,472	(74%)
Asset Held for Sale and Assets of Discontinued Operations (net)	6,393	6,270	2%
Other Assets	8,104	3,329	143%
<b>Total Assets</b>	<b>3,900,232</b>	<b>2,486,749</b>	<b>57%</b>
Deposits	2,689,441	2,050,505	31%
Derivative Liabilities Held for Trading	13,696	16,315	(16%)
Bank Borrowings	308,670	29,756	937%
Interbank Money Markets	97,247	6,831	1324%
Securities Issued (net)	222,746	--	100%
Miscellaneous Payables	9,364	105,796	(91%)
Other External Resources	34,833	12,343	182%
Derivative Liabilities Held for Hedging	--	--	0%
Provisions	41,820	25,938	61%
Taxes Payable	10,053	6,012	67%
Subordinated Loans	89,693	--	100%
Shareholder's Equity	382,669	233,253	64%
<b>Total Liabilities</b>	<b>3,900,232</b>	<b>2,486,749</b>	<b>57%</b>

## **Income Statement**

(Thousand TL)

	<b><u>31/12/12</u></b>	<b><u>31/12/11</u></b>	<b><u>Change %</u></b>
Interest Income	335,525	168,442	99%
Interest Expense	204,441	98,002	109%
<b>Net Interest Income</b>	<b>131,084</b>	<b>70,440</b>	<b>86%</b>
Net Fees and Commission Income	6,984	12,029	(42%)
Trading Income (net)	37,033	5,160	618%
Other Operational Income	4,725	3,368	40%
<b>Total Operational Income</b>	<b>179,826</b>	<b>90,997</b>	<b>98%</b>
Provision for Loans and Other Receivables (-)	23,951	18,248	31%
Other Operational Expenses (-)	95,557	64,808	47%
<b>Income from Operational Activities</b>	<b>60,318</b>	<b>7,941</b>	<b>660%</b>
<b>Income Before Tax</b>	<b>60,318</b>	<b>7,941</b>	<b>660%</b>
Provision for Taxes (+/-)	(14,603)	(2,754)	430%
Net Loss/Profit from Ordinary Activities	45,715	5,187	781%
<b>Net Profit/Loss</b>	<b>45,715</b>	<b>5,187</b>	<b>781%</b>

### **B) Historical Development of the Bank and Changes Made in the Articles of Association During This Period and the Reasons Thereof:**

- 1) According to the decision of the Banking Regulation and Supervision Agency dated 09.07.2001 and no. 379 and the 3rd paragraph of article 14 of the Banks Act; management and supervision of Sitebank A.Ş. had been transferred to the Banking Regulation and Supervision Agency.
- 2) Shares of Sitebank A.Ş. which used to be under control of the Savings Deposit and Insurance Fund had been sold to Novabank S.A. by the Share Purchase Agreement signed by the Banking Regulation and Supervision Agency on the date of 21.12.2001.
- 3) Transfer of the shares of Sitebank A.Ş. had been realized and concluded by the letter of Banking Regulation and Supervision Agency dated 22.11.2002 and no.860/94 and the resolution of the Board of Directors of Sitebank A.Ş. dated 24.01.2002 and no.972.
- 4) Sitebank A.Ş. convened an Extraordinary General Assembly meeting on 25.01.2002 and in this first Meeting of the General Assembly held after the Bank was taken over by Novabank S.A., members of the Board of Directors were elected.
- 5) In the Extraordinary General Assembly Meeting of Sitebank A.Ş. held on the date of 14.05.2002, share capital of the Bank had been increased from 3,900,000 TL to 20,000,000 TL and relating to said capital increase, article 7 with the heading "Share Capital" of the Articles of Association had been changed.
- 6) In the Extraordinary General Assembly Meeting of Sitebank A.Ş. held on the date of 03.06.2002, it had been resolved to increase the number of the members of Board of Directors of the Bank, to 7 members.
- 7) In the Extraordinary General Assembly Meeting of Sitebank A.Ş. held on the date of 04.03.2003, it had been resolved to change the trade name of the Bank to "BankEuropa A.Ş." and its enterprise name to "BankEuropa".
- 8) In the Extraordinary General Assembly of the BankEuropa Bank held on the date of 20.06.2003, share capital of the Bank had been increased from 20,000,000 TL to 50,401,874 TL and relating to said capital increase, article 7 with the heading "Share Capital" of the Articles of Association had been changed.
- 9) In the Extraordinary General Assembly of the BankEuropa Bank held on the date of 29.06.2004, share capital of the Bank had been increased from 50,401,874 TL to 77,351,429 TL and relating to said capital increase, article 7 with the heading "Share Capital" of the Articles of Association had been changed.

- 10) In the Extraordinary General Assembly meeting of the BankEuropa Bank held on the date of 07.03.2005 relating to the year 2004, new members of the Board of Directors were elected for a period of 3 years, in place those whose terms of office expired and the new Board of Directors was formed thereby.
- 11) In the Extraordinary General Assembly meeting of the BankEuropa Bank held on the date of 24.02.2006 relating to the year 2005, transfer of the shares of BankEuropa Bankası A.Ş. held by Novabank S.A. to BCP Internacional II Sociedade Unipessoal SGPS LDA, was approved based on the permission of the Banking Regulation and Supervision Agency dated 07.02.2006 and no. BDDK.UY1/55.1.02-1010.
- 12) In the Extraordinary General Assembly meeting of the BankEuropa Bank held on the date of 13.03.2006, share capital of the Bank had been increased from 77,351,429 TL to 108,433,429 TL and relating to said capital increase, article 7 with the heading "Share Capital" of the Articles of Association had been changed.
- 13) In the Extraordinary General Assembly meeting of the Bank held on the date of 28.11.2006, trade name of the Bank was changed to "Millennium Bank A.Ş." and its enterprise name was changed to "Millennium Bank" and relating to said changes, article 3 with the heading "Trade Name and Enterprise Name" of the Articles of Association was changed accordingly.
- 14) In the Extraordinary General Assembly meeting of Millennium Bank A.Ş. held on the date of 21.12.2006, share capital of the Bank had been increased from 108,433,429 TL to 163,791,316 TL and relating to said capital increase, article 7 with the heading "Share Capital" of the Articles of Association had been changed.
- 15) In the Extraordinary General Assembly meeting of Millennium Bank A.Ş. held on the date of 18.06.2008, share capital of the Bank had been increased from 163,791,316 TL to 202,535,316 TL and relating to said capital increase, article 7 with the heading "Share Capital" of the Articles of Association had been changed.
- 16) In the Extraordinary General Assembly meeting of Millennium Bank A.Ş. held on the date of 16.03.2010, article 19 with the heading "Representation of the Bank" and article 25 with the heading "Qualifications Required for the General Manager and Assistant General Managers" of the Articles of Association of the Bank were amended in accordance with the Banking Law no. 5411.
- 17) In the Extraordinary General Assembly meeting of Millennium Bank A.Ş. held on the date of 27.12.2010, based on the permission of the Banking Regulation and Supervision Agency dated 13.12.2010 and no. B.02.1.BDK.0.11.00.00.55.1-25726, transfer of 192,408,550,200 shares held by Millennium bcp Participações, SGPS, Sociedade Unipessoal, Lda'ya (former trade name; BCP Internacional II, Sociedade Unipessoal SGPS Lda) corresponding to 95% of the total shares of the Bank, to Credit Europe Bank N.V. was approved.
- 18) In the Ordinary General Assembly meeting of Millennium Bank A.Ş. held on the date of 21.03.2011, share capital of the Bank had been increased from 202,535,316 TL to 325,000,000 TL and relating to said capital increase, article 7 with the heading "Share Capital" of the Articles of Association had been changed.
- 19) In the Extraordinary General Assembly meeting of Millennium Bank A.Ş. held on the date of 25.04.2011, article 3 with the heading "Trade Name and Enterprise Name", of the Articles of Association of the Bank had been amended and its trade name had been changed to "Fibabanka Anonim Şirketi".
- 20) In the Extraordinary General Assembly meeting of Fibabanka A.Ş. held on the date of 15.09.2011, for the purpose of issuing bank bonds, paragraph (c) of article 4 with the heading "Purpose and Subject" and article 8 with the heading "Issuing Share Certificates", of the Articles of Association of the Bank have been changed.

21) In the Extraordinary General Assembly meeting of Fibabanka A.Ş. held on the date of 26.01.2012, share capital of the Bank has been increased from 325,000,000 TL to 426,650,100 TL and relating to said capital increase, article 7 with the heading “Share Capital” of the Articles of Association has been changed.

**C) Share Capital Structure of the Bank, Changes Occurred in the Share Capital and Shareholder Structure of the Bank During the Term**

**1) Share Capital Structure:**

Trade Name	Amount of Shares (TL)	Rate of Shares
Fiba Holding A.Ş.	426,650,098	%99.9999995
Fiba Faktoring A.Ş.	1	%0.0000002
Girişim Varlık Yönetimi A.Ş.	0.4	%0.0000001
Fiba Araştırma Geliştirme ve Müşavirlik Hizmetleri A.Ş.	0.3	%0.0000001
Fiba Kapital Holding A.Ş.	0.3	%0.0000001
<b>Total</b>	<b>426,650,100</b>	<b>% 100</b>

There is no privileged share of the Bank.

**2) Changes Occurred in the Share Capital:**

In the Extraordinary General Assembly meeting of the Fibabanka A.Ş. held on the date of 26.01.2012, share capital of the Bank has been increased from 325,000,000 TL to 426,650,100 TL. Nominal value of one share has been determined as 0.01 TL (1 Kuruş).

**3) Changes Occurred in the Shareholding Structure:**

- (i) As a result of share transfers made on the date of 01.02.2011, the shareholders named Tezcan Yaramancı, Manuel D’Almeida Marecos Duarte, Rui Pedro da Conceição Coimbra Fernandes, Joao Manuel Rodrigues Tome Da Cunha Martins, Antonios Mouzas, Rui Nelson Moreira de Carvalho Maximino transferred totally 21 shares, to Millennium bcp Participações, SGPS, Sociedade Unipessoal, Lda (former trade name; BCP Internacional II, Sociedade Unipessoal SGPS Lda.).
- (ii) Furthermore, as a result of share transfers made on the date of 01.02.2011, the shareholder named Credit Europe Bank N.V transferred totally 3,000 (three thousand) shares; namely 1,000 shares to Fiba Holding A.Ş., 1,000 shares to Fiba Faktoring A.Ş. and 1,000 shares to Girişim Varlık Yönetimi A.Ş. After the nominal value of one share has been determined as 0.01 TL (1 Kuruş), number of total shares transferred is 300.
- (iii) Upon decision of the Board of Directors dated 30.11.2012; Girişim Varlık A.Ş., a shareholder of the Bank, transferred 30 shares out of totally 100 shares held by it in the share capital of our Bank, to Fiba Araştırma Geliştirme ve Müşavirlik Hizmetleri A.Ş. and another 30 shares held by it, to Fiba Kapital Holding A.Ş. After the nominal value of one share has been determined as 0.01 TL (1 Kuruş), number of total shares transferred is 60.
- (iv) Upon decision of Board of Directors dated 03.12.2012; 41,652,333,100 shares held by Credit Europe Bank N.V. in the share capital of the Bank, have been transferred to Fiba Holding A.Ş. As

a result of this share transfer, Credit Europe Bank N.V. has no shares in the share capital of the Bank.

- (v) Upon decision of the Board of Directors dated 06.12.2012; Millennium bcp Participações SGPS, Sociedade Unipessoal, Lda (former trade name: BCP Internacional II, Sociedade Unipessoal SGPS Lda.), which used to be shareholder of the Bank, transferred 1,012,676,600 shares held by it in the share capital of the Bank, to Fiba Holding A.Ş. As a result of this transfer, Millennium bcp Participações SGPS, Sociedade Unipessoal, Lda (former trade name: BCP Internacional II, Sociedade Unipessoal SGPS Lda.) has no shares in the share capital of our Bank.

**D) Explanations Regarding the Shares Held by the Chairman and the Members of the Board of Directors of the Bank, Members of the Audit Committee, General Manager and Assistant General Managers:**

Chairman and the Members of the Board of Directors of the Bank, Members of the Audit Committee, General Manager Assistant General Managers hold no shares in the share capital structure of the Bank.

**E) Evaluations of the Chairman of the Board of Directors and the General Manager Regarding the Term and Their Expectations Relating to Future Activities:**

Financial crises in the Euro zone, continued to be threat for global economies in 2012, as it was in the preceding year. To overcome this crisis which slowed down the growth of global economy, policy makers in foreign countries followed expansionary monetary policies. Turkey has been distinct from other developing countries on the positive direction with its financial discipline, successful monetary policies and sound banking system. It has taken action against the economic slowdown in the Euro zone, which is the most important market in trade, and by entering alternative markets, it decreased the share of Euro zone trade and succeeded to minimize the damages which may be caused as a result of Euro zone trade. On the other hand, in an environment of global liquidity abundance, it decreased its growth rate to a sustainable level by implementing a controlled economic slowdown and decreased its current account deficit significantly, when compared with the preceding year. As a general evaluation, it is possible to say that the resistance of the Turkish economy against external shocks increased at a significant rate, compared to previous years. As a matter of fact, Fitch Ratings, a credit rating institution, especially underlined this point among its reasons for increasing the rating of Turkey to investment grade.

In 2013, it is expected again that the growth rates of many countries shall remain at low levels, but Turkey shall have a better growth performance compared to 2012. Turkey, while putting efforts to protect economic gains achieved in 2011, on the other side it shall target to accelerate its economic activity by the impact of supporting monetary policies as well.

In this conjuncture, our Bank reached a profit making structure as a result of organisational restructuring made by its new management in 2011 and continued this performance with an increasing trend in 2012. By the share transfer made in December 2012, Credit Europe Bank N.V and Millennium Bcp Participações SGPS Sociade Unipessoal LDA transferred the shares held by them in the share capital of our Bank, to Fiba Holding A.Ş. and thereby, our Bank became a domestically owned bank.

Our Bank completed 2012 as a profitable and successful year with its financial performance as a result of comprehensive structural changes and investments started in the preceding year.

Total assets of the Bank increased by 57% to the amount of 3.9 billion TL in 2012 when compared to 2011. The loan portfolio, which was 2.1 billion TL at the end of 2011, increased by 53% and reached to 3.2 billion TL at the end of 2012. Customer deposits, the most important funding resource of the Bank, was 2.0 billion TL at the end of 2011 and it increased by 31% reaching to the amount of 2.6 billion TL at the end of 2012. To support the growth, paid-in capital of the Bank, which was 325 million TL at the end of 2011, increased to 426 million TL during 2012.



For the purpose of increasing the variety of the funding structure of our Bank, bonds/bills with a total nominal value of 375 million TL have been issued domestically during 2012 and additionally, in order to meet the financing needs of its commercial/SME and women entrepreneurs SME clients, a credit agreement with a maturity of 5 years, the first part of which has been signed with International Finance Corporation (IFC) for an amount of 30 million USD and the second part with European Fund for Southeast Europe (EFSE) for an amount of 15 million EUR.

Furthermore, our Bank concluded its first syndicated loan in 2012. The syndicated loan has been provided from international banks with a maturity period of one year and in two tranches in the amounts of 45 million EUR and 20 million USD.

In addition to them, following the change of major shareholder in December 2012, a subordinated loan in the amount of 50 million USD has been utilised from Fiba Holding A.Ş. with a maturity period of 10 years, to support growth.

In 2012, the Bank mainly carried out activities in the fields of corporate, commercial and SME Banking services. In June 2012, Consumer and Private Banking and Alternative Distribution Channels have been restructured and in January 2013, SME Banking activities have been separated from Corporate Banking and have been restructured under the name of Retail Banking. Thereby, it has been targeted to form a more diversified loan portfolio with higher interest rates to increase the net interest margin and in addition, operating costs have been kept under control carefully so that sustainable profitability and constant growth of the Bank has been provided. As a result of this, in 2012 our Bank realized an income before tax of 60.3 million TL and a net income of 45.7 million TL. Capital adequacy ratio of our Bank as of 31 December 2012 has been realised as 14.3%.

Our Bank, in addition to its financial targets, continued also to realize its structural and organizational targets determined for 2012 within the scope of its plans.

Number of the employees of our Bank, which was 438 at the end of 2011, reached to 612 as of the end of 2012, with the new employees joined to our organisation within the scope of restructuring process.

To support steady growth of our Bank, efforts to open new branches have been continued in 2012 and our Bank completed 2012 with 28 branches.

For the purpose of developing operational and technological infrastructure, core banking system renovation project has been successfully completed in February 2012. By this renovation, our Bank has become able to provide better services with an integrated, modern system and by launching the new core banking system, it has been targeted to be more active in providing new products and services.

Taking this opportunity, we thank to our valuable employees who work in our Bank with devotion and who will be the main architect of our success in 2013 as well, and to our valuable shareholders and esteemed customers who supported our Bank.

With regards,

Hüsnü Mustafa Özyeğin  
Chairman of the Board of Directors

Bekir Dildar  
Member of the Board of Directors and  
General Manager

**F) Explanations Relating to the Number of Personnel and the Branches, Types of Services provided by the Bank and Its Fields of Activities and Evaluation of the Bank in the Sector Based on Said Information:**

As of the end of 2012, we have 28 branches and 612 employees.

In 2012, activities have been carried out mainly in the fields of corporate, commercial and SME banking services. While the cash loans placed to companies as of the end of 2011 was 1,825 million TL, they have increased by 63% and reached to the amount of 2,970 million TL at the end of 2012. There has been a 35% increase in non-cash loans and the total amount thereof reached approximately 308 million TL.

Beginning from the second half of 2012, Consumer Banking has been structured as a separate business area. Especially, after change of core banking system, relevant processes have been speeded up and business plan has been made covering the basis of client structure and including cross sale oriented actions. In this context, we intensely focused on marketing of retail loans. In 2012, retail personal need loans reached to a volume of 63 million TL by an increase of 198%.

**G) Information Relating to Research and Development Applications in connection with New Services and Activities:**

Since the date we started operating, we have accepted the principle of providing high quality and it has been our main target to meet the needs of our clients at the maximum level. Accordingly, we maintain various research and development studies for the purpose of developing innovative products and services aimed at providing investment instruments for savings of our clients and meeting their financial needs. To realise these targets, expectations of branches and clients are followed at the maximum level and required actions are taken quickly.

## H) Opinion Regarding Compliance of the Annual Activities Report

To the General Assembly of Fibabanka A.Ş.:

We have audited the accuracy and compliance of the financial information in the accompanying annual report of Fibabanka A.Ş. (the “Bank”) with the audit report issued as of 31 December 2012. The annual report is the responsibility of the Bank’s management. Our responsibility, as independent auditors, is to express an opinion on the audited annual report based on the compliance of financial information provided in the annual report with the audited financial statements and explanatory notes.

Our audit was performed in accordance with the accounting standards and principles and procedures of preparing and issuing annual reports as set out by the Banking Act No: 5411. Those standards require that we plan and perform our audit to obtain reasonable assurance whether the annual report is free from material misstatement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial information provided in the accompanying annual report presents fairly, in all material respects, the financial position of Fibabanka A.Ş. as of 31 December 2012 in accordance with the prevailing accounting principles and standards set out as per the Article 40 of the Banking Act No: 5411. The financial information provided in the annual report is in compliance with the audited financial statements and explanatory notes, and also includes the summary management report and our audit opinion on these financial statements.

İstanbul, 25 February 2013

**DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.**

**Member of DELOITTE TOUCHE TOHMATSU LIMITED**



Hasan Kılıç  
Partner

## II. INFORMATION REGARDING THE MANAGEMENT AND CORPORATE GOVERNANCE PRACTICES

### A) Names and Surnames, Assignment Terms, Responsibility Areas, Education, Professional Experience of the Chairman and Members of the Board of Directors, General Manager and his/her Assistants, Members of the Audit Committee and Managers of the Departments within the scope Internal Systems:

Name	Title	Responsibility Area	Date of Appointment	Education	Professional Experience
<b>Hüsnü Mustafa Özyeğin</b>	Chairman of the Board of Directors		27.12.2010	Graduate	38 years
<b>Fevzi Bozer</b>	Vice Chairman of the Board of Directors		27.12.2010	Graduate	30 years
<b>Faik Onur Umut***</b>	Member of the Board of Directors		27.12.2010	Undergraduate	27 years
<b>Mehmet Güleşci</b>	Member of the Board of Directors		27.12.2010	Graduate	29 years
<b>M.Erhan Polat</b>	Member of the Board of Directors		27.12.2010	Undergraduate	38 years
<b>Bekir Dildar*</b>	Member of the Board of Directors and General Manager		27.12.2010 (*)	Undergraduate	25 years
<b>Elif Alsev Utku Özbey**</b>	Assistant General Manager	Financial Control and Reporting	07.01.2011	Graduate	18 years
<b>Ahmet İlerigelen**</b>	Assistant General Manager	Credits	07.01.2011	Graduate	29 years
<b>Ali Murat Dinç**</b>	Assistant General Manager	Commercial Banking	07.01.2011	Graduate	16 years
<b>Adem Aykın</b>	Assistant General Manager	Information Technologies	01.07.2011	Undergraduate	24 years
<b>Esra Osmanağaoğlu</b>	Assistant General Manager	Operations	01.06.2011	Undergraduate	24 years
<b>Emre Ergun</b>	Coordinator	Consumer Banking, Private Banking and Alternative Distribution Channels	01.06.2012	Undergraduate	15 years
<b>Erman Eltut</b>	Unit Manager	Internal Control	06.02.2012	Undergraduate	13 years
<b>Ayşe Tular</b>	Department Manager	Risk Management	15.03.2011	Undergraduate	14 years
<b>Ahmet Cemil Borucu</b>	Department Manager	Board of Inspection	07.02.2011	Graduate	15 years
<b>Serdal Yıldırım</b>	Department Manager	Legislation and Compliance	06.04.2011	Graduate	16 years

\* Bekir Dildar has been elected as the member of Board of Directors in the Extraordinary General Assembly meeting held on 27<sup>th</sup> December 2010 and following the authorisation received from the Banking Regulation and Supervision Agency, he has been appointed as the General Manager as of the date of 07<sup>th</sup> January 2011.

\*\* A declaration was made to the Banking Regulation and Supervision Agency on 27<sup>th</sup> December 2010 for appointment of Elif Alev Utku Özbey, Ahmet İlerigelen and Ali Murat Dinç as Assistant General Manager and following the authorisation taken, they have been appointed as of the date of 07<sup>th</sup> January 2011.

\*\*\* Faik Onur Umut resigned from his membership in the Board of Directors on 14<sup>th</sup> January 2013 and Mevlüt Hamdi Aydın has been appointed to as member of the Board of Directors on the date of 24<sup>th</sup> January 2013.

Furthermore, İsmet Kaya Erdem has been appointed as the member of the Board of Directors, on the date of 11<sup>th</sup> February 2013.

## **CHAIRMAN AND MEMBERS OF THE BOARD OF DIRECTORS**

### **Hüsnü Mustafa ÖZYEĞİN – Chairman of the Board of Directors**

Mr.Özyeğin who was born in 1944, holds Master of Business Administration degree from Harvard Business School following his graduation from Robert College and Oregon State University/Civil Engineering Department respectively. He was the Board Member and General Manager of Pamukbank T.A.Ş. during 1974-1984 and he was Vice Chairman of the Board of Directors of Yapı ve Kredi Bank A.Ş. between the years 1984 and 1987. Afterwards in 1987 he founded Finansbank A.Ş. He was the Chairman and General Manager of Finansbank A.Ş. until 1989 and he continued his duty as the Chairman until 2010. He serves as the Chairman of Fiba Holding A.Ş. since 1989. He is the Chairman of the Board of Directors and a full Member of Credit Committee of Fibabanka A.Ş. since December 27<sup>th</sup>, 2010.

### **Fevzi BOZER – Vice Chairman of the Board of Directors**

Mr.Bozer who was born in 1955, holds Master of Business Administration degree from Roosevelt University following his graduation from TED Ankara College and Indiana University/Business Administration Department respectively. He worked at Citibank between the years 1984 and 1988, then he joined Finansbank as branch manager in 1988. He served as the General Manager during 1991-1993 in Finansbank Suisse S.A. (Credit Europe Bank S.A.) where he was appointed in 1990 and during 1995-1999 in Finansbank A.Ş. where he was appointed in 1993. He continued his duty as the Executive Board Member between the years 1999 and 2006. Since 1997, he has been serving as Board Member in various companies within Fiba Group. He is Vice Chairman of the Board of Directors and Member of the Audit Committee of Fibabanka A.Ş. since December 27<sup>th</sup>, 2010.

### **Faik Onur UMUT – Member of the Board of Directors**

Mr. Umut who was born in 1962, after completing his education in SanktGeorg Austrian High School and Boğaziçi University Industrial Engineering Department respectively, he worked in a company in England during 1985-1986 and in İktisat Bank A.Ş. during 1986-1988. He joined Fiba Group in 1988. After holding various positions in Finansbank A.Ş. between the years 1988 and 1995, he worked as the General Manager in Finansbank Holland N.V. (Credit Europe Bank N.V.) during 1996- 1999 and in Finansbank A.Ş. during 1999-2003. He was the Executive Board Member of Finansbank A.Ş. between the years 2003 and 2006. He serves as the Board Member of Fiba Group's international banks and Fiba Holding A.Ş. since 2004. He is member of the Board of Directors and the Audit Committee of Fibabanka A.Ş. since December 27<sup>th</sup>, 2010.

### **Mehmet GÜLEŞCİ - Member of the Board of Directors**

Mr. Güleşci who was born in 1962, holds Master of Business Administration degree from Boğaziçi University following his graduation from Kabataş Boys' High School and Boğaziçi University/Business Administration Department respectively. He worked in Ernst & Young during 1984-1996, then joined Finansbank in 1997 as an Assistant General Manager and served as the Executive Board Member until 2009. Since 2009 he serves as the Chief Financial Officer of the Fiba Group and is a Board Member of the Group's financial and non-financial investments both domestic and international. He is member of the Board of Directors and alternate member of the Credit Committee of Fibabanka A.Ş. since December 27<sup>th</sup>, 2010.

**M. Erhan POLAT - Member of the Board of Directors**

Mr. Polat who was born in 1948, started his banking career in 1972 at Yapı ve Kredi Bank A.Ş. following his graduation from Elbistan Mükrimin Halil High School and Atatürk University/Business Administration Department respectively. After holding various positions in Yapı ve Kredi Bank A.Ş. until 1993, he participated to Finansbank A.Ş. as Head of Credits Group in 1993. He served as an Assistant General Manager between the years 1997 and 2002 in Finansbank A.Ş. Beginning from 2004, He has been serving as Chairman of the Board of Directors of Fiba Faktoring A.Ş. and Girişim Faktoring A.Ş. He is member of the Board of Directors and the Credit Committee of Fibabanka A.Ş. since December 27<sup>th</sup>, 2010.

**Bekir DİLDAR – Member of the Board of Directors and General Manager**

Mr. Dildar who was born in 1964, after completing his education in Marmara College and US International (Alliant International) University Watford (UK) Business Administration Department, worked in a trade company. He started to his banking career in 1988 in Interbank A.Ş. He worked in Interbank A.Ş. until 1991, in Egebank A.Ş. during 1991-1994 and then he joined Finansbank A.Ş. in 1994. During 1999 – 2003, he served as the General Manager of Finansbank Romania S.A., and then he returned back to the Finansbank A.Ş. in 2003. Until 2010, he worked as the Assistant General Manager in charge of SME Banking, board member of Finans Leasing A.Ş., executive committee member and the Assistant General Manager responsible for international activities. He is the General Manager, member of the Board of Directors and full member of the Credit Committee of Fibabanka A.Ş. since December 27<sup>th</sup>, 2010.

**ASSISTANT GENERAL MANAGERS****Elif Alsev UTKU ÖZBEY – Assistant General Manager**

Mrs. Özbey who was born in 1971, holds Master of Business Administration degree from Erasmus University/Rotterdam, following her graduation from Samsun Anatolian High School and Boğaziçi University/Business Administration Department respectively. After she worked in PricewaterhouseCoopers during 1994 – 1995, she joined Finansbank A.Ş. in 1995. In Finansbank A.Ş. she worked in various positions until 2009 and lastly she worked as the Assistant General Manager responsible for Financial Reporting and Planning. She joined Fiba Holding as Financial Affairs Director in 2009. As of January 7<sup>th</sup>, 2011, she has been appointed as the Assistant General Manager of Fibabanka A.Ş. responsible for Financial Control and Reporting.

**Ahmet İLERİGELEN – Assistant General Manager**

Mr. İlerigelen who was born in 1961, holds Master of Money and Banking Affairs from in Istanbul University Social Sciences Faculty, following his graduation from İstanbul Işık High School and Istanbul University/Business Administration and Finance Department respectively. He started to his banking career in Yapı ve Kredi Bank A.Ş. in 1983. After holding various responsibilities in various departments in Yapı ve Kredi Bankası A.Ş. during 1983-2007, he joined to Tekstilbank A.Ş. in 2007. He participated to Fiba Group after working as Assistant General Manager responsible from Operations and Credits in Tekstilbank A.Ş. He took office in Credit Europe Bank N.V. in 2010. As of January 7, 2011, he was appointed as the Assistant General Manager of Fibabanka A.Ş. responsible for credits.

**Ali Murat DİNÇ – Assistant General Manager**

Mr. Dinç who was born in 1968, holds Master of Business Administration degree from Exeter University, following his graduation from Galatasaray High School and İstanbul University/Econometrics Department respectively. He worked as Area Manager in Ford Otosan between 1992 – 1995 years. He began his banking career in Garanti Bankası A.Ş. in 1996. He worked in Finansbank A.Ş. during 1997 – 1998 and then he took office in Banque Du Bosphore during 1998 – 2000. After working as the Branch Manager of Finansbank A.Ş. Main Branch between the years 2000 and 2005, he worked as the Assistant General Manager of Credit Europe Bank N.V. during 2005 – 2010. As of January 7<sup>th</sup>, 2011, he started to work at Fibabanka A.Ş. where he is currently the Assistant General Manager of Fibabanka A.Ş. in charge of Commercial Banking.

**Adem AYKIN – Assistant General Manager**

Mr. Aykın who was born in 1967, graduated from Denizli High School and Dokuz Eylül University Computer Programming and Anadolu University Business Administration Departments respectively. He started to his banking career in Finansbank A.Ş. in 1988. He worked in Körfez Bank during 1993-1995, and in Finansbank A.Ş. during 1997-2006, and then he worked as the Assistant General Manager of Credit Europe Bank Russia between the years 2006 – 2011. As of July 1<sup>st</sup>, 2011, he has been appointed as the Assistant General Manager of Fibabanka A.Ş. responsible for Information Technologies.

**Esra OSMANAĞOĞLU – Assistant General Manager**

Ms. Osmanağaoğlu, who was born in 1967, graduated from Hopa High School and İstanbul University/Business Sociology Department respectively. She joined to Finansbank A.Ş. in 1990 after she worked in Pamukbank A.Ş. during 1988-1990. She held various positions in Finansbank A.Ş. until 2007. She joined Fiba Factoring A.Ş. as Assistant General Manager responsible for Operations and Fund Management in 2007. As of June 1<sup>st</sup>, 2011, she was appointed as the Coordinator of Fibabanka A.Ş. responsible from Operation and beginning from the date of 29<sup>th</sup> February 2012, Ms. Osmanağaoğlu has been working as the Assistant General Manager in charge of Operations, Organisation and Project Management.

**Emre ERGUN. – Coordinator**

Mr. Ergun who was born in 1976, holds a Master of Banking and Insurance from Marmara University, following his graduation from Samsun Anatolian High School and Boğaziçi University Business Administration Departments. He started his banking career in Citibank as a Regional Sales Manager in 1997. In 2004, Mr. Ergun started to work at Finansbank as the Alternative Sales Channels Group Manager and beginning from 2007, he worked as the Assistant General Manager in charge of Consumer banking and credit cards at Credit Europe Bank in Ukraine and Romania respectively. On June 01<sup>st</sup>, 2012, he has been appointed as the Coordinator responsible for consumer banking and alternative distribution channels and private banking at Fibabanka A.Ş.

**MANAGERS WITHIN THE SCOPE OF INTERNAL SYSTEMS****Ahmet Cemil BORUCU – Head of the Board of Inspection**

Mr. Borucu who was born in 1975, holds Master of Business Administration degree from İstanbul Technical University, following his graduation from Ankara Atatürk Anadolu High School and Bilkent University/Business Administration Department respectively. He started his banking career in DışBank in 1997. After working at Türk Ekonomi Bankası A.Ş. between 2004 - 2006 years, he worked at Deloitte – DRT Audit A.Ş. during 2006 – 2007. He worked in Fortis Bank (Türk Ekonomi Bankası) A.Ş. between 2007- 2011. Mr. Borucu has joined to Fibabanka A.Ş. in 2011. He is the head of Board of Inspection.

**Ayşe TULGAR – Head of Risk Management Department**

Ms. Tulgar who was born in 1977, after completing her education in Fenerbahçe High School and Marmara University/Business Administration Department respectively, started her banking career in İktisat Bankası A.Ş. in 1999. She worked in Alternatif Bank A.Ş. during 2000 – 2002 and in Oyak Bank during 2002 – 2004 respectively. After holding various positions in Finansbank A.Ş. between the years 2004 and 2011, she joined to Fibabanka A.Ş. in 2011. She is responsible for the Risk Management Department.

**Serdar YILDIRIM – Head of Legislation and Compliance Department**

Mr. Yıldırım who was born in 1973, holds his Master degree from Çukurova University, Social Sciences Institute, following his graduation from Kadirli High School and Ankara University, Business Administration Department respectively. He started to his banking career in TürkBank A.Ş. in 1996. He worked at Türkiye Sınai Kalkınma Bankası A.Ş. (Industrial Development Bank of Turkey) between 2001-2002 and at Fortis Bank (Türk Ekonomi Bankası) between 2002 – 2011. He joined Fibabanka A.Ş. in 2011. He is responsible for the Legislation and Compliance Department.

**Erman ELTUT – Head of Internal Control Department**

Mr. Eltut who was born in 1978, graduated from Antalya Gazi High School and İstanbul Technical University Industrial Engineering Department and started his banking career at Toprak Bank A.Ş. Board of Inspection in 2001. Between 2003 - 2005, Mr. Eltut worked at the SDIF (Savings Deposit Insurance Fund) and he worked at Fortisbank A.Ş./Türk Ekonomi Bankası in various positions between 2006-2011 and then,

he continued his career at Denizbank A.Ş. between 2011-2012. Mr. Eltut has started to work at Fibabanka A.Ş. in 2012 and he is in charge of the Internal Control Department.

**B) Auditor:**

Name	Duty	Date of Appointment	Education	Professional Experience
Ahmet Hüsnü GÜRELİ	Auditor	27 <sup>th</sup> December 2010	Undergraduate	37 years

**Ahmet Hüsnü GÜRELİ – Auditor**

Mr. Güreli who was born in 1952, graduated from İstanbul Işık Lisesi and İstanbul University/Faculty of Law and afterwards, received his Lawyer Certificate issued by the Bar Association in 1974. In the exams organized to determine the candidates for Assistant accounting Specialist and Adequacy, he passed out as the first ranking candidate and became an Assistant Accounting Specialist in 1975 and an Accounting Specialist in 1978. In 1980 he established Güreli Danışmanlık Hizmetleri A.Ş. (Güreli Consultancy Services). He received the title of “Chartered Accountant” in 1989 and the title of “Responsible Partner Chief Auditor” in 1990. He is the member of Ministry of Finance Tax Council and is executing the Vice Chairmanship of both Turkish National Paralympics Committee and Işık University. He performs the Auditor function in Fibabanka A.Ş. since December 27<sup>th</sup>, 2010.

**C) Information Regarding the Activities of the Credit Committee and Committees Established to Support the Board of Directors within the framework of Risk Management Systems according to the Regulation on Internal Systems of Banks and the Names and Surnames of the Chairman and Members of These Committees and Their Main Duties:**

Existing committees in our Bank and their duties are as follows:

**1. Corporate Governance Committee**

Corporate Governance Committee	<u>Chairman of the Committee:</u>
	<ul style="list-style-type: none"><li>Faik Onur Umut (Member of the Board of Directors) *</li></ul>
	<u>Members:</u>
	<ul style="list-style-type: none"><li>Bekir Dildar (Member of the Board of Directors and General Manager)</li><li>Elif Alsev Utku Özbey (Financial Control and Reporting – Assistant General Manager)</li><li>Serdal Yıldırım (Head of the Legislation and Compliance Department)</li></ul>

Corporate Governance Committee has been established under the chairmanship of Faik Onur Umut for the purposes of monitoring the Bank’s compliance with corporate governance principles, conducting improvement activities in this matter and presenting proposals to the Board of Directors. Committee convenes at least four times a year.

\* Mr. Faik Onur Umut resigned from the chairmanship of the Corporate Governance Committee on the date of 14<sup>th</sup> January 2013 and Mr. Fevzi Bozer has been appointed in place of him on 24<sup>th</sup> January 2013.



## 2. Audit Committee

Audit Committee	<ul style="list-style-type: none"><li>• Fevzi Bozer (Vice Chairman of the Board of Directors)</li><li>• Faik Onur Umut (Member of the Board of Directors)*</li></ul>
-----------------	--

Audit Committee has been established by the Board of Directors of the Bank for the purpose of supporting performance of audit and supervision activities. Committee convenes at least four times a year under the chairmanship of Mr.Fevzi Bozer.

\* Mr. Faik Onur Umut resigned from the membership of the Audit Committee on the date of 14<sup>th</sup> January 2013 and Mr. Mevlüt Hamdi Aydın has been appointed in place of him on 24<sup>th</sup> January 2013.

## 3. Credit Committee

Credit Committee	<p><u>Chairman of the Committee:</u></p> <ul style="list-style-type: none"><li>• M. Erhan Polat (Member of the Board of Directors)</li></ul> <p><u>Full Members:</u></p> <ul style="list-style-type: none"><li>• Hüsni Mustafa Özyeğin (Chairman of the Board of Directors)</li><li>• Bekir Dildar (Member of the Board of Directors and General Manager)</li></ul> <p><u>Alternate Members *:</u></p> <ul style="list-style-type: none"><li>• Mehmet Güleşçi (Member of the Board of Directors)</li></ul>
------------------	--

Credit Committee has been established to perform the duties to be designated by the Board of Directors relating to credits. Credit Committee is the second highest body of the Bank following the Board of Directors, authorised to give credits and it gives credit approvals within the framework of authorisation given by the Board of Directors in compliance with the provisions of the Bank's credit policy. Credit Committee of the Bank convenes once a week under the chairmanship of M. Erhan Polat.

\* On the date of December 05<sup>th</sup>, 2012, Hüsni Mustafa Özyeğin left his duty as an Alternate Member of the Credit Committee and he has been elected as a Full Member and Mr. İsmet Kaya Erdem has been elected as an Alternate Member of the Credit Committee in place of him on February 11<sup>th</sup>, 2013.

## 4. Risk Committee

Risk Committee	<p><u>Chairman of the Committee:</u></p> <ul style="list-style-type: none"><li>• Bekir Dildar (Member of the Board of Directors and General Manager)</li></ul> <p><u>Members:</u></p> <ul style="list-style-type: none"><li>• Elif Alsev Utku Özbey (Financial Control and Reporting - Assistant General Manager)</li><li>• Ahmet İlerigelen (Credits - Assistant General Manager)</li><li>• Ali Murat Dinç (Commercial Banking - Assistant General Manager)</li><li>• Emre Ergun (Consumer and Private Banking and Alternative Distribution Channels - Coordinator)</li><li>• Ayşe Tulgar (Head of the Risk Management Department)</li></ul>
----------------	---

Risk Management Committee has been established to determine the risk management policies and implementation procedures thereof according to opinion and within the knowledge of the Board of Directors and to ensure their implementation. Committee convenes once a month under the chairmanship of Mr. Bekir Dildar.

## **5. Assets and Liabilities Committee**

Assets and Liabilities Committee	<p><u>Chairman of the Committee:</u></p> <ul style="list-style-type: none"><li>• Bekir Dildar (Member of the Board of Directors and General Manager)</li></ul> <p><u>Members:</u></p> <ul style="list-style-type: none"><li>• Elif Alsev Utku Özbey (Financial Control and Reporting - Assistant General Manager)</li><li>• Ahmet İlerigelen (Credits - Assistant General Manager)</li><li>• Ali Murat Dinç (Commercial Banking - Assistant General Manager)</li><li>• Emre Ergun (Consumer and Private Banking and Alternative Distribution Channels - Coordinator)</li><li>• Ayşe Tulgar (Head of the Risk Management Department)</li></ul>
----------------------------------	---

Assets and Liabilities Committee has been established by the Board of Directors to determine the policies relating to the management of the Bank's assets and liabilities and in this context, the policies relating to fund movements; to decisions which shall be executed by related departments for managing the Bank's balance sheet and to follow the implementation of such decisions. Assets and Liabilities Committee convenes once a week under chairmanship of Mr. Bekir Dildar.

### **D) Information regarding the Board of Directors and Participation of the Members of Board of Directors to Meetings:**

#### **1) Board of Directors:**

Board of Directors of the Bank convenes at the Head Office of the Bank, at an appropriate place in or out of Turkey at the times when required by the business and transactions of the Bank and in accordance with the provisions of the Turkish Commercial Code. Board of Directors of our bank must convene at least once a month.

#### **2) Audit Committee:**

During the relevant account term, Audit Committee meetings have been respectively held on the dates of March 01<sup>st</sup>, 2012; June 25<sup>th</sup>, 2012; August 06<sup>th</sup>, 2012; November 13<sup>th</sup>, 2012 and December 20<sup>th</sup>, 2012 by the attendance of its members.

#### **3) Credit Committee**

Credit Committee convenes once a week regularly.

#### **4) Assets and Liabilities Committee:**

Assets and Liabilities Committee regularly convenes once a week.

#### **E) Brief Board of Directors Report Presented to the General Assembly:**

Despite the continuing problems in the global economy, recession in the European market and impact of the problems on it, arising from neighbouring countries mainly from Syria, Turkey has stood firm with regards to its financial discipline and realised a better performance when compared to many other economies and continued to grow at a rate of 3% in 2012.

Total assets of the Bank as of December 31<sup>st</sup>, 2012, is 3,900 million TL. As of December 31<sup>st</sup>, 2012, shareholders' equity is 382.7 million TL, the paid-in capital of the Bank is 426.7 million TL, prior years' losses is 116.9 million TL and the current year net profit is 45.7 million TL. Total loans of the Bank increased by 53% at the end of 2012 and reached to the amount of 3,221 million TL and the share of loans in total assets has been realized as 83%. Non-performing loans ratio has been 0.9% and it is below the average of the banking sector. Capital adequacy ratio of the Bank has been realized as 14.3% as of December 31<sup>st</sup>, 2012.

Financial statements of the Bank, prepared as of 31<sup>st</sup> December 2012 and which have been subject to independent audit and shall be disclosed to public, are presented for your examination and approval.

#### **F) Information Relating to Human Resources Practices:**

Recruitments have been performed in order to meet the personnel needs in the branch network and Head Office departments which are structured according to general policies of the Bank. In 2012, with 7 new branches opened in the provinces of Adana, Ankara, Antalya, Gaziantep and İstanbul, total number of branches reached to 28 and at the end of 2012, there have been totally 612 employees. Through the rotations and promotions within the organisation of the Bank, it has been targeted to benefit from the experience and qualifications of the personnel at the optimum level and to meet the needs of the Bank swiftly and efficiently. Training programmes have been organised within the Bank, and also the participation of the staff to organisations of other institutions/corporations has been provided in order to ensure professional information and to meet professional needs of the staff within the framework of the strategies and targets of the Bank and to contribute to their personal developments. Regarding remuneration and social benefits, relevant practices in the industry have been followed and within the scope of existing applications, necessary arrangements have been made relating to annual increases in salaries and other additional benefits.

#### **G) Information Relating to the Risk Group:**

##### **Loans and Other Receivables Within the Scope of the Risk Group (Thousand TL):**

##### **Current Period:**

Bank's Risk Group	Subsidiaries, Affiliated Companies and Jointly Controlled Partnerships		Direct and Indirect Shareholders of the Bank		Other Real Persons and Legal Entities in the Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
<b>Credits and other receivables</b>						
Balance at the Beginning of the Period	--	--	6,161	9,702	3,696	1,817
Balance at the End of the Period	--	--	--	--	31,845	4,959
Interest and Commission Income Received	--	--	--	1	583	34

**Prior Period:**

Bank's Risk Group	Subsidiaries, Affiliated Companies and Jointly Controlled Partnerships		Direct and Indirect Shareholders of the Bank		Other Real Persons and Legal Entities in the Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
<b>Credits and other receivables</b>						
Balance at the Beginning of the Period	--	--	--	--	--	450
Balance at the End of the Period	--	--	6,161	9,702	3,696	1,817
Interest and Commission Income Received	--	--	10	3	--	--

**Information Relating to Deposits of the Risk Group:**

Bank's Risk Group	Subsidiaries, Affiliated Companies and Jointly Controlled Partnerships		Direct and Indirect Shareholders of the Bank		Other Real Persons and Legal Entities in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Deposits</b>						
Beginning of the Period	--	--	2	113,864	95,201	--
End of the Period	--	--	2,644	2	119,992	95,201
Deposit Interest Expense	--	--	1,823	1,235	1,828	1,975

**Information relating to Derivative Transactions Made by the Bank with the Risk Group:**

Bank's Risk Group	Subsidiaries, Affiliated Companies and Jointly Controlled Partnerships		Direct and Indirect Shareholders of the Bank		Other Real Persons and Legal Entities in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Financial Assets at Fair Value Through Profit and Loss</b>						
Beginning of the Period	--	--	3,401,356	757,317	--	--
End of the Period	--	--	--	3,401,356	165,714	--
Total Profit / Loss	--	--	--	--	27,796	1,147
<b>Transactions for Hedging Purposes</b>						
Beginning of the Period	--	--	--	--	--	--
End of the Term	--	--	--	--	--	--
Total Profit / Loss	--	--	--	--	--	--

**H) Information Regarding the Fields of Activities for Which Support Services are Received According to the Regulation on Authorisation of Institutions Which Shall Provide Support Services to Banks, and Information Regarding the Persons and Institutions From Which These Services are Received:**

<b>BANKING OPERATING SYSTEMS</b>	
<b>TRADE NAME OF THE COMPANY</b>	<b>SERVICES PROVIDED – FIELDS OF ACTIVITIES</b>
<b>COMPRO Biliřim Teknolojileri A.ř.</b>	- Main Banking System, Maintenance and Support Agreement
<b>Credit Europe Bank NV</b>	- Providing an infrastructure for SWIFT services - Providing credit rating applications services
<b>Global Biliřim Bilgisayar Yazılım Danıřmanlık San. ve Tic. Ltd. řti.</b>	- Installation of software for EFT payment systems, maintenance and support services. - KASBOX Application
<b>IBM Global Service İř ve Teknoloji Hiz.ve Tic.Ltd.řti.</b>	- Services in disaster situations. - AS400 Systems Server and Maintenance Services
<b>Probil Bilgi İřlem Destek ve Danıřmanlık San. ve Tic. A.ř.</b>	- System support hardware maintenance reparations services.
<b>Provus Biliřim Hizmetleri A.ř.</b>	- Credit card software and credit card activities operating services.
<b>TELEPHONE BANKING</b>	
<b>TRADE NAME OF THE COMPANY</b>	<b>SERVICES PROVIDED – FIELDS OF ACTIVITIES</b>
<b>NCR Biliřim Sistemleri Ltd.řti.</b>	- Call centre and voice recording systems infrastructure support
<b>ATM BANKING</b>	
<b>TRADE NAME OF THE COMPANY</b>	<b>SERVICES PROVIDED – FIELDS OF ACTIVITIES</b>
<b>Biliřim Bilgisayar Hizmetleri Ltd.řti.</b>	- ATM and bank card management system software infrastructure support.
<b>INTERNET BANKING</b>	
<b>TRADE NAME OF THE COMPANY</b>	<b>SERVICES PROVIDED – FIELDS OF ACTIVITIES</b>
<b>V.R.P. Veri Raporlama Programlama Biliřim Yazılım ve Danıřmanlık Hizmetleri Ticaret A.ř.</b>	- Internet Banking operating system services. - Web site maintenance services. - SMS Gateway SMS Message Transmission.
<b>SERVICES OTHER THAN THOSE WITHIN THE SCOPE OF INFORMATION TECHNOLOGIES</b>	
<b>TRADE NAME OF THE COMPANY</b>	<b>SERVICES PROVIDED – FIELDS OF ACTIVITIES</b>
<b>Akbasım Matbaacılık ve Tic.Ltd.řti.</b>	- Cheque book printing services.
<b>ATOS Biliřim, Danıřmanlık ve Müřteri Hizmetleri San.Tic.A.ř.</b>	- Credit sale, call centre external call services.
<b>Brinks Güvenlik Hizmetleri A.ř.</b>	- Precious goods transportation services.
<b>CMC İletiřim Bilgisayar</b>	- Credit sale, call centre external call services.

<b>Reklam ve Danışmanlık izmetleri San. Tic. A.Ş.</b>	
<b>Enuygun.com İnternet Bilgi Hizmetleri Teknoloji ve Ticaret A.Ş.</b>	- <b>Promotion of credit products and direction of credit demands.</b>
<b>FU Gayrimenkul Yatırım Danışmanlık A.Ş.</b>	- <b>Execution of land registry transactions by proxy.</b>
<b>Iron Mountain Arşivleme Hizmetleri A.Ş.</b>	- <b>Filing of physical documents.</b>
<b>Provus Bilişim Hizmetleri A.Ş.</b>	- <b>Account statement printing and enveloping services.</b>
<b>Secur Verdi Güvenlik Hizmetleri A.Ş.</b>	- <b>Money transportation services.</b>

### **III. FINANCIAL INFORMATION AND INFORMATION RELATING TO RISK MANAGEMENT**

#### **A) The Report Prepared by the Auditors According to Article 399 of the Turkish Commercial Code:**

##### **AUDITOR'S REPORT FOR THE YEAR 2012**

TO THE GENERAL ASSEMBLY OF FİBABANKA A.Ş.

We have examined the balance sheet and operations of Fibabanka A.Ş. for the period of 01.01.2012–31.12.2012 within the scope of the Turkish Commercial Code, Articles of Association of the Bank and other related laws and regulations.

As a result of our examination, we determined that the balance sheet and income statement have been accurately and truthfully reflecting the financial situation and activity results of the Bank for the aforementioned period and they were consistent with related legislation and the Articles of Association of the Bank.

In this respect, we kindly submit the balance sheet and the income statement to your approval.

Ahmet Hüsnü Güreli

Auditor

(signature)

#### **B) Evaluations of the Audit Committee Relating to Operation of the Internal Control, Internal Auditing Risk Management Systems and Information Regarding Its Activities During the Accounting Term:**

##### **1) Legislation and Compliance Department**

Legislation and Compliance Department has been established in April 2011 and its main purpose is to ensure that all of the current and planned activities, products and services of the Bank are in compliance with related laws and regulations, Bank's internal policies and procedures and banking practices; to prevent Money Laundering of Proceeds of Crime and Financing of Terrorism and to combat against corruption. Legislation and Compliance Department is composed of 4 persons and it reports to the Audit Committee.

Legislation and Compliance Department is also responsible for regulating and monitoring structures and processes of the Bank relating to corporate governance and the principles relating thereto; determining and following the ethical principles, social and environmental responsibility policies.

## **2) Internal Control Department**

Internal Control Department has been established for the purposes of protecting assets of the Bank; ensuring maintenance of the Bank's activities in an efficient and productive manner in compliance with the Law and other related regulations, internal policies and rules of the Bank and general banking practices; ensuring the reliability and integrity of accounting and financial reporting systems and having access to relevant information on time, and it carries out its activities with 5 persons and reports to the Audit Committee. In 2012, Internal Control Department renewed its staff and conducted audit activities at the Head Office and branches and carried out "management statement" studies relating to Banking processes.

## **3) Board of Inspection**

Board of Inspection is staffed with 5 internal auditors who have Capital Markets Board Advanced Level License, Certified Internal Auditor, Certified Public Accountant, Certified Fraud Examiner, Certified Risk and Information Systems Control, Certified Information System Auditor certificates. Organisational structure of the Internal Audit Department has been formed in a manner to cover the banking processes and the information technologies processes separately.

Annual internal audit programme is prepared in parallel with the risk level determined as a result of risk assessment studies performed by the Internal Audit Department.

Within the scope of the annual process and the branch audit programme; banking processes, COBIT information technologies process, branch audits and other examinations have been realised. Distinguishing findings in these areas have been presented to the Audit Committee in order to be evaluated.

## **4) Risk Management Department**

The main purpose of Risk Management Department is to establish the methods, instruments and implementation procedures required to determine, measure, follow and control the risks carried by the Bank. For this purpose; periodical evaluations, measurements, reporting and controlling activities are conducted on a daily, weekly, monthly, quarterly and yearly basis.

After CEB N.V. purchased the Bank at the end of 2010, it has been targeted to restructure and reinforce Risk Management Department with required systems and infrastructure and also to constitute a structure that will enable the Bank to perform all activities and calculations within the Bank's internal organization.

In this context, Risk Management Department's subdivisions are organized as the Market Risk Management, Credit Risk Management and Operational Risk Management.

Related divisions and their activities can be summarized as follows:

- **Market Risk Management:** The aim is to manage the possible losses which the Bank may be exposed to due to general market risk, currency risk, specific risk, commodity risk and clearing risk.
- **Credit Risk Management:** The aim is to manage the possible losses which the Bank may be exposed to due to the credit customers' failure to comply with the requirements of the concluded contract and failure to fulfil the obligations partially or completely. All of the processes in connection with the Bank's allocating, making available credit in favour of real persons and legal entities directly and indirectly, monitoring them and the operations relating to them, are considered within the scope of credit risk management.
- **Operational Risk Management:** Operational risk is the possibility whereby the risk arising as a result of insufficient and incorrect business processes, systems, human factor or external events, causes unexpected consequences such as loss, profit, opportunity cost, etc. Operational risks and their impacts are

identified and managed in a manner to remain within the limits determined according to the Bank's Risk Appetite Policy through the methods applied by the Bank such as avoiding, decreasing and transferring.

Activities realised by the Risk Management Department in 2012 may be summarised as follows:

- All the risks carried by the Bank are followed within the limits set forth in the Fibabanka Risk Appetite Policy which has been approved by the Board of Directors. Related reports are submitted to the Board of Directors once a month and information is given regarding the Bank's risk profile.
- On a monthly basis Market Risk, Exchange Risk and Credit Risk reports are sent to the BRSA (Banking Regulation and Supervision Agency) and related report according to the "Regulation on Measurement and Assessment of Capital Adequacy Ratio" within the scope of Basel II is presented to the BRSA on a monthly basis.
- Details of trading portfolio, liquidity, market, interest rate and credit risk analysis are made and related reports are presented in the Assets and Liabilities Committee meetings held once a week and in the Risk Committee meetings held once a month.



**C) Information Regarding Financial Statements and the Financial Structure:**

Set forth in the Independent Auditor's Report.

**D) Evaluations Relating to Financial Situation, Profitability and Solvency:**

Fibabanka A.Ş. has grown at the rate of 57% in 2012 and its total assets reached to the amount of 3,900 million TL.

Loans volume, which was 2,107 million TL at the end of 2011, increased by 53% and realized as 3,221 million TL at the end of 2012. Share of the loans in total assets has been realized as 83%.

Credit worthiness of loans and other receivables are monitored systematically in accordance with related laws and regulations. For new loans placed, the Bank complies with the limits determined under the Banking Laws and Regulations. Collaterals are taken for the loans disbursed in order to reduce risk. In 2012, non performing loans balance has been 29.5 million TL and provisions in the amount of 13.9 million TL have been set aside relating to these loans.

As of the end of 2012, Bank's securities portfolio kept for trading purposes decreased by 35% to 23.7 million TL and the AFS portfolio increased to 108.7 million TL at the end of 2012 due to new additions. Securities/total assets ratio which was 2.1% at the end of 2011, has been realized as 3.4% as of the end of 2012.

Total deposits volume increased by 31% and reached to 2,689 million TL. Details of total deposits on the basis of type and Turkish Lira/Foreign Currency classification are as follows:

(Thousand TL)	31/12/12			31/12/11		
	Turkish Lira	Foreign Currency	Total	Turkish Lira	Foreign Currency	Total
Interbank Deposits	1,378	51,193	52,571	6,135	32,581	38,716
Savings Deposits	924,834	--	924,834	975,917	--	975,917
Public Sector Deposits	3,043	--	3,043	--	--	--
Commercial Institutions' Deposits	549,678	--	549,678	536,213	--	536,213
Other Institutions' Deposits	53,228	--	53,228	238	--	238
Foreign Currency Deposit Accounts	--	1,105,079	1,105,079	--	499,421	499,421
Precious Metals Deposit Accounts	--	1,008	1,008	--	--	--
<b>Total</b>	<b>1,532,161</b>	<b>1,157,280</b>	<b>2,689,441</b>	<b>1,518,503</b>	<b>532,002</b>	<b>2,050,505</b>

Income before-tax, which was 7.9 million TL at the end of 2011, realized at the level of 60.3 million TL in 2012. Net income has been realized as 45.7 million TL after tax provision in the amount of 14.6 million TL.

In 2012, Bank's net interest income in 2012 increased by 86% and net operating income increased by 98% compared to the prior year reaching to 179.8 million TL.

Operating expenses have been realized as 95.6 million TL in 2012.

Bank's capital adequacy ratio, which was 17.2% as of 31.12.2011, has been realized as 14.3% as of 31.12.2012.

(Thousand TL)

	31/12/12	31/12/11
Amount subject to credit risk (CR)	3,229,700	1,873,275
Amount subject to market risk (MR)	38,534	72,513
Amount subject to operational risk (OR)	91,250	62,488
Shareholders' Equity	481,160	345,914
Shareholders' Equity / (CR+MR+OR)*100	% 14.3	% 17.2

Bank's share capital is not left unpaid and the Bank suffers no insolvency. There is no measure required to be taken to improve financial structure of the Bank. Bank continues to grow profitably according to its targets.

Profit distribution schedule of the Bank in 2012 is given in section two of the independent auditors' report, where unconsolidated financial statements are shown. No distribution of profit is planned for 2012 due to previous years' losses.

Exchange rate risk, interest risk and liquidity risk of the Bank are measured and monitored by various risk management systems and management of the balance sheet is made according to risk limits determined in this context and the legal limitations.

In order to be protected against market risk within the scope of financial risk management purposes, the Bank has determined its market risk management activities and has taken necessary measures within the scope of the "Regulation on Internal Systems of Banks" and the "Regulation on Measurement and Evaluation of Capital Adequacy Ratios of Banks" published in the Official Gazette dated 28<sup>th</sup> June 2012 and issue no. 28337. Market risk calculations are made on monthly basis and the obtained results of measurements are taken into account for calculation of capital adequacy standard ratio. The amount subject to market risk as of the date of 31.12.2012 is 38.5 million TL.

For measuring the foreign exchange risk encountered by the Bank, Standard Method and Value at Risk Method are used. Legal position limits are used for the purpose of limiting the encountered risk. Amount of currency risk short position as of 31.12.2012 is 0.05 million TL.

Against the liquidity risk, attention is paid to ensure consistency of maturity between assets and liabilities and liquid assets are kept for the purpose of completely meeting the liquidity needs which may occur as a result of fluctuations in the market.

Efforts in this context are supported by Turkish Lira and Foreign Exchange cash flow projections and developments in the maturity structure, cost of deposits in Turkish Lira and foreign currency and the total amounts thereof are followed on daily basis and during said studies, developments experienced in previous terms and expectations from future are taken into account as well. Based on the cash flow projections made, measures are taken to meet liquidity needs by applying different pricing for various maturities, furthermore, the amount of liquidity which may be needed in extraordinary situations, is estimated and the alternative liquidity resources which may be used are determined.

## **E) Information Regarding Risk Policies Implemented Based on the Types of Risks:**

### **Market Risk Arising From Trading Portfolio**

Below mentioned activities are conducted for the purposes of complying with the rules and regulations of the Banking Regulation and Supervision Agency for defining, measuring, reporting and following the market risk by the Bank; minimising the losses of the Bank which may arise from the market risk; improving processes and standards.

Bank may not keep positions above the legal limits. Additionally, Value at Risk limits have been determined for the risk due to the trading portfolio within the scope of Trading Portfolio Policy. Necessary infrastructure works have been completed to provide that compliance with these limits shall be followed by the Risk Management Department on daily basis.

### **Interest Risk Arising From Banking Accounts**

Within the scope of Assets and Liabilities Management Policy; all the components included in the assets and liabilities of the Bank are divided into maturity tranches based on repricing periods and predetermined interest shocks are applied and the change in net economic value is calculated.

By interest risk analysis and the stress tests made on the interest risk maintained by the Bank, sensitivity of the risk level intended to be carried out is tested against crises scenarios and thereby, studies are made to keep them under control.

### **Liquidity and Funding Risk**

Bank determines its policies for defining, measuring, reporting and controlling the liquidity risk according to international best practices and the rules and regulations set by the Banking Regulation and Supervision Agency.

When considering the liquidity position of the Bank, existing and expected assets quality, existing and future profitability capacity, funding needs based on previous experiences, existing liquidity position, funding needs estimated to occur in the future, funding resources and cash flows are taken into account.

Organisation, duties and responsibilities of the Bank's Liquidity Risk Management have been defined in detail within the scope of Liquidity and Funding Risk Policy and the basic principles, implementations, limits and reporting activities to be accepted for Liquidity Risk Management are specified.

By the liquidity reports, short and long term liquidity risks carried by the Bank and the scenario analysis on the current positions of the Bank are presented to the Management.

### **Credit Risk**

For the purposes of estimating, determining, measuring, following, avoiding, decreasing and managing the credit risk of the Bank; rating, model development and verification standards are determined. These standards are developed for the purpose of correctly defining the reliable credit clients with regards to credit policies.

Furthermore, for defining, measuring, reporting and controlling the credit risk, required reporting and controls are performed within the framework local laws and regulations.

Rules and regulations of the Banking Regulation and Supervision Agency are taken as the basis to calculate the provisions for credits.

For credit risks arising from transactions executed by the Treasury Department with other banks, limits are determined for each bank.

Concentration and risk limits developed relating to the credit portfolio maintained by the Bank are reviewed through the Credit Risk Reports.

## Operational Risk

For determining, measuring, decreasing, reporting and controlling operational risk, the Bank implements policies formed by it according to international best practices and local laws and regulations.

Business stability policies and procedures have been formed under the framework of operational risk. Process based business impact analysis have been made for the purpose of providing business stability and critical activities of the company and resources required for maintaining these activities have been determined. Business stability plans have been prepared and infrastructure studies aimed at implementation of the plans have been completed.

## F) Rating Note Given by Rating Agencies and Information Relating to the Basis of This Note:

There is no rating note for the Bank in 2012.

## G) Financial Information Regarding Last Five Years Including the Term for Which the Report is Prepared:

### Balance Sheet

(Thousand TL)

	<u>31/12/12</u>	<u>31/12/11</u>	<u>31/12/10</u>	<u>31/12/09</u>	<u>31/12/08</u>
Cash and Balances with Central Bank	429,812	243,385	55,261	164,584	157,920
Financial Assets at Fair Value Through Profit or Loss (net)	43,709	54,132	96,869	38,155	19,239
Due from Banks	25,047	18,903	73,346	104,423	57,205
Money Market Placements	30,304	--	--	--	40,017
Financial Assets Available for Sale (net)	108,733	15,844	14	16	--
Loans and Advances to Customers	3,220,704	2,106,677	640,000	727,407	883,816
Investments Held to Maturity (net)	--	--	--	--	--
Investments in Associates	--	--	--	--	16
Derivative Assets Held for Hedging	--	--	--	1,585	19,824
Tangible Assets (net)	15,846	11,663	6,743	8,417	8,157
Intangible Assets (net)	6,211	6,074	2,044	2,068	861
Tax Assets	5,369	20,472	22,798	21,925	18,652
Asset Held for Sale and Assets of Discontinued Operations (net)	6,393	6,270	1,883	--	--
Other Assets	8,104	3,329	3,281	2,407	2,742
<b>Total Assets</b>	<b>3,900,232</b>	<b>2,486,749</b>	<b>902,239</b>	<b>1,070,987</b>	<b>1,208,449</b>
Deposits	2,689,441	2,050,505	750,268	889,662	986,008
Derivative Liabilities Held for Trading	13,696	16,315	23,543	1,192	11,815
Bank Borrowings	308,670	29,756	2,574	300	--
Interbank Money Markets	97,247	6,831	--	--	--
Securities Issued (net)	222,746	--	--	--	--
Miscellaneous Payables	9,364	105,796	935	3,008	1,001
Other External Resources	34,833	12,343	5,546	9,265	13,608
Derivative Liabilities Held for Hedging	--	--	--	32,283	40,121
Provisions	41,820	25,938	10,021	10,897	12,895
Taxes Payable	10,053	6,012	2,024	2,410	3,246
Subordinated Loans	89,693	--	--	--	--
Shareholder'S Equity	382,669	233,253	107,328	121,970	139,755
<b>Total Liabilities</b>	<b>3,900,232</b>	<b>2,486,749</b>	<b>902,239</b>	<b>1,070,987</b>	<b>1,208,449</b>

## **Income Statement**

(Thousand TL)

	<b><u>31/12/12</u></b>	<b><u>31/12/11</u></b>	<b><u>31/12/10</u></b>	<b><u>31/12/09</u></b>	<b><u>31/12/08</u></b>
Interest Income	335,525	168,442	71,577	87,399	114,508
Interest Expense	204,441	98,002	38,494	53,723	65,430
<b>Net Interest Income</b>	<b>131,084</b>	<b>70,440</b>	<b>33,083</b>	<b>33,676</b>	<b>49,078</b>
Net Fees and Commission Income	6,984	12,029	4,548	3,645	3,717
Trading Income	37,033	5,160	(9,045)	(7,855)	(11,336)
Other Operational Income	4,725	3,368	4,256	3,550	14,391
<b>Total Operational Income</b>	<b>179,826</b>	<b>90,997</b>	<b>32,842</b>	<b>33,016</b>	<b>55,850</b>
Provision for Loans and Other Receivables (-)	23,951	18,248	2,631	4,626	3,280
Other Operational Expenses (-)	95,557	64,808	45,723	49,448	50,372
<b>Income from Operational Activities</b>	<b>60,318</b>	<b>7,941</b>	<b>(15,512)</b>	<b>(21,058)</b>	<b>2,198</b>
<b>Income Before Tax</b>	<b>60,318</b>	<b>7,941</b>	<b>(15,512)</b>	<b>(21,058)</b>	<b>2,198</b>
<b>Net Profit/Loss</b>	<b>45,715</b>	<b>5,187</b>	<b>(14,642)</b>	<b>(17,785)</b>	<b>3,564</b>

### **H) Activities of the Bank and Important Developments Relating to Its Activities:**

- a) Information relating to investments made by the Bank in 2012 is disclosed in paragraphs 12 and 13 of Section Five/I. Explanations and disclosures related to the assets in the Independent Auditor's Report.
- b) Information relating to the Bank's internal control system and internal audit activities and the opinion of Management regarding this matter are specified in related section of this Report, with the heading "III. Financial Information and Information Relating to Risk Management / B) Evaluations of the Audit Committee Relating to Operation of the Internal Control, Internal Auditing Risk Management Systems and Information Regarding Its Activities During the Accounting Term".
- c) The Bank has no direct or indirect subsidiary.
- d) There is no share of the Bank, which has been acquired by itself.
- e) The Bank is audited by an independent audit firm at the end of each quarter in a limited scope and at the end of each year with full scope. Furthermore, it is subject to constant monitoring and supervision of the Banking Regulation and Supervision Agency within the scope of banking laws and regulations.
- f) There is no lawsuit commenced against the Bank and which may affect the financial situation and activities of the Bank.
- g) Amount of penalties paid by the Bank due to applications in breach of related laws and regulations, is 76,634 TL.
- h) The Bank reached its targets in 2012 and fulfilled the decisions taken at General Assembly Meeting.
- i) In 2012, Extraordinary General Assembly meetings have been held for two times.

- Extraordinary General Assembly Meeting held on the date of 26.01.2012 was related to capital increase and as a result of said meeting, the Bank's share capital increased from 325,000,000 TL to 426,650,100 TL and the nominal value of each share has been determined as 0,01 TL (1 Kuruş). Relating to said capital increase, article 7 with the heading "Share Capital", of the Articles of Association has been amended.

- Extraordinary General Assembly Meeting held on the date of 11.09.2012 was related to resignation of the Members of the Board of Directors elected as representatives of a legal entity and election of new Members of the Board of Directors on the basis of personal liability, according to the

New Turkish Commercial Code which came into effect on the date of 01.07.2012. In said meeting, Members of the Board of Directors which had been elected as representatives of a legal entity, were elected for a period of 3 years to serve on the basis of personal liability thereafter.

- j) Total amount of donations and aids made and expenses incurred by the Bank within the framework of social responsibility projects in 2012, is 3,225 TL.
- k) With regards to transactions made with Fiba Holding A.Ş., the company which directly controls the Bank, and its other affiliated companies; there is no measure taken or refrained to be taken in favour of the Bank. In all executed legal transactions, agreements have been made according to procedures, principles, terms and conditions applied as if they were made with persons out of the group. No measure has been applied to the disadvantage of the Bank due to the attempt or interests of the company which controls the Bank or its affiliated companies.
- l) On the execution dates of the legal transactions made with the controlling company and the affiliated companies of the controlling company and details of which are specified in the Affiliation Report, appropriate consideration has been provided for each legal transactions, according to circumstances and conditions in our knowledge. There is no measure taken or refrained to be taken and no loss suffered by the Bank in this context. As a result of examination according to article 199 of the Turkish Commercial Code, of financial transactions realised by the Bank with the controlling company and the affiliated companies of the controlling company, it is understood that all the transactions executed by the Bank have been made exactly according to market conditions prevailing at the time when related transaction is made and according to precedents and then current values, as if they were concluded with third parties.
- m) Amounts of remunerations provided for the Board of Directors and top management of the Bank in 2012, are as follows;
  - Total amount of financial benefits such as attendance fee, salaries, premium, bonus, profit share, etc. is 3,527,705 TL,
  - Total amount of given allowances, travel, accommodation and representation costs and benefits in rem and financial benefits, insurances and similar assurances, is 209,436 TL.

## **I) Independent Auditor's Report**

- I. Independent Auditor's Report
- II. Financial Statements

To the Board of Directors of  
Fibabanka A.Ş.  
İstanbul

**FİBABANKA A.Ş.**  
**INDEPENDENT AUDITORS' REPORT**  
**FOR THE PERIOD OF 1 JANUARY - 31 DECEMBER 2012**

We have audited the accompanying balance sheet of Fibabanka A.Ş. ("the Bank") as at 31 December 2012 and the related statements of income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

**Management's Responsibility for the Financial Statements**

The Board of Directors of the Bank is responsible for the preparation and fair presentation of the financial statements in accordance with the regulation on "The Procedures and Principles Regarding Banks' Accounting Practices and Maintaining Documents" published in the Official Gazette dated 1 November 2006 and numbered 26333 and Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards ("TFRS") and other regulations, circulars, communiqués and pronouncements in respect of accounting and financial reporting made by the Banking Regulation and Supervision Agency. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the regulation on "The Licensing and Operations of Audit Firms in Banking" published in the Official Gazette no: 26333 on 1 November 2006 and the International Standards on Auditing. We planned and performed our audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the consideration of the effectiveness of internal control and appropriateness of accounting policies applied relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Independent Auditors' Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2012 and the results of its operations and its cash flows for the year then ended in accordance with the prevailing accounting principles and standards set out as per the Article 37 of the Banking Act No: 5411, and other regulations, communiqués and circulars in respect of accounting and financial reporting and pronouncements made by the Banking Regulation and Supervision Agency.

Additional paragraph for English translation:

The effect of the differences between the accounting principles summarized in Section 3 and the accounting principles generally accepted in countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards (IFRS) have not been quantified and reflected in the accompanying financial statements. The accounting principles used in the preparation of the accompanying financial statements differ materially from IFRS. Accordingly, the accompanying financial statements are not intended to present the Bank's financial position and results of its operations in accordance with accounting principles generally accepted in such countries of users of the financial statements and IFRS.

İstanbul, 25 February 2013

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.  
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**



Hasan Kılıç  
Partner




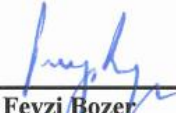



## UNCONSOLIDATED FINANCIAL REPORT OF FİBABANKA A.Ş. AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2012

Address : Emirhan Cad. Barbaros Plaza İş Merkezi  
No: 113 Dikilitaş/Beşiktaş 34349 İstanbul  
Telephone : (212) 381 82 00  
Fax : (212) 258 37 78  
Web Site : [www.fibabanka.com.tr](http://www.fibabanka.com.tr)  
Contact E-Mail : [alper.cilekar@fibabanka.com.tr](mailto:alper.cilekar@fibabanka.com.tr)

The unconsolidated year-end financial report prepared in accordance with the communiqué of Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE CORRESPONDING ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE OF THE BANK
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER DISCLOSURES
- INDEPENDENT AUDITORS' REPORT

The unconsolidated financial statements and the explanatory footnotes and disclosures unless otherwise indicated, are prepared in **thousands of Turkish Lira**, in accordance with the Communiqué on Banks' Accounting Practice and Maintaining Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, related communiqués and the Banks' records, have been independently audited and presented as attached.

					
<b>Hüsnü Mustafa Özyeğin</b>	<b>Fevzi Bozer</b>	<b>Mevlüt Hamdi Aydın</b>	<b>Bekir Dildar</b>	<b>Elif Alsev</b> <b>Utku Özbey</b>	<b>Ayşe Akdaş</b>
Chairman of Board of Directors	Member of the Audit Committee	Member of the Audit Committee	General Manager	Assistant General Manager	Financial Control Department Head

Information related to personnel to whom questions related to this financial report may be directed.

Name-Surname/Title : Ayşe Akdaş / Financial Control Department Head  
Telephone Number : (212) 381 84 88  
Fax Number : (212) 258 37 78

## SECTION ONE

## General Information

I.	History of the Bank Including Its Incorporation Date, Initial Status and Amendments to the Initial Status	1
II.	Shareholder Structure, Shareholders Having Direct or Indirect, Joint or Individual Control Over the Management and Internal Audit of the Bank, Changes in Shareholder Structure During the Current Period, if any and Information on the Bank's Risk Group	1
III.	Explanations Regarding the Shares of the Bank Owned by and Areas of Responsibility of the Chairman and the Members of Board of Directors, Audit Committee Members, Chief Executive Officer, Executive Vice Presidents	2
IV.	Individuals and Institutions That Have Qualified Shares in the Bank	2
V.	Summary Information on the Bank's Services and Activity Areas	3
VI.	Other Information	3
VII.	Current or likely actual or legal barriers to immediate transfer of equity or repayment of debts between parent bank and its subsidiaries	

## SECTION TWO

## Unconsolidated Financial Statements

I.	Balance Sheet	4
II.	Statement of Off-Balance Sheet Contingencies and Commitments	6
III.	Statement of Income	7
IV.	Statement of Income and Expense Accounted under Shareholders' Equity	8
V.	Statement of Changes in Shareholders' Equity	9
VI.	Statement of Cash Flows	10
VII.	Profit Distribution Table	11

## SECTION THREE

## Accounting Policies

I.	Explanations on the Basis of Presentation	12
II.	Explanations on the Usage Strategy of Financial Instruments and on Foreign Currency Transactions	12
III.	Explanations on Forward Transactions, Option and Derivative Instruments	13
IV.	Explanations on Interest Income and Expenses	13
V.	Explanations on Fee and Commission Income and Expenses	13
VI.	Explanations on Financial Assets	14
VII.	Explanations on Impairment of Financial Assets	15
VIII.	Explanations on Offsetting Financial Instruments	15
IX.	Explanations on Sale and Repurchase Agreements and Securities Lending Transactions	15
X.	Explanations on Non-current Assets Held for Sale and Discontinued Operations and Related Liabilities	16
XI.	Explanations on Goodwill and Other Intangible Assets	16
XII.	Explanations on Tangible Assets	16
XIII.	Explanations on Leasing Transactions	18
XIV.	Explanations on Provisions and Contingent Liabilities	18
XV.	Explanations on Contingent Assets	18
XVI.	Explanations on Liabilities for Employee Benefits	19
XVII.	Explanations on Taxation	19
XVIII.	Additional Explanations on Borrowings	19
XIX.	Explanations on Share Certificates Issued	19
XX.	Explanations on Bank Acceptances and Bills of Guarantee	20
XXI.	Explanations on Government Incentives	20
XXII.	Explanations on Segment Reporting	20
XXIII.	Other Matters	21

## SECTION FOUR

## Information on Financial Structure

I.	Explanations on Capital Adequacy Standard Ratio	22
II.	Explanations on Credit Risk	25
III.	Explanations on Market Risk	32
IV.	Explanations on Operational Risk	34
V.	Explanations on Currency Risk	34
VI.	Explanations on Interest Rate Risk	36
VII.	Explanations on Equity Securities Position Risk	
VIII.	Explanations on Liquidity Risk	41
IX.	Explanations on Securitisation Positions	43
X.	Explanations on Credit Risk Mitigation Techniques	43
XI.	Explanations on Risk Management Objectives and Policies	45
XII.	Explanations on Presentation of Financial Assets and Liabilities at Fair Value	46
XIII.	Explanations on Transactions carried out by Customers and items held in trust	46

## SECTION FIVE

## Explanations and Notes on the Unconsolidated Financial Statements

I.	Explanations and Disclosures Related to the Assets	47
II.	Explanations and Disclosures Related to the Liabilities	62
III.	Explanations and Disclosures Related to the Off-Balance Sheet Contingencies and Commitments	69
IV.	Explanations and Disclosures Related to the Income Statement	72
V.	Explanations and Disclosures Related to the Statements of Changes in Shareholders' Equity	77
VI.	Explanations and Disclosures Related to the Statement of Cash Flows	78
VII.	Explanations on the Risk Group of the Bank	79
VIII.	Explanations on the Bank's Domestic, Foreign, Off-shore Branches or Investments in Associates and Foreign Representative Offices	82
IX.	Events after Balance Sheet Date	82

## SECTION SIX

## Other Explanations

I.	Other explanations on Activities of the Bank	83
----	--	----

## SECTION SEVEN

## Independent Auditor's Report

I.	Explanations on the Independent Auditor's Report	83
II.	Other Footnotes and Explanations Prepared by the Independent Auditors	83

## **SECTION ONE**

### **GENERAL INFORMATION**

#### **I. History of the Bank Including Its Incorporation Date, Initial Status and Amendments to the Initial Status**

On 21 December 2001, Share Transfer Agreement was signed with Novabank S.A. for the sale of all shares of Sitebank A.Ş. under the control of SDIF and the sale transaction was approved by the decision of BRSA No: 596 on 16 January 2002.

In the General Assembly held on 4 March 2003, the name of Sitebank A.Ş. was amended as BankEuropa Bankası A.Ş..

In the extraordinary General Assembly held on 28 November 2006, the name of Bank Europa Bankası A.Ş. was amended as Millennium Bank A.Ş.

In the extraordinary General Assembly held on 25 April 2011 the name of Millennium Bank A.Ş. has been amended as Fibabanka A.Ş. (“the Bank”).

#### **II. Shareholder Structure, Shareholders Having Direct or Indirect, Joint or Individual Control Over the Management and Internal Audit of the Bank, Changes in Shareholder Structure During the Current Period, if any and Information on the Bank’s Risk Group**

On 10 February 2010, Banco Comercial Portugues S.A. and Credit Europe Bank N.V., which is an affiliate of Fiba Group, signed a share purchase agreement to transfer 95% of the Bank’s shares to Credit Europe Bank N.V. and the legal approval process has been completed as of 27 December 2010. Credit Europe Bank N.V. is 100% owned by Credit Europe Group N.V. which is a banking group incorporated in Netherlands and an affiliate of Fiba Holding A.Ş.

The Bank’s paid in capital which was TL 325,000 as of 31 December 2011 was increased to TL 426,650 and registered on 26 January 2012 after the Extraordinary General Meeting held on 26 January 2012 following the approval of BRSA; increase of TL 101,650 was paid by the shareholders within the last quarter of year 2011 but accounted for under “Sundry Creditors” account as the BRSA approval procedures were not yet completed as of 31 December 2011. After the capital increase, the share of Credit Europe Bank N.V. which was 96.9% increased to 97.6% and the share of Banco Comercial Portugues S.A decreased to 2.4% from 3.1%.

Fiba Holding A.Ş. became the ultimate parent of the Bank after acquiring 97.6% of the shares from Credit Europe Bank N.V. on 3 December 2012 and 2.4% of the shares from Banco Comercial Portugues S.A. on 7 December 2012.

As of 31 December 2012, the Bank’s paid in capital is TL 426,650. As of 31 December 2012 the number of issued shares of the Bank is 42,665,010,000 with a TL 0.01 (full TL) nominal value per share.

## FİBABANKA A.Ş.

### NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY-31 DECEMBER 2012

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

#### III. Explanations Regarding the Shares of the Bank Owned by and Areas of Responsibility of the Chairman and the Members of Board of Directors, Audit Committee Members, Chief Executive Officer, Executive Vice Presidents

<u>Name Surname</u>	<u>Title</u>	<u>Shares Owned</u>	<u>Date</u>
<i>Board of Directors</i>			
Hüsnü Mustafa Özyeğin	Chairman	--	27 December 2010
Fevzi Bozer	Deputy Chairman	--	27 December 2010
M. Erhan Polat	Member	--	27 December 2010
Mehmet Güleşçi	Member	--	27 December 2010
Faik Onur Umut**	Member	--	27 December 2010
Bekir Dildar*	Member-General Manager	--	27 December 2010
<i>Audit Committee</i>			
Fevzi Bozer	Member	--	27 December 2010
Faik Onur Umut**	Member	--	27 December 2010
<i>Assistant General Managers</i>			
Ahmet İlerigelen	AGM-Credits	--	7 January 2011
Ali Murat Dinç	AGM-Corporate Banking	--	7 January 2011
Elif Alsev Utku Özbey	AGM-Financial Control & Reporting	--	7 January 2011
Adem Aykın	AGM-Information Technologies	--	1 July 2011
Esra Osmanağaoğlu	AGM-Operations	--	29 February 2012
Emre Ergun	Coordinator-Retail&Private Banking and Alternative Distribution Channels		1 June 2012

\* Bekir Dildar was appointed as the General Manager on 7 January 2011.

\*\* Faik Onur Umut resigned from his responsibility as Board Member and Audit Committee Member on 14 January 2013, and Hamdi Aydın has been assigned for these duties on 24 January 2013. İsmet Kaya Erdem has also been assigned as Board Member on 11 February 2013.

#### IV. Individuals and Institutions That Have Qualified Shares in the Bank

42,665,010,000 shares comprising 100% of total shares are owned by Fiba Holding A.Ş.

<u>Name Surname/ Commercial Title</u>	<u>Share Amount (Nominal)</u>	<u>Share Ratios</u>	<u>Paid in Capital (Nominal)</u>	<u>Unpaid Shares</u>
Fiba Holding	426,650	100%	426,650	--
Hüsnü Mustafa Özyeğin	395,377	92.7%	395,377	--

#### V. Summary Information on the Bank's Services and Activity Areas

The Bank was incorporated as a privately owned bank authorized for customer deposit acceptance and the Head Office of the Bank is located in Istanbul, Turkey. As of 31 December 2012, the Bank serves with 28 domestic branches and 612 employees.

## **FİBABANKA A.Ş.**

### **NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY-31 DECEMBER 2012**

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

---

#### **VI. Other Information**

The Bank's Commercial Title:	Fibabanka Anonim Şirketi
The Bank's General Directorate Address:	Emirhan Cad. Barbaros Plaza İş Merkezi No:113 Dikilitaş/Beşiktaş İstanbul
The Bank's Phone and Fax Numbers:	Telephone : (0212) 381 82 00 Fax : (0212) 258 37 78
The Bank's Web Site Address:	<a href="http://www.fibabanka.com.tr">www.fibabanka.com.tr</a>
The Bank's E-Mail Address:	<a href="mailto:malikontrol@fibabanka.com.tr">malikontrol@fibabanka.com.tr</a>
Reporting Period:	1 January 2012 – 31 December 2012

The financial statements, related disclosures and notes in this report are prepared, unless otherwise indicated, in thousands of Turkish Lira (TL).

#### **VII. Current or likely actual or legal barriers to immediate transfer of equity or repayment of debts between parent bank and its subsidiaries**

None.

**SECTION TWO**  
**UNCONSOLIDATED FINANCIAL STATEMENTS**

FİBABANKA A.Ş.							
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)							
AS OF 31 DECEMBER 2012							
(Amount expressed in thousands of Turkish Lira)							
ASSETS	Note	CURRENT PERIOD (31/12/2012)			PRIOR PERIOD (31/12/2011)		
		TL	FC	Total	TL	FC	Total
<b>I. CASH AND BALANCES WITH THE CENTRAL BANK</b>	(5.1.1)	<b>91,714</b>	<b>338,098</b>	<b>429,812</b>	<b>77,703</b>	<b>165,682</b>	<b>243,385</b>
<b>II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)</b>	(5.1.2)	<b>39,647</b>	<b>4,062</b>	<b>43,709</b>	<b>41,931</b>	<b>12,201</b>	<b>54,132</b>
2.1 Financial Assets Held for Trading		39,647	4,062	43,709	41,931	12,201	54,132
2.1.1 Government Debt Securities		21,010	2,636	23,646	25,189	2,693	27,882
2.1.2 Share Certificates		-	-	-	-	-	-
2.1.3 Derivative Financial Assets Held for Trading		18,637	1,380	20,017	16,742	1,071	17,813
2.1.4 Other Marketable Securities		-	46	46	-	8,437	8,437
2.2 Financial Assets Classified at Fair Value Through Profit and Loss		-	-	-	-	-	-
2.2.1 Government Securities		-	-	-	-	-	-
2.2.2 Share Certificates		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other Securities		-	-	-	-	-	-
<b>III. BANKS</b>	(5.1.3)	<b>35</b>	<b>25,012</b>	<b>25,047</b>	<b>122</b>	<b>18,781</b>	<b>18,903</b>
<b>IV. MONEY MARKET PLACEMENTS</b>		<b>-</b>	<b>30,304</b>	<b>30,304</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.1 Interbank Money Market Placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange Money Market Placements		-	30,304	30,304	-	-	-
4.3 Receivables from Reverse Repurchase Agreements		-	-	-	-	-	-
<b>V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)</b>	(5.1.4)	<b>506</b>	<b>108,227</b>	<b>108,733</b>	<b>-</b>	<b>15,844</b>	<b>15,844</b>
5.1 Share Certificates		-	-	-	-	14	14
5.2 Government Securities		-	-	-	-	-	-
5.3 Other Marketable Securities		506	108,227	108,733	-	15,830	15,830
<b>VI. LOANS</b>	(5.1.5)	<b>2,207,546</b>	<b>1,013,158</b>	<b>3,220,704</b>	<b>1,434,374</b>	<b>672,303</b>	<b>2,106,677</b>
6.1 Loans		2,191,904	1,013,158	3,205,062	1,422,733	672,303	2,095,036
6.1.1 Loans to the Bank's Risk Group		20,829	-	20,829	-	-	-
6.1.2 Government Securities		-	-	-	-	-	-
6.1.3 Others		2,171,075	1,013,158	3,184,233	1,422,733	672,303	2,095,036
6.2 Non-Performing Loans		29,548	-	29,548	16,368	-	16,368
6.3 Specific Provisions (-)		13,906	-	13,906	4,727	-	4,727
<b>VII. FACTORING RECEIVABLES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VIII. INVESTMENTS HELD TO MATURITY (Net)</b>	(5.1.6)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
8.1 Government Debt Securities		-	-	-	-	-	-
8.2 Other Marketable Securities		-	-	-	-	-	-
<b>IX. INVESTMENTS IN ASSOCIATES (Net)</b>	(5.1.7)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
9.1 Associates Accounted for Using the Equity Method		-	-	-	-	-	-
9.2 Unconsolidated Associates		-	-	-	-	-	-
9.2.1 Financial Associates		-	-	-	-	-	-
9.2.2 Non-Financial Associates		-	-	-	-	-	-
<b>X. INVESTMENTS IN SUBSIDIARIES (Net)</b>	(5.1.8)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
10.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
<b>XI. JOINTLY CONTROLLED ENTITIES (JOINT VENTURES) (Net)</b>	(5.1.9)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
11.1 Jointly Controlled Entities Accounted for Using the Equity Method		-	-	-	-	-	-
11.2 Unconsolidated Jointly Controlled Entities		-	-	-	-	-	-
11.2.1 Jointly Controlled Financial Entities		-	-	-	-	-	-
11.2.2 Jointly Controlled Non-Financial Entities		-	-	-	-	-	-
<b>XII. LEASE RECEIVABLES</b>	(5.1.10)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
12.1 Finance Lease Receivables		-	-	-	-	-	-
12.2 Operating Lease Receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned Income (-)		-	-	-	-	-	-
<b>XIII. DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES</b>	(5.1.11)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
13.1 Fair Value Hedge		-	-	-	-	-	-
13.2 Cash Flow Hedge		-	-	-	-	-	-
13.3 Net Foreign Investment Hedge		-	-	-	-	-	-
<b>XIV. TANGIBLE ASSETS (Net)</b>	(5.1.12)	<b>15,846</b>	<b>-</b>	<b>15,846</b>	<b>11,663</b>	<b>-</b>	<b>11,663</b>
<b>XV. INTANGIBLE ASSETS (Net)</b>	(5.1.13)	<b>6,211</b>	<b>-</b>	<b>6,211</b>	<b>6,074</b>	<b>-</b>	<b>6,074</b>
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		6,211	-	6,211	6,074	-	6,074
<b>XVI. INVESTMENT PROPERTY (Net)</b>	(5.1.14)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XVII. TAX ASSETS</b>		<b>5,369</b>	<b>-</b>	<b>5,369</b>	<b>20,472</b>	<b>-</b>	<b>20,472</b>
17.1 Current Tax Asset		13	-	13	-	-	-
17.2 Deferred Tax Asset	(5.1.15)	5,356	-	5,356	20,472	-	20,472
<b>XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)</b>	(5.1.16)	<b>6,393</b>	<b>-</b>	<b>6,393</b>	<b>6,270</b>	<b>-</b>	<b>6,270</b>
18.1 Held for Sale		6,393	-	6,393	6,270	-	6,270
18.2 Discontinued Operations		-	-	-	-	-	-
<b>XIX. OTHER ASSETS</b>	(5.1.17)	<b>4,906</b>	<b>3,198</b>	<b>8,104</b>	<b>3,141</b>	<b>188</b>	<b>3,329</b>
<b>TOTAL ASSETS</b>		<b>2,378,173</b>	<b>1,522,059</b>	<b>3,900,232</b>	<b>1,601,750</b>	<b>884,999</b>	<b>2,486,749</b>

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

**FİBABANKA A.Ş.**
**UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)**
**AS OF 31 DECEMBER 2012**

(Amount expressed in thousands of Turkish Lira)

LIABILITIES		Note	CURRENT PERIOD (31/12/2012)			PRIOR PERIOD (31/12/2011)		
			TL	FC	Total	TL	FC	Total
<b>I.</b>	<b>DEPOSITS</b>	(5.II.1)	<b>1,532,161</b>	<b>1,157,280</b>	<b>2,689,441</b>	<b>1,518,503</b>	<b>532,002</b>	<b>2,050,505</b>
1.1	Deposits from the Bank's Risk Group		87,168	35,468	122,636	88,806	6,397	95,203
1.2	Other		1,444,993	1,121,812	2,566,805	1,429,697	525,605	1,955,302
<b>II.</b>	<b>DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING</b>	(5.II.2)	<b>11,707</b>	<b>1,989</b>	<b>13,696</b>	<b>15,371</b>	<b>944</b>	<b>16,315</b>
<b>III.</b>	<b>FUNDS BORROWED</b>	(5.II.3)	<b>6,890</b>	<b>301,780</b>	<b>308,670</b>	<b>1,115</b>	<b>28,641</b>	<b>29,756</b>
<b>IV.</b>	<b>MONEY MARKET FUNDS</b>		<b>10,441</b>	<b>86,806</b>	<b>97,247</b>	<b>6,831</b>	-	<b>6,831</b>
4.1	Interbank Money Market Funds		-	-	-	-	-	-
4.2	Istanbul Stock Exchange Money Market Funds		-	-	-	-	-	-
4.3	Funds Provided Under Repurchase Agreements		10,441	86,806	97,247	6,831	-	6,831
<b>V.</b>	<b>MARKETABLE SECURITIES ISSUED (Net)</b>	(5.II.4)	<b>222,746</b>	-	<b>222,746</b>	-	-	-
5.1	Bills		121,401	-	121,401	-	-	-
5.2	Asset-backed Securities		-	-	-	-	-	-
5.3	Bonds		101,345	-	101,345	-	-	-
<b>VI.</b>	<b>FUNDS</b>		-	-	-	-	-	-
6.1	Borrower Funds		-	-	-	-	-	-
6.2	Other		-	-	-	-	-	-
<b>VII.</b>	<b>SUNDRY CREDITORS</b>	(5.II.5)	<b>7,413</b>	<b>1,951</b>	<b>9,364</b>	<b>104,028</b>	<b>1,768</b>	<b>105,796</b>
<b>VIII.</b>	<b>OTHER LIABILITIES</b>	(5.II.5)	<b>31,926</b>	<b>2,907</b>	<b>34,833</b>	<b>9,317</b>	<b>3,026</b>	<b>12,343</b>
<b>IX.</b>	<b>FACTORING PAYABLES</b>		-	-	-	-	-	-
<b>X.</b>	<b>LEASE PAYABLES (Net)</b>	(5.II.6)	-	-	-	-	-	-
10.1	Finance Lease Payables		-	-	-	-	-	-
10.2	Operating Lease Payables		-	-	-	-	-	-
10.3	Other		-	-	-	-	-	-
10.4	Deferred Finance Lease Expenses (-)		-	-	-	-	-	-
<b>XI.</b>	<b>DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES</b>	(5.II.7)	-	-	-	-	-	-
11.1	Fair Value Hedge		-	-	-	-	-	-
11.2	Cash Flow Hedge		-	-	-	-	-	-
11.3	Net Foreign Investment Hedge		-	-	-	-	-	-
<b>XII.</b>	<b>PROVISIONS</b>	(5.II.8)	<b>41,820</b>	-	<b>41,820</b>	<b>25,938</b>	-	<b>25,938</b>
12.1	General Loan Loss Provision		35,616	-	35,616	22,753	-	22,753
12.2	Provision for Restructuring		-	-	-	-	-	-
12.3	Reserves for Employee Benefits		4,533	-	4,533	2,010	-	2,010
12.4	Insurance Technical Reserves (Net)		-	-	-	-	-	-
12.5	Other Provisions		1,671	-	1,671	1,175	-	1,175
<b>XIII.</b>	<b>TAX LIABILITY</b>	(5.II.9)	<b>10,053</b>	-	<b>10,053</b>	<b>6,012</b>	-	<b>6,012</b>
13.1	Current Tax Liability		10,053	-	10,053	6,012	-	6,012
13.2	Deferred Tax Liability		-	-	-	-	-	-
<b>XIV.</b>	<b>PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS</b>	(5.II.10)	-	-	-	-	-	-
14.1	Held for Sale		-	-	-	-	-	-
14.2	Discontinued Operations		-	-	-	-	-	-
<b>XV.</b>	<b>SUBORDINATED LOANS</b>	(5.II.11)	-	<b>89,693</b>	<b>89,693</b>	-	-	-
<b>XVI.</b>	<b>SHAREHOLDERS' EQUITY</b>	(5.II.12)	<b>382,341</b>	<b>328</b>	<b>382,669</b>	<b>234,980</b>	<b>(1,727)</b>	<b>233,253</b>
<b>16.1</b>	<b>Paid-in Capital</b>		<b>426,650</b>	-	<b>426,650</b>	<b>325,000</b>	-	<b>325,000</b>
<b>16.2</b>	<b>Capital Reserves</b>		<b>26,914</b>	<b>328</b>	<b>27,242</b>	<b>26,918</b>	<b>(1,727)</b>	<b>25,191</b>
16.2.1	Share premium		-	-	-	-	-	-
16.2.2	Share Cancellation Profits		-	-	-	-	-	-
16.2.3	Marketable Securities Revaluation Reserve		(4)	328	324	-	(1,727)	(1,727)
16.2.4	Tangible Assets Revaluation Reserve		9,502	-	9,502	9,502	-	9,502
16.2.5	Intangible Assets Revaluation Reserve		-	-	-	-	-	-
16.2.6	Investment Property Revaluation Reserve		-	-	-	-	-	-
16.2.7	Bonus Shares Obtained from Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		-	-	-	-	-	-
16.2.8	Hedge Funds (Effective Portion)		-	-	-	-	-	-
16.2.9	Accumulated Revaluation Reserves on Assets Held for Sale and Discontinued Operations		-	-	-	-	-	-
16.2.10	Other Capital Reserves		17,416	-	17,416	17,416	-	17,416
<b>16.3</b>	<b>Profit Reserves</b>		-	-	-	-	-	-
16.3.1	Legal Reserves		-	-	-	-	-	-
16.3.2	Statutory Reserves		-	-	-	-	-	-
16.3.3	Extraordinary Reserves		-	-	-	-	-	-
16.3.4	Other Profit Reserves		-	-	-	-	-	-
<b>16.4</b>	<b>Profit or Loss</b>		<b>(71,223)</b>	-	<b>(71,223)</b>	<b>(116,938)</b>	-	<b>(116,938)</b>
16.4.1	Prior Years' Profit/Loss		(116,938)	-	(116,938)	(122,125)	-	(122,125)
16.4.2	Current Year Profit/Loss		45,715	-	45,715	5,187	-	5,187
<b>16.5</b>	<b>Minority Interest</b>	(5.II.13)	-	-	-	-	-	-
<b>TOTAL LIABILITIES AND EQUITY</b>			<b>2,257,498</b>	<b>1,642,734</b>	<b>3,900,232</b>	<b>1,922,095</b>	<b>564,654</b>	<b>2,486,749</b>

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



<b>FİBABANKA A.Ş.</b> <b>UNCONSOLIDATED OFF-BALANCE SHEET COMMITMENTS</b> <b>AS OF 31 DECEMBER 2012</b> (Amount expressed in thousands of Turkish Lira)							
	Note	CURRENT PERIOD (31/12/2012)			PRIOR PERIOD (31/12/2011)		
		TL	FC	Total	TL	FC	Total
<b>A. OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I-II+III)</b>		<b>10,051,787</b>	<b>3,315,052</b>	<b>13,366,839</b>	<b>6,238,787</b>	<b>3,432,746</b>	<b>9,671,533</b>
<b>I. GUARANTEES AND SURETYSHIPS</b>		<b>119,302</b>	<b>188,307</b>	<b>307,609</b>	<b>83,638</b>	<b>144,738</b>	<b>228,376</b>
1.1. Letters of Guarantee	(5.III.2)	117,604	108,475	226,079	83,638	97,565	181,203
1.1.1. Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2. Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3. Other Letters of Guarantee		117,604	108,475	226,079	83,638	97,565	181,203
1.2. Bank Loans		1,698	24,218	25,916	-	-	-
1.2.1. Import Letters of Acceptance		-	-	-	-	-	-
1.2.2. Other Bank Acceptances		1,698	24,218	25,916	-	-	-
1.3. Letters of Credit		-	55,614	55,614	-	47,173	47,173
1.3.1. Documentary Letters of Credit		-	-	-	-	-	-
1.3.2. Other Letters of Credit		-	55,614	55,614	-	47,173	47,173
1.4. Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other Endorsements		-	-	-	-	-	-
1.6. Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7. Factoring Guarantees		-	-	-	-	-	-
1.8. Other Guarantees		-	-	-	-	-	-
1.9. Other Suretyships		-	-	-	-	-	-
<b>II. COMMITMENTS</b>		<b>8,865,463</b>	<b>186,278</b>	<b>9,051,741</b>	<b>5,023,601</b>	<b>472,433</b>	<b>5,496,034</b>
2.1. Irrevocable Commitments	(5.III.1)	306,984	116,013	422,997	82,947	472,433	555,380
2.1.1. Forward asset purchase commitments		49,256	116,013	165,269	20,929	472,433	493,362
2.1.2. Forward Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3. Share Capital Commitment to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4. Loan Granting Commitments		214,154	-	214,154	37,652	-	37,652
2.1.5. Securities Underwriting Commitments		-	-	-	-	-	-
2.1.6. Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7. Payment Commitment for Checks		37,693	-	37,693	19,425	-	19,425
2.1.8. Tax and Fund Liabilities from Export Commitments		1,640	-	1,640	-	-	-
2.1.9. Commitments for Credit Card Expenditure Limits		3,664	-	3,664	4,861	-	4,861
2.1.10. Commitments for Promotions Related with Credit Cards and Banking Activities		74	-	74	80	-	80
2.1.11. Receivables from Short Sale Commitments		-	-	-	-	-	-
2.1.12. Payables for Short Sale Commitments		-	-	-	-	-	-
2.1.13. Other Irrevocable Commitments		503	-	503	-	-	-
2.2. Revocable Commitments		8,558,479	70,265	8,628,744	4,940,654	-	4,940,654
2.2.1. Revocable Loan Granting Commitments		8,558,479	70,265	8,628,744	4,940,654	-	4,940,654
2.2.2. Other Revocable Commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>	(5.III.5)	<b>1,067,022</b>	<b>2,940,467</b>	<b>4,007,489</b>	<b>1,131,548</b>	<b>2,815,575</b>	<b>3,947,123</b>
3.1. Derivative Financial Instruments for Hedging Purposes		-	-	-	-	-	-
3.1.1. Fair Value Hedge		-	-	-	-	-	-
3.1.2. Cash Flow Hedge		-	-	-	-	-	-
3.1.3. Hedge of Net Investment in Foreign Operations		-	-	-	-	-	-
3.2. Held for Trading Transactions		1,067,022	2,940,467	4,007,489	1,131,548	2,815,575	3,947,123
3.2.1. Forward Foreign Currency Buy/Sell Transactions		204,037	496,282	700,319	96,677	335,032	431,709
3.2.1.1. Forward Foreign Currency Transactions-Buy		116,603	232,700	349,303	49,144	161,582	210,726
3.2.1.2. Forward Foreign Currency Transactions-Sell		87,434	263,582	351,016	47,533	173,450	220,983
3.2.2. Swap Transactions Related to F.C. and Interest Rates		431,863	1,651,919	2,083,782	818,001	2,226,766	3,044,767
3.2.2.1. Foreign Currency Swap-Buy		386,781	659,936	1,046,717	810,625	716,771	1,527,396
3.2.2.2. Foreign Currency Swap-Sell		45,082	991,983	1,037,065	7,376	1,509,995	1,517,371
3.2.2.3. Interest Rate Swaps-Buy		-	-	-	-	-	-
3.2.2.4. Interest Rate Swaps-Sell		-	-	-	-	-	-
3.2.3. Foreign Currency, Interest Rate and Securities Options		431,122	792,266	1,223,388	216,870	253,777	470,647
3.2.3.1. Foreign Currency Options-Buy		150,286	455,563	605,849	159,529	67,658	227,187
3.2.3.2. Foreign Currency Options-Sell		280,836	336,703	617,539	57,341	186,119	243,460
3.2.3.3. Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4. Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5. Securities Options-Buy		-	-	-	-	-	-
3.2.3.6. Securities Options-Sell		-	-	-	-	-	-
3.2.4. Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1. Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2. Foreign Currency Futures-sell		-	-	-	-	-	-
3.2.5. Interest Rate Futures		-	-	-	-	-	-
3.2.5.1. Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2. Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6. Other		-	-	-	-	-	-
<b>B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>		<b>18,504,947</b>	<b>10,980,084</b>	<b>29,485,031</b>	<b>8,890,815</b>	<b>6,981,026</b>	<b>15,871,841</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>210,940</b>	<b>63,714</b>	<b>274,654</b>	<b>146,402</b>	<b>38,032</b>	<b>184,434</b>
4.1. Assets under Management		107,920	-	107,920	41,389	-	41,389
4.2. Investment Securities Held in Custody		14,902	20,493	35,395	18,094	29,480	47,574
4.3. Checks Received for Collection		82,932	41,071	124,003	86,779	8,458	95,237
4.4. Commercial Notes Received for Collection		5,186	2,150	7,336	140	94	234
4.5. Other Assets Received for Collection		-	-	-	-	-	-
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items under Custody		-	-	-	-	-	-
4.8. Custodians		-	-	-	-	-	-
<b>V. PLEDGED ITEMS</b>		<b>18,290,679</b>	<b>10,909,997</b>	<b>29,200,676</b>	<b>8,742,998</b>	<b>6,936,396</b>	<b>15,679,394</b>
5.1. Marketable Securities		19,189	3,918	23,107	75,753	3,894	79,647
5.2. Guarantee Notes		53,835	11,252	65,087	9,313	4,012	13,325
5.3. Commodity		160,042	19,696	179,738	64,245	41,048	105,293
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		1,912,052	2,113,958	4,026,010	858,182	1,446,093	2,304,275
5.6. Other Pledged Items		16,145,561	8,761,173	24,906,734	7,735,505	5,441,349	13,176,854
5.7. Pledged Items-Depository		-	-	-	-	-	-
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>3,328</b>	<b>6,373</b>	<b>9,701</b>	<b>1,415</b>	<b>6,598</b>	<b>8,013</b>
<b>TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)</b>		<b>28,556,734</b>	<b>14,295,136</b>	<b>42,851,870</b>	<b>15,129,602</b>	<b>10,413,772</b>	<b>25,543,374</b>

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

**FİBABANKA A.Ş.**  
**UNCONSOLIDATED INCOME STATEMENT**  
**FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2012**  
(Amount expressed in thousands of Turkish Lira)

INCOME STATEMENT		Note	CURRENT PERIOD (01/01/2012- 31/12/2012)	PRIOR PERIOD (01/01/2011- 31/12/2011)
<b>I.</b>	<b>INTEREST INCOME</b>	(5.IV.1)	<b>335,525</b>	<b>168,442</b>
1.1	Interest Income on Loans		330,701	161,681
1.2	Interest Received from Statutory Reserves		-	-
1.3	Interest Received from Banks		698	3,246
1.4	Interest Received from Money Market Placements		167	310
1.5	Interest Received from Marketable Securities Portfolio		3,868	3,202
1.5.1	Financial Assets Held for Trading		1,674	2,087
1.5.2	Financial Assets at Fair Value Through Profit and Loss		-	-
1.5.3	Financial Assets Available for Sale		2,194	1,115
1.5.4	Investments Held to Maturity		-	-
1.6	Finance Lease Income		-	-
1.7	Other Interest Income		91	3
<b>II.</b>	<b>INTEREST EXPENSE</b>		<b>204,441</b>	<b>98,002</b>
2.1	Interest on Deposits	(5.IV.2)	182,158	84,072
2.2	Interest on Funds Borrowed	(5.IV.2)	12,550	13,523
2.3	Interest on Money Market Funds		-	-
2.4	Interest on Securities Issued	(5.IV.2)	8,948	-
2.5	Other Interest Expense		785	407
<b>III.</b>	<b>NET INTEREST INCOME/EXPENSE (I - II)</b>		<b>131,084</b>	<b>70,440</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME/EXPENSE</b>		<b>6,984</b>	<b>12,029</b>
4.1	Fees and Commissions Received		9,427	13,072
4.1.1	Non-cash Loans		2,845	2,168
4.1.2	Other	(5.IV.12)	6,582	10,904
4.2	Fees and Commissions Paid		2,443	1,043
4.2.1	Non-cash Loans		-	-
4.2.2	Other		2,443	1,043
<b>V.</b>	<b>DIVIDEND INCOME</b>	(5.IV.3)	-	-
<b>VI.</b>	<b>TRADING INCOME (Net)</b>	(5.IV.4)	<b>37,033</b>	<b>5,160</b>
6.1	Gains/Losses on Securities Trading		6,156	788
6.2	Derivative Financial Transactions Gains/Losses		33,534	6,108
6.3	Foreign Exchange Gains/Losses		(2,657)	(1,736)
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	(5.IV.5)	<b>4,725</b>	<b>3,368</b>
<b>VIII.</b>	<b>TOTAL OPERATING INCOME/EXPENSE (III+IV+V+VI+VII)</b>		<b>179,826</b>	<b>90,997</b>
<b>IX.</b>	<b>PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)</b>	(5.IV.6)	<b>23,951</b>	<b>18,248</b>
<b>X.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	(5.IV.7)	<b>95,557</b>	<b>64,808</b>
<b>XI.</b>	<b>NET OPERATING INCOME (VIII-IX-X)</b>		<b>60,318</b>	<b>7,941</b>
<b>XII.</b>	<b>AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER</b>		-	-
<b>XIII.</b>	<b>PROFIT/LOSS FROM ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD</b>		-	-
<b>XIV.</b>	<b>NET MONETARY POSITION GAIN/LOSS</b>		-	-
<b>XV.</b>	<b>PROFIT/LOSS ON CONTINUING OPERATIONS BEFORE TAX (XI+...+XIV)</b>	(5.IV.8)	<b>60,318</b>	<b>7,941</b>
<b>XVI.</b>	<b>TAX PROVISION FOR CONTINUING OPERATIONS (±)</b>	(5.IV.9)	<b>(14,603)</b>	<b>(2,754)</b>
16.1	Current Tax Charge		-	-
16.2	Deferred Tax Charge /(Benefit)		(14,603)	(2,754)
<b>XVII.</b>	<b>NET PERIOD PROFIT/LOSS FROM CONTINUING OPERATIONS (XV±XVI)</b>	(5.IV.10)	<b>45,715</b>	<b>5,187</b>
<b>XVIII.</b>	<b>INCOME ON DISCONTINUED OPERATIONS</b>		-	-
18.1	Income on Assets Held for Sale		-	-
18.2	Gain on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		-	-
18.3	Other Income on Discontinued Operations		-	-
<b>XIX.</b>	<b>EXPENSE ON DISCONTINUED OPERATIONS (-)</b>		-	-
19.1	Expense on Assets Held for Sale		-	-
19.2	Loss on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		-	-
19.3	Other Expense on Discontinued Operations		-	-
<b>XX.</b>	<b>PROFIT/LOSS ON DISCONTINUED OPERATIONS BEFORE TAX (XVIII-XIX)</b>		-	-
<b>XXI.</b>	<b>TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>		-	-
21.1	Current Tax Charge		-	-
21.2	Deferred Tax Charge /(Benefit)		-	-
<b>XXII.</b>	<b>NET PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)</b>		-	-
<b>XXIII.</b>	<b>NET PERIOD PROFIT/LOSS (XVII+XXII)</b>	(5.IV.11)	<b>45,715</b>	<b>5,187</b>
23.1	Group's Profit/Loss		45,715	5,187
23.2	Minority Interest		-	-
	Earnings per Share		0.00109	0.00017

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

FİBANKA A.Ş.

**UNCONSOLIDATED STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2012**

(Amount expressed in thousands of Turkish Lira)

STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER EQUITY		CURRENT PERIOD (01/01/2012 -31/12/2012)	PRIOR PERIOD (01/01/2011- 31/12/2011)
I.	ADDITIONS TO MARKETABLE SECURITIES REVALUATION RESERVES FROM FINANCIAL ASSETS AVAILABLE FOR SALE	2,564	(2,158)
II.	TANGIBLE ASSETS REVALUATION RESERVES	-	-
III.	INTANGIBLE ASSETS REVALUATION RESERVES	-	-
IV.	TRANSLATION ADJUSTMENT FOR FOREIGN CURRENCY TRANSACTIONS	-	-
V.	PROFIT/LOSS ON CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Portion of the Changes in Fair Value)	-	-
VI.	PROFIT/LOSS ON NET FOREIGN INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Portion of the Changes in Fair Value)	-	-
VII.	THE EFFECT OF CORRECTIONS OF THE ERRORS AND CHANGES IN THE ACCOUNTING POLICY	-	-
VIII.	OTHER INCOME AND EXPENSES RECOGNISED IN EQUITY IN ACCORDANCE WITH TAS	-	-
IX.	DEFERRED TAX EFFECT OF REVALUATION	(513)	431
X.	NET INCOME/EXPENSE DIRECTLY RECOGNISED IN EQUITY (I+II+...+IX)	2,051	(1,727)
XI.	PROFIT/LOSS FOR THE PERIOD	-	-
11.1	Net Changes in the Fair Values of Marketable Securities (Transfer to Profit/Loss)	-	-
11.2	The Portion of Cash-flow Hedge Derivative Financial Assets Reclassified in and Transferred to Income Statement	-	-
11.3	The Portion of Net Foreign Investment Hedge Derivative Financial Assets Reclassified in and Transferred to Income Statement	-	-
11.4	Other	-	-
XII.	TOTAL PROFIT/LOSS RECOGNISED FOR THE PERIOD (X±XI)	2,051	(1,727)

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

FIBABANKA A.Ş. UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2012 (Amount expressed in thousands of Turkish Lira)																				
CHANGES IN SHAREHOLDERS' EQUITY		Note	Paid-in Capital	Paid-in Capital Inflation Adjustment	Share Premium	Share Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Profit/Loss	Prior Period Profit/Loss	Marketable Securities Revaluation Reserve	Tangible and Intangible Assets Revaluation Reserve	Bonus Shares from Equity Participations	Hedge Funds	Accumulated Rev. Reserve on Assets Held for Sale and Discontinued Oper.	Total Equity Excluding Minority Interest	Minority Interests	Total Equity
PRIOR PERIOD (01/01/2011 - 31/12/2011)																				
I. Beginning Balance			202,535	17,416	-	-	-	-	-	-	(14,642)	(107,483)	-	9,502	-	-	-	107,328	-	107,328
II. Corrections made according TAS 8			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 The Effect of Correction of Errors (Note: 1.3)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 The Effect of Changes in Account Policies			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Balance (I-II)			202,535	17,416	-	-	-	-	-	-	(14,642)	(107,483)	-	9,502	-	-	-	107,328	-	107,328
Changes during the Period			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Increase/Decrease Due to Mergers			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Marketable Securities Revaluation Reserve			-	-	-	-	-	-	-	-	-	-	(1,727)	-	-	-	-	(1,727)	-	(1,727)
VI. Hedge Funds (Effective Portion)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1 Cash Flow Hedges			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2 Net Foreign Investment Hedges			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Tangible Assets Revaluation Reserve			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Intangible Assets Revaluation Reserve			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Bonus Shares from Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Foreign Exchange Differences			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. The Effect of Disposal of Assets			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. The Effect of Reclassification of Assets			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. The Effect of Changes in the Equity of Subsidiaries on the Equity of the Bank			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Capital Increase			122,465	-	-	-	-	-	-	-	-	-	-	-	-	-	-	122,465	-	122,465
14.1 Cash			122,465	-	-	-	-	-	-	-	-	-	-	-	-	-	-	122,465	-	122,465
14.2 Internal Sources			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Share Issue			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Share Cancellation Profits			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Paid-in-Capital Inflation Adjustment			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII. Other			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX. Net Profit/Loss for the Period			-	-	-	-	-	-	-	-	5,187	-	-	-	-	-	-	5,187	-	5,187
XX. Profit Distribution			-	-	-	-	-	-	-	-	14,642	(14,642)	-	-	-	-	-	-	-	-
20.1 Dividend Paid			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2 Transfer to Reserves			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.3 Other			-	-	-	-	-	-	-	-	14,642	(14,642)	-	-	-	-	-	-	-	-
Ending Balance (III+IV+V+.....+XVIII+XIX+XX)			325,000	17,416	-	-	-	-	-	-	5,187	(122,125)	(1,727)	9,502	-	-	-	233,253	-	233,253
CURRENT PERIOD (01/01/2012 - 31/12/2012)																				
I. Prior Period End Balance			325,000	17,416	-	-	-	-	-	-	5,187	(122,125)	(1,727)	9,502	-	-	-	233,253	-	233,253
Changes during the Period			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Increase/Decrease Due to Mergers			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Marketable Securities Revaluation Reserve			-	-	-	-	-	-	-	-	-	-	2,051	-	-	-	-	2,051	-	2,051
IV. Hedge Funds (Effective Portion)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Cash Flow Hedges			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Net Foreign Investment Hedges			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Tangible Assets Revaluation Reserve			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Intangible Assets Revaluation Reserve			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus Shares from Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign Exchange Differences			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. The Effect of Disposal of Assets			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. The Effect of Reclassification of Assets			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. The Effect of Changes in the Equity of Subsidiaries on the Equity of the Bank			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Capital Increase		(5.II.12)	101,650	-	-	-	-	-	-	-	-	-	-	-	-	-	-	101,650	-	101,650
12.1 Cash			101,650	-	-	-	-	-	-	-	-	-	-	-	-	-	-	101,650	-	101,650
12.2 Internal Sources			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Share Issue			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share Cancellation Profits			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Paid-in-Capital Inflation Adjustment			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Net Profit/Loss for the Period			-	-	-	-	-	-	-	-	45,715	-	-	-	-	-	-	45,715	-	45,715
XVIII. Profit Distribution			-	-	-	-	-	-	-	-	(5,187)	5,187	-	-	-	-	-	-	-	-
18.1 Dividend Paid			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfer to Reserves			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.3 Other			-	-	-	-	-	-	-	-	(5,187)	5,187	-	-	-	-	-	-	-	-
Ending Balance (I+II+III+....+XVI+XVII+XVIII)			426,650	17,416	-	-	-	-	-	-	45,715	(116,938)	324	9,502	-	-	-	382,669	-	382,669

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

**FİBABANKA A.Ş.**  
**UNCONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2012**  
(Amount expressed in thousands of Turkish Lira)

	Note	CURRENT PERIOD (01/01/2012- 31/12/2012)	PRIOR PERIOD (01/01/2011- 31/12/2011)
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1 Operating Profit/Loss before Changes in Operating Assets and Liabilities</b>		<b>77,231</b>	<b>1,390</b>
1.1.1 Interest Received (+)		316,523	150,138
1.1.2 Interest Paid (-)		200,270	81,666
1.1.3 Dividend Received (+)		-	-
1.1.4 Fees and Commissions Received (+)		10,654	13,108
1.1.5 Other Income (+)		41,648	8,299
1.1.6 Collections from Previously Written Off Loans (+)		1,227	765
1.1.7 Cash Payments to Personnel and Service Suppliers (-)		86,734	56,422
1.1.8 Taxes Paid (-)		4,033	2,278
1.1.9 Other (+/-)	(5.VI.3)	(1,784)	(30,554)
<b>1.2 Changes in Banking Operations Assets and Liabilities</b>		<b>(317,535)</b>	<b>(160,759)</b>
1.2.1 Net (Increase) Decrease in Financial Assets Held for Trading (+/-)		17,920	57,791
1.2.2 Net(Increase) Decrease in Financial Assets at Fair Value through Profit or Loss (+/-)		-	-
1.2.3 Net (Increase) Decrease in Due From Banks (+/-)		(150,173)	(80,049)
1.2.4 Net (Increase) Decrease in Loans (+/-)		(1,119,598)	(1,459,772)
1.2.5 Net (Increase) Decrease in Other Assets (+/-)	(5.VI.3)	(4,671)	(141)
1.2.6 Net Increase (Decrease) in Bank Deposits (+/-)		13,048	(76,130)
1.2.7 Net Increase (Decrease) in Other Deposits (+/-)		624,401	1,360,150
1.2.8 Net Increase (Decrease) in Borrower Funds (+/-)		277,575	27,063
1.2.9 Net Increase (Decrease) in Matured Payables (+/-)		-	-
1.2.10 Net Increase (Decrease) in Other Liabilities (+/-)	(5.VI.3)	23,963	10,329
<b>I Net Cash Flow Provided from Banking Operations (+/-)</b>		<b>(240,304)</b>	<b>(159,369)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			-
<b>II Net Cash Flow Provided from Investment Activities (+/-)</b>		<b>(94,846)</b>	<b>(29,132)</b>
2.1 Cash Paid for Purchase of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures) (-)		-	-
2.2 Cash Obtained from Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures) (+)		-	-
2.3 Tangible Asset Purchases (-)	(5.I.12)	7,779	8,615
2.4 Tangible Asset Sales (+)		7,111	2,930
2.5 Cash Paid for Purchase of Financial Assets Available for Sale (-)		146,477	52,181
2.6 Cash Obtained from Sales of Financial Assets Available for Sale (+)		55,721	34,451
2.7 Cash Paid for Purchase of Investment Securities (-)		-	-
2.8 Cash Obtained from Sales of Investment Securities (+)		-	-
2.9 Other (+/-)	(5.I.13)	(3,422)	(5,717)
<b>C. CASH FLOWS FROM FINANCIAL ACTIVITIES</b>			-
<b>III Net Cash Provided from Financing Activities (+/-)</b>		<b>311,094</b>	<b>224,115</b>
3.1 Cash Obtained from Funds Borrowed and Securities Issued (+)		452,808	-
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued (-)		141,714	-
3.3 Share Certificates Issued (+)		-	122,465
3.4 Dividends Paid (-)		-	-
3.5 Payments for Finance Leases (-)		-	-
3.6 Other (+/-)	(5.VI.3)	-	101,650
<b>IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-)</b>	(5.VI.3)	<b>(493)</b>	<b>11,220</b>
<b>V. Net Increase in Cash and Cash Equivalents (I+II+III+IV)</b>		<b>(24,549)</b>	<b>46,834</b>
<b>VI. Cash and Cash Equivalents at the Beginning of the Period (+)</b>	(5.VI.1)	<b>125,027</b>	<b>78,193</b>
<b>VII. Cash and Cash Equivalents at the End of the Period (V+VI)</b>	(5.VI.1)	<b>100,478</b>	<b>125,027</b>

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

**FİBABANKA A.Ş.**  
**UNCONSOLIDATED PROFIT DISTRIBUTION TABLE**  
**FOR THE PERIOD ENDED 31 DECEMBER 2012**  
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

	<b>CURRENT PERIOD (*)</b> <b>(31/12/2012)</b>	<b>PRIOR PERIOD</b> <b>(31/12/2011)</b>
<b>LDISTRIBUTION OF CURRENT YEAR PROFIT</b>		
1.1. CURRENT PERIOD PROFIT	60,318	7,941
1.2.TAXES AND DUES PAYABLE (-)	(14,603)	(2,754)
1.2.1.Corporate Tax (Income Tax)	-	-
1.2.2.Income Tax Withholding	-	-
1.2.3.Other Taxes and Dues Payable	(14,603)	(2,754)
<b>A. NET PROFIT FOR THE PERIOD (1.1-1.2)</b>	<b>45,715</b>	<b>5,187</b>
1.3.PRIOR YEARS' LOSSES (-)	116,938	122,125
1.4.FIRST LEGAL RESERVES (-)	-	-
1.5. OTHER STATUTORY RESERVES (-)	-	-
<b>B. NET PROFIT ATTRIBUTABLE TO [(A-(1.3+1.4+1.5)]</b>	<b>(71,223)</b>	<b>(116,938)</b>
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1 To Owners of Ordinary Shares	-	-
1.6.2 To Owners of Preferred Shares	-	-
1.6.3 To Preferred Shares (Preemptive Rights)	-	-
1.6.4 To Profit Sharing Bonds	-	-
1.6.5 To Holders of Profit / Loss Share Certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO THE BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To Owners of Ordinary Shares	-	-
1.9.2 To Owners of Preferred Shares	-	-
1.9.3 To Preferred Shares (Preemptive Rights)	-	-
1.9.4 To Profit Sharing Bonds	-	-
1.9.5 To Holders of Profit / Loss Share Certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	-
1.11 STATUTORY RESERVES (-)	-	-
1.12 EXTRAORDINARY RESERVES	-	-
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
<b>II. DISTRIBUTION FROM RESERVES</b>	-	-
2.1 DISTRIBUTED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To Owners of Ordinary Shares	-	-
2.3.2 To Owners of Preferred Shares	-	-
2.3.3 To Preferred Shares (Preemptive Rights)	-	-
2.3.4 To Profit Sharing Bonds	-	-
2.3.5 To Holders of Profit / Loss Share Certificates	-	-
2.4 DIVIDENDS TO PERSONNEL (-)	-	-
2.5 DIVIDENDS TO THE BOARD OF DIRECTORS (-)	-	-
<b>III. EARNINGS PER SHARE</b>	-	-
3.1 TO OWNERS OF ORDINARY SHARES	-	-
3.2 TO OWNERS OF ORDINARY SHARES (%)	0.0011	0.00017
3.3 TO OWNERS OF PREFERRED SHARES	-	-
3.4 TO OWNERS OF PREFERRED SHARES (%)	-	-
<b>IV. DIVIDEND PER SHARE</b>	-	-
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3 TO OWNERS OF PREFERRED SHARES	-	-
4.4 TO OWNERS OF PREFERRED SHARES (%)	-	-

(\*)The profit distribution decision for the year 2012 will be made in the General Assembly.

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

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY-31 DECEMBER 2012**

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

---

**SECTION THREE**

**ACCOUNTING PRINCIPLES**

**I. Explanations on the basis of presentation**

**1. Preparation of the financial statements and the accompanying footnotes in accordance with Turkish Accounting Standards and the Communiqué on Principles and Procedures on the Accounting Practice and Documentation of Banks**

The accompanying unconsolidated financial statements are prepared in accordance with Turkish Accounting Standards (“TAS”), Turkish Financial Reporting Standards (“TFRS”) and related appendices and interpretations (together “Turkish Accounting Standards” or “TAS”) and other regulations, communiqués and circulars issued in respect of accounting and financial reporting and pronouncements made by the Banking Regulation and Supervision Agency (“BRSA”), under the requirements of the Communiqué “Principles and Procedures on the Accounting Procedures and Retention of Banking Documentation” published in the Official Gazette numbered 26333 on 1 November 2006. The format and content of the unconsolidated financial statements and its accompanying footnotes are prepared in accordance with the Communiqué “Publicly Disclosed Financial Statements and the Accompanying Footnotes of Banks” and the appendices and amendments to the Communiqué published in the Official Gazette numbered 28337 on 28 June 2012. The Bank’s accounting records are prepared in TL amounts in accordance with the Banking Law, Turkish Commercial Code and Turkish Tax Legislation.

The financial statements are prepared in TL based on the historical cost convention, except for the financial assets and liabilities carried at fair value.

**2. Accounting policies and valuation principles applied in preparation of financial statements**

The accounting policies and valuation principles used in the preparation of the financial statements are selected and applied in accordance with the requirements set out in TAS, TFRS, the Communiqué “Principles and Procedures on the Accounting Procedures and Retention of Banking Documentation” published in the Official Gazette numbered 26333 on 1 November 2006, the Communiqué “Publicly Disclosed Financial Statements and the Accompanying Explanations and Footnotes by Banks” published in the Official Gazette numbered 28337 on 28 June 2012. The accounting policies and valuation principles applied in the preparation of the accompanying financial statements are explained in Notes II and XXIII below.

**II. Explanations on the usage strategy of financial instruments and on foreign currency transactions**

**1. Usage strategy of the financial instruments**

The major factor in managing interest rate and liquidity risk at the balance sheet is parallel movement of asset and liability side.

Exchange rate risk, interest rate risk and liquidity risk are controlled and measured by various risk management systems, and the balance sheet is managed under the limits set by these systems and the limits legally required. Value at risk models are used for this purpose.

Purchase-sale transactions of short and long-term financial instruments are realized within pre-determined risk limits that are allowed for the purpose of increasing risk-free return on capital.

The foreign currency position is controlled by the equilibrium of a currency basket to eliminate the foreign exchange risk.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY-31 DECEMBER 2012**

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

**2. Foreign currency transactions****2.1 Foreign currency exchange rates used in converting transactions denominated in foreign currencies and their presentation in the financial statements**

The Bank recognizes the foreign currency transactions in accordance with TAS 21 "The Effects of Changes in Foreign Exchange Rates". Foreign exchange gains and losses arising from the foreign currency transactions as of 31 December 2012 are translated into Turkish Lira by using the exchange rates at the date of the transaction and recognized in accounting records. At the end of the periods, foreign currency assets and liabilities are converted into Turkish Lira by using the spot foreign currency exchange rates of the Bank at the end of the period and the related currency translation differences are recognized as foreign exchange gains and losses.

As at the end of the related periods, the Bank's foreign currency exchange rates are as follows:

	<b>31 December 2012</b>	<b>31 December 2011</b>
US Dollar	1.7826	1.8889
Euro	2.3517	2.4438

**2.2 Foreign exchange gains and losses included in the income statement**

As of 31 December 2012, net foreign exchange loss included in the income statement amounts is TL 2,657 (31 December 2011: TL 1,736 loss).

**III. Explanations on forward transactions, options and derivative instruments**

The Bank's derivative transactions mainly consist of foreign currency swaps, foreign currency options and forward foreign currency purchase/sale contracts. The Bank does not have any embedded derivatives separated from the host contract.

In accordance with TAS 39 "Financial Instruments: Recognition and Measurement", forward foreign currency purchase/sale contracts, swaps and options are classified as "hedging purpose" and "trading purpose" transactions. Derivatives are initially recognized at cost including the transaction costs. Also, the assets and liabilities arising from the derivative transactions are recorded as off-balance sheet items at their contractual notional amounts. The derivative transactions held for trading are valued at fair-value using market prices or pricing models subsequent to initial recognition and are presented in "derivative financial assets held for trading" or "derivative financial liabilities held for trading" items of the balance sheet depending on the difference's being positive or negative. The derivative transactions held for hedging are valued at fair value using market prices or pricing models subsequent to initial recognition and are presented in "derivative financial assets held for hedging purpose" or "derivative financial liabilities held for hedging" items of the balance sheet depending on the difference's being positive or negative. Gains and losses arising from a change in the fair value are recognized in the income statement.

**IV. Explanations on interest income and expenses**

Interest income and expenses calculated using internal rate of return are recognized on accrual basis. In accordance with Banking Act No: 5411 Articles 53 and 93, based on the prevailing communique, interest accruals on loans becoming non-performing are reversed and also ceased to accrue interest on such loans until these loans are classified as performing or collected.

**V. Explanations on fee and commission income and expenses**

Fee and commission income / expenses are recognized based on cash basis or accrual basis upon the nature of the transaction.



**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY-31 DECEMBER 2012**

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

---

**VI. Explanations on financial assets**

Financial assets include cash on hand, contractual rights to receive cash or another financial asset from the counterparty or the right to exchange of financial instruments or equity instrument transactions of the counterparty. Financial assets are classified into four groups as financial assets at fair value through profit or loss, held to maturity investments, loans and receivables and available-for-sale financial assets.

**1. Financial assets at fair value through profit or loss**

**1.1 *Financial assets held for trading***

Financial assets held for trading are recognized at their fair values and any gain or losses resulting from such valuation are recorded in the profit and loss accounts. Interests received during the holding period of such financial assets and the difference between the amortized cost (calculated using internal rate of return) and the acquisition cost are recognized as interest income in the income statement. Gains and losses on sale of held for trading financial assets before their maturity and the difference between market value and amortized cost (calculated using internal rate of return) of such financial assets are recognized in gains and losses on securities trading under income statement.

**1.2 *Financial assets at fair value through profit or loss***

The Bank does not have any financial assets designated as “financial assets at fair value through profit or loss”.

**2. Available for sale financial assets**

Financial assets available-for-sale, are financial assets other than assets held for trading purposes, investments held-to-maturity and originated loans and receivables. Financial assets available-for-sale are measured at their fair values subsequently.

Interest income of the investments securities available-for-sale; based on the internal rate of return; are included in the income statement. Unrecognized gain/losses derived from the difference between their fair value and the discounted values are recorded in “Marketable Securities Revaluation Reserve” under the shareholders’ equity. In case of disposal, gains/losses recognized under equity are realized and recognized directly in the income statement.

Purchase and sale transactions of securities are accounted for on a settlement date basis.

**3. Held to maturity investments**

The Bank does not have any held to maturity investments as of 31 December 2012.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY-31 DECEMBER 2012**

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

---

**4. Loans and receivables**

Loans and receivables are financial assets, which are generated by providing funds, goods or services to the debtor.

Loans and receivables are financial assets with fixed or determinable repayment schedules and they are not traded in an active market.

Loans are initially measured at their acquisition cost and subsequently measured at amortized cost calculated using effective interest rate method in accordance with TAS 39 “Financial Instruments: Recognition and Measurement”. Duty charges, transaction fees and other expenses paid for the collaterals of the loans are considered as part of the transaction costs and charged to the customers.

**VII. Explanations on impairment of financial assets**

Financial asset or groups of financial assets are reviewed by the Bank at each balance sheet date to determine whether there is objective evidence of impairment. If any such indicator exists, the Bank determines the amount of impairment.

Impairment loss incurs if, and only if, there is objective evidence that the reliably estimated future cash flows of financial asset or group of financial assets are adversely affected by an event(s) (“loss event(s)”) incurred subsequent to initial recognition.

The Bank provides specific and general allowances for loan and other receivables classified in accordance with the Communiqué published on the Official Gazette No.2633 dated November 1, 2006. The allowances are recorded in the income statement of the related period.

**VIII. Explanations on offsetting financial instruments**

If the fair values of equity shares held for trading and quoted at the stock exchanges are lower than their carrying values, allowance for impairment is recognized and the recognized impairment is offset with the related assets on the face of the balance sheet.

Specific allowances for non-performing loan and other receivables are provided in accordance with “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves”. Such allowances are offset with loans under follow-up on the asset side. Other financial assets and liabilities are offset when the Bank has a legally enforceable right to offset.

**IX. Explanations on sale and repurchase agreements and securities lending transactions**

Securities subject to repo (repurchase agreements) are classified as “Financial assets at fair value through profit and loss”, “Financial assets available for sale” or “Investments held to maturity” according to their purposes to be held in the Bank’s portfolio and evaluated within the principles of the relevant portfolio. Funds obtained from repurchase agreements are followed under the “Funds from repo transactions” account in liabilities, and interest expense accruals are calculated using the effective interest (internal rate of return) method on the difference between the sales and repurchase prices corresponding to the period designated by a repurchase agreement.

Reverse repo transactions are recorded under the “Receivables from reverse repurchase agreements” account.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY-31 DECEMBER 2012**

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

---

**X. Explanations on noncurrent assets held for sale and discontinued operations and the related liabilities**

A tangible asset (or a disposal group) classified as “asset held for sale” is measured at the lower of the carrying value or fair value less costs to sell. Assets held for sale are not depreciated and presented in the financial statements separately. An asset (or a disposal group) is regarded as “asset held for sale” only when the sale is highly probable and the asset (or disposal group) 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 marketed at a price consistent with its fair value. Events or circumstances may extend the period to complete the sale beyond one year. An extension of the period required to complete a sale does not preclude an asset (or disposal group) from being classified as held for sale if the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset (or disposal group).

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

**XI. Explanations on goodwill and other intangible assets**

As at the balance sheet date, there is no goodwill in the accompanying financial statements. The intangible assets of the Bank consist of software, intangible rights and other intangible assets.

The costs of the intangible assets purchased before 1 January 2005 are recognized at their inflation adjusted costs as of 31 December 2004 and intangible assets purchased after 1 January 2005 are recognized at their acquisition cost less accumulated amortization and impairment, if any.

Estimated useful lives of the intangible assets are 3 to 10 years, and amortization rates are 10% to 33.3%.

If there is objective evidence of impairment, the asset’s recoverable amount is estimated in accordance with the Turkish Accounting Standard 36 (TAS 36) “Impairment of Assets” and if the recoverable amount is less than the carrying value of the related asset, an allowance for impairment is recognized.

**XII. Explanations on tangible assets**

Tangible assets are measured at cost in accordance with the Turkish Accounting Standard 16 (TAS 16) “Tangible Assets”.

The costs of the tangible assets purchased before 1 January 2005 are recognized at their inflation adjusted costs as of 31 December 2004 and tangible assets purchased after 1 January 2005 are recognized at their acquisition cost less accumulated depreciation and impairment, if any.

If there is objective evidence of impairment, the asset's recoverable amount is estimated in accordance with the Turkish Accounting Standard 36 (TAS 36) "Impairment of Assets" and if the recoverable amount is less than the carrying value of the related asset, an allowance for impairment is recognized.

Gains/losses from the sale of the tangible assets are calculated as the difference between the net book value and the net sales price.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY-31 DECEMBER 2012**

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

---

**XII. Explanations on tangible assets (continued)**

Maintenance and repair costs incurred for tangible assets are recorded as expense.

There are no restrictions such as pledges, mortgages or any other restriction on tangible assets.

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

Depreciation rates and estimated useful lives used for the tangible assets are as follows:

<b>Tangible Asset</b>	<b>Estimated useful lives (Years)</b>	<b>Depreciation Rate (%)</b>
Safe boxes	2-50	2-50
Vehicles	5	20
Other Tangible Assets	4-50	2-25

**XIII. Explanations on leasing transactions**

The Bank does not have any finance lease contract as a “lesser” or “lessee”.

If the operating lease contracts are terminated earlier than their maturity dates, the penalty charges to be paid to the lesser are recorded as expense at the end of the leasing period based on the cash payment. There is no operating lease contract terminated earlier than the maturity date.

**XIV. Explanations on provisions and contingent liabilities**

Provisions and contingent liabilities are accounted in accordance with TAS 37 "Provisions, Contingent Liabilities and Contingent Assets". In the financial statements, a provision is made if there is a present obligation that arises from past events as of the balance sheet date, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and if a reliable estimate can be made of the amount of the obligation. If the amount is not reliably estimated and there is no probability of cash outflow from the Bank to settle the liability, the related liability is considered as “contingent” and disclosed in the notes to the financial statements.

Provisions recognized during the period are recognized within “other operating expenses”; reversals of provisions recognized in the prior periods are recognized within “other operating income”.

**XV. Explanations on contingent assets**

The contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the Bank. If an inflow of economic benefits has become probable, then the contingent asset is disclosed in the notes to 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.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY-31 DECEMBER 2012**

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

**XVI. Explanations on liabilities for employee benefits**

As per the existing labor law in Turkey, the banks are required to pay 30 days' salary for each working year to the employees retired or fired except for resignations or misbehaviors specified in the Turkish Labor Law. The Bank recognizes its obligations relating to the rights of by using actuarial method and discounts with the valid average rate of return on government bonds valid as at the balance sheet date in accordance with TAS 19 "Employee Benefits".

The major assumptions used in the actuarial calculation are as follows:

	31 December 2012	31 December 2011
	%	%
Discount Rate	7.0	10.0
Inflation Rate	5.0	5.1

Total liabilities are calculated by applying the ceiling of severance pay.

The Bank provided for undiscounted short-term employee benefits earned during the financial periods as per services rendered in compliance with TAS 19.

The Bank does not have any employee working for a limited term contract whose contract term expires longer than 12 months.

There is no employee foundation, fund or similar institutions.

**XVII. Explanations on taxation****1. Current Tax**

Statutory income is subject to corporate tax at 20% effective from 1 January 2006 according to Corporate Tax Law No: 5520 published in Official Gazette No: 26205 dated 21 September 2006.

Corporate tax return is declared between the 1<sup>st</sup> and 25<sup>th</sup> day of the fourth month following the first day of the fiscal year end and paid until the end of the fourth month as a single installment.

In accordance with the Corporate Tax Law, the tax losses can be carried forward to offset against future taxable income for up to five years. Declarations and related accounting records can be inspected within 5 years by tax authorities and the tax calculations can be controlled.

Since 24 April 2003, including the year 2002 and earlier periods, the period income is not subject to withholding tax if it is not distributed, is transferred to share capital or is distributed to resident companies while the profit distribution to the resident natural persons, to the ones exempt from corporate and income taxes, to the foreign based tax payers (except the ones generating dividend income through their operations or permanent representative offices in Turkey) is subject to withholding tax at 10% of the profit distribution. As per decision of the Council of Ministers No. 2006/10731, dated 22 July 2006 the profit distribution to the resident natural persons, to the ones exempt from corporate and income taxes, to the foreign based tax payers (except the ones generating dividend income through their operations or permanent representative offices in Turkey) is subject to withholding tax at 15% of the profit distribution as of 23 July 2006.

There is no corporate tax liability of the Bank as of 31 December 2012.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY-31 DECEMBER 2012**

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

---

**XVII. Explanations on taxation (continued)**

**2. Deferred tax**

The Bank calculates and recognizes tax for taxable temporary differences arising between the carrying values of assets and liabilities in the financial statements and their corresponding balances considered in the calculation of the tax base according to the Turkish Accounting Standard 12 (TAS 12) “Income Taxes”.

As of 31 December 2012, the deferred tax asset is TL 5,356 and arises mostly from carry forward tax losses (31 December 2011: TL 20,472). The deferred tax asset is calculated as the net of carry forward tax losses, taxable and deductible temporary differences.

Deferred tax benefit/ (charge) is recognized within “Deferred tax benefit/(charge)” in the income statement. As of 31 December 2012, deferred tax charge is TL 14,603 (31 December 2011: TL 2,754). Deferred tax effects of the transactions and events recognized directly in the shareholders’ equity are also recognized directly in the shareholders’ equity which is TL 82 (charge) as of 31 December 2012 (31 December 2011: TL 431 benefit).

**3. Transfer pricing**

The article 13 of the Corporate Tax Law describes the issue of transfer pricing under the title of “disguised profit distribution” by way of transfer pricing. “The General Communiqué on Disguised Profit Distribution by Way of Transfer Pricing” published at 18 November 2007, explains the application related issues on this topic.

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 stated in the “7.1 Annual Documentation” 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.

**XVIII. Additional explanations on borrowings**

The Bank provides resources from both domestic and foreign foundations and real persons through borrowings and securities issued.

Borrowing funds are initially measured at acquisition cost and subsequently measured at amortized cost. In the accompanying financial statements, foreign currency denominated borrowing funds are translated to Turkish Lira with the Bank’s spot foreign exchange buying rates and interest expenses incurred during the period relating to the borrowing funds are recognized in income statement.

The Bank applies general hedging techniques for mitigating the liquidity risk, interest rate risk and currency risk of the borrowing funds. Those techniques do not meet the definition of hedge accounting according to TAS 39. There are no convertible bonds or any other bonds issued by the Bank as at the balance sheet date.

**XIX. Explanations on share certificates issued**

None.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY-31 DECEMBER 2012**

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

**XX. Explanations on bank acceptances and bills of guarantee**

Bank acceptances and bills of guarantee are presented within off-balance sheet liabilities as being possible liabilities and commitments. Cash transactions relating to bank acceptances and bills of guarantee are realized concurrently with the customer payments.

As of the balance sheet date, there are no bank acceptances and bills of guarantee recognized as liability against an asset.

**XXI. Explanation on government incentives**

As of the balance sheet date, the Bank does not have any government incentives

**XXII. Explanations on segment reporting**

The Bank operates in customer banking services, individual customer current accounts, deposit accounts, long term investment products, clearing and custody services, credit and atm services, retail loans, long term mortgage loans, and all other kinds of customer banking services and commercial services.

<b>Current Period 1 January – 31 December 2012</b>	<b>Retail Banking*</b>	<b>Commerical Banking*</b>	<b>Treasury</b>	<b>Other*</b>	<b>Total Operations of the Bank</b>
Operating Income	24,350	121,014	13,629	20,833	179,826
Operating Profit	2,955	61,906	12,150	(16,693)	60,318
Taxation					(14,603)
<b>Net Profit/(Loss) for the Period</b>					<b>45,715</b>
<b>Current Period- 31 December 2012</b>					
Segment Assets	266,393	2,938,669	354,065	299,180	3,858,309
Unallocated Assets					41,923
<b>Total Assets</b>					<b>3,900,232</b>
Segment Liabilities	1,571,841	1,065,029	549,628	270,625	3,457,123
Unallocated Liabilities					60,440
Shareholders' Equity					382,669
<b>Total Liabilities</b>					<b>3,900,232</b>

<b>Prior Period 1 January – 31 December 2011</b>	<b>Treasury</b>	<b>Other</b>	<b>Total Operations of the Bank</b>
Operating Income	3,394	87,603	90,997
Operating Profit/(Loss)	2,673	5,268	7,941
Taxation			(2,754)
<b>Net Profit for the Period</b>			<b>5,187</b>
<b>Prior Period- 31 December 2011</b>			
Segment Assets	105,542	2,333,585	2,439,127
Unallocated Assets			47,622
<b>Total Assets</b>			<b>2,486,749</b>
Segment Liabilities	62,050	2,064,109	2,126,159
Unallocated Liabilities			127,337
Shareholders' Equity			233,253
<b>Total Liabilities</b>			<b>2,486,749</b>

\* Starting from March 2012, the Bank reports the operations of Retail and Commercial Banking segments which were included in "Other" segment in the year 2011. The information prior to that date is included in "Other" segment.



**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY-31 DECEMBER 2012**

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

---

**XXIII. Other matters**

None.

**SECTION FOUR**

**FINANCIAL POSITION AND RISK MANAGEMENT**

**I. Explanations on capital adequacy ratio**

As of 31 December 2012, the unconsolidated capital adequacy ratio is 14.32%.

**1. The risk measurement methods used in the determination of capital adequacy ratio**

The calculation of the capital adequacy ratio is performed in accordance with "Regulation on Measurement and Assessment of Capital Adequacy of Banks" which was published in the Official Gazette No. 28337, dated 28 June 2012. In the calculation of capital adequacy ratio, the data prepared from accounting records in compliance with the current legislation are used.

The items deducted from the equity in the calculation of the shareholders' equity are not included in the calculation of risk-weighted assets, non-cash loans and contingent liabilities. In the calculation of risk weighted assets, the assets subject to amortisation or impairment, are taken into account on a net basis after being reduced by the related amortisations and provisions.

Credit risk is calculated by using Standardized Approach the CSA simple method. Cash risk amount is classified in accordance with Article 6 of the "Regulation on Measurement and Assessment of Capital Adequacy of Banks". Risk weights are applied as per "Regulation on Measurement and Assessment of Capital Adequacy of Banks-Annex 1" after applying the risk mitigation techniques in accordance with the "The Regulation on Credit Risk Mitigation Techniques".

In the calculation of the value at credit risk for the non-cash loans and commitments such transactions are weighted after netting with specific provisions that are classified under liabilities and calculated based on the "Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables" published in the Official Gazette No. 26333, dated 11 January 2006, The net amounts are then multiplied by the rate of; if the risk is high one hundred percent, if the risk is medium fifty percent if the risk is medium/low twenty percent and if the risk is low zero percent; reduced as per the "Regulation on Credit Risk Mitigation Techniques" and then included in the relevant exposure category defined in the Article 6 of the "Regulation on Measurement and Assessment of Capital Adequacy of Banks" and weighted as per "Appendix-1 of the Regulation on Measurement and Assessment of Capital Adequacy of Banks".

In the calculation of the value at credit risk for the derivative financial instruments, the receivables from counterparties are multiplied by the rates stated in the Article 21 and Appendix-2 of "the Regulation on Measurement and Assessment of Capital Adequacy of Banks", reduced as per the "Regulation on Credit Risk Mitigation Techniques" and then included in the relevant exposure category and weighted for a second time. The risk amount related to the Bank's derivative financial instruments are calculated using the "Fair Value Method".

The Bank determines its risk profile, in accordance with the Regulation on Internal Systems of Banks, by setting the measurement criteria for credit risk, market risk, operational risk, interest risk arising from the banking book, concentration risk, liquidity risk, reputation risk, strategic risk and the other type of risks identified at the minimum.



**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY-31 DECEMBER 2012**

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

The Bank is developing an assessment method for internal capital adequacy utilising the concentration risks identified based on current risk profile and stress tests approved by the Risk Committee.

**2. Information on the unconsolidated capital adequacy ratio**

	%0	%10	%20	%50	%75	%100	%150	%200
<b>Credit Risk Related Amount</b>								
<b>Exposure Categories</b>	<b>578,334</b>	<b>--</b>	<b>18,517</b>	<b>839,675</b>	<b>41,968</b>	<b>2,688,920</b>	<b>17,218</b>	<b>29,971</b>
Conditional and Unconditional Receivables from Central Governments or Central Banks	409,357	--	--	--	--	--	--	--
Conditional and Unconditional Receivables from Regional or Local Governments	--	--	--	--	--	--	--	--
Conditional and Unconditional Receivables from Administrative Units and Non-Commercial Enterprises	--	--	--	--	--	--	--	--
Conditional and Unconditional Receivables from Multilateral Development Banks	--	--	--	--	--	--	--	--
Conditional and Unconditional Receivables from International Organisations	--	--	--	--	--	--	--	--
Conditional and Unconditional Receivables from Banks and Brokerage Houses	69,797	--	18,517	128,806	--	1,635	23	--
Conditional and Unconditional Corporate Receivables	74,947	--	--	30,991	--	2,446,353	--	--
Conditional and Unconditional Retail Receivables	3,777	--	--	--	41,968	--	--	--
Conditional and Unconditional Receivables Secured by Mortgages	--	--	--	678,803	--	153,402	--	--
Past Due Receivables	--	--	--	1,048	--	8,574	1,834	--
Receivables Defined in High Risk Category by BRSA	--	--	--	27	--	332	15,361	29,971
Securities Collateralised by Mortgages	--	--	--	--	--	--	--	--
Securitisation Positions	--	--	--	--	--	--	--	--
Short-term Receivables from banks, Brokerage Houses and Corporates	--	--	--	--	--	--	--	--
Investments Similar to Collective Investment Funds	--	--	--	--	--	--	--	--
Other Receivables	20,456	--	--	--	--	78,624	--	--
<b>Total Risk Weighted Assets</b>	<b>578,334</b>	<b>--</b>	<b>18,517</b>	<b>839,675</b>	<b>41,968</b>	<b>2,688,920</b>	<b>17,218</b>	<b>29,971</b>

**3. Summary information related to the unconsolidated capital adequacy ratio**

	Current Period
Capital Requirement for Credit Risk (Value at Credit Risk*0.08) (CRCR)	258,376
Capital Requirement for Market Risk (CRMR)	3,083
Capital Requirement for Operational Risk (CROR)	7,300
Shareholders' Equity	481,160
<b>Shareholders' Equity/((CRCR+MRMR+ORCR) * 12.5) * 100</b>	<b>%14.32</b>

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY-31 DECEMBER 2012

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

### 4. Information related to the components of shareholders' equity

	Current Period	Prior Period
<b>CORE CAPITAL</b>		
Paid-in capital	426,650	325,000
Nominal capital	426,650	325,000
Capital commitments (-)	--	--
Inflation adjustment to share capital	17,416	17,416
Share premium	--	--
Share cancellation profits	--	--
Legal reserves	--	--
Inflation adjustment to legal reserves	--	--
Profit	50,902	5,187
Current period profit	45,715	5,187
Prior periods' profits	5,187	--
Provision for probable risks up to 25% of the Core Capital	--	--
Profit on disposal of associates, subsidiaries and immovables to be transferred to share capital	9,502	9,502
Primary subordinated loans	--	--
Portion of losses not covered with reserves (-)	122,125	122,125
Net current period loss	--	--
Prior years' losses	122,125	122,125
Leasehold improvements (-)	8,848	5,596
Intangible assets (-)	6,211	6,074
Deferred tax asset amount exceeding 10% of the Core Capital (-)	--	--
Limit Exceeding Amount Regarding the Third Clause of the Article 56 of the Law (-)	--	--
<b>Total Core Capital</b>	<b>367,286</b>	<b>223,310</b>
<b>SUPPLEMENTARY CAPITAL</b>		
General loan loss provisions	35,616	22,753
45% of the revaluation reserve for movable fixed assets	--	--
45% of the of revaluation reserve for properties	--	--
Bonus shares obtained from associates, subsidiaries and entities under common control	--	--
Primary subordinated loans that are not considered in the calculation of Core Capital	--	--
Secondary subordinated loans (*)	78,114	101,650
45% of available-for-sale financial assets and investments in associates and subsidiaries' valuation funds	144	(1,727)
Inflation adjustment to capital reserve, profit reserve and prior years' income or loss (Except inflation adjustment to legal reserves, status reserves and extraordinary reserves)	--	--
<b>Total Supplementary Capital</b>	<b>113,874</b>	<b>122,676</b>
<b>CAPITAL</b>	<b>481,160</b>	<b>345,986</b>
<b>DEDUCTIONS FROM THE CAPITAL</b>	<b>--</b>	<b>72</b>
Unconsolidated investments in Entities (domestic/foreign) Operating in Banking and Financial Sectors at 10% or more	--	--
Investments in Entities (domestic/foreign) Operating in Banking and Financial Sectors at less than 10%, Exceeding 10% or More of the Total Core and Supplementary Capitals	--	--
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Secondary Subordinated Debts and Debt Instruments Purchased from Such Parties Qualified as Primary or Secondary Subordinated Debts	--	--
Loans Granted against the Articles 50 and 51 of the Banking Law	--	--
Net Book Values of Immovables Exceeding 50% of the Equity and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law but Retained More Than Five Years	--	--
Securitization Positions to be Deducted from Equity	--	--
Other	--	72
<b>Total Shareholders' Equity</b>	<b>481,160</b>	<b>345,914</b>

(\*)In the prior year, the capital increase amount of TL 101,650 is accounted under the "Secondary subordinated loans" per BRSA approval until the registration of such increase. The extraordinary General Assembly was held on 26 January 2012 and the increase in paid in capital was registered. Accordingly, the Bank's capital increased to TL 426,650.

Current period secondary subordinated loan figure amounting to TL 78,114 represents the subordinated loan provided by Fiba Holding A.Ş.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY-31 DECEMBER 2012**

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

---

**II. Explanations on credit risk**

Credit risk is defined as risks and losses that may occur if the counterparty fails to comply with the agreement's requirements and can not perform its obligations partially or completely on the terms set.

The debtors or group of debtors are subject to credit risk limits. The debtors' or group of debtors' and industrial risk limitations are monitored weekly. Industry concentration is followed monthly.

Credit risk limits and breakdowns for daily transactions are watched daily. Risk concentrations of non-balance sheet risks are followed by remote and on-site inspections.

Credit worthiness of both commercial loans' and other receivables' debtors are being regularly monitored in accordance with the regulations. By utilizing risk rating models which were developed for these purposes, in case the debtors' risk level increases, credit lines are readjusted and additional collaterals are received if needed. The necessary documentation for utilized loans are taken in compliance with the related legislation.

In accordance with the Bank's lending policies, the debtor's creditworthiness is analyzed and the adequate collateral is obtained based on the financial position of the company and the type of loan; such as cash collateral, bank guarantees, mortgages, pledges, bills and corporate guarantees.

There are control limits based on VaR over the positions of the Bank which are held as futures, option contracts and other similar contracts. The credit risks carried for such instruments are managed together with the risks arising from market fluctuations.

Indemnified non-cash loans are subject to the same risk weight with overdue loans. As of 31 December 2012, the Bank does not have any indemnified loans.

The Bank performs foreign trade finance and other interbank credit transactions through widespread correspondent network. Accordingly, the Bank assigns lines periodically to domestic banks, foreign banks and other financial institutions based on review of their credit worthiness.

As being an active participant in the international banking market and considered together with the other financial institutions' financial operations, the Bank's is not exposed to significant credit risk.

Within the Bank's risk appetite policy, the following concentrations are measured. They are presented to the Asset and Liability Committee weekly and to the Risk Committee monthly.

As per Customer Group Concentration, Top 20 corporate debtor's / risk group's credit risk sum shall not exceed 35% of the Bank's total credit risk.

Within the industry concentration, the Bank has set its risk appetite as "reasonable", not to exceed 10% of total loans per sector except the industries listed below.

<u>Industry</u>	<u>Proportional Limit</u>
Construction	%20
Tourism	%20
Factoring	%15
Wholesale and Retail Sale	%15

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY-31 DECEMBER 2012**

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

**II. Explanations on Credit Risk (Continued)**

Within the framework of risk appetite policy, the sum of long-term loans which have a maturity more than 1 year, shall not exceed 45% of the bank's total loans. This ratio is monitored on a weekly basis at the Asset and Liability Committee and on a monthly basis at the Risk Committee.

The Bank's largest 100 and 200 cash loan customers compose 58% and 71% of the total cash loan portfolio, respectively (31 December 2011: 63% and 75%, respectively).

The Bank's largest 100 and 200 non-cash loan customers compose 90% and 99% of the total non-cash loan portfolio, respectively (31 December 2011: 95% and 100%, respectively).

The Bank's largest 100 and 200 cash and non-cash loan customers represent 46% and 57% of the total "on and off balance sheet" assets, respectively (31 December 2011: 59% and 71%, respectively).

The general provision for consolidated credit risk amounts to TL 35,616 (31 December 2011: TL 22,753).

	<b>Curent Period Risk Amount *</b>	<b>Average Risk Amount **</b>
<b>Exposure Categories</b>		
Conditional and Unconditional Exposures to Central Governments or Central Banks	409,357	334,888
Conditional and Unconditional Exposures to Banks and Brokerage Houses	218,778	79,342
Conditional and Unconditional Exposures to Corporates	2,552,291	2,181,117
Conditional and Unconditional Retail Exposures	45,745	166,080
Conditional and Unconditional Exposures Secured by Real Estate Property	832,205	657,692
Past Due Receivables	11,456	9,905
Receivables Defined in High Risk Category by BRSA	45,691	35,947
Other Receivables	99,080	151,571
<b>Total</b>	<b>4,214,603</b>	<b>3,616,542</b>

(\*) Includes total risk amounts before the effect of credit risk mitigation but after credit conversions.

(\*\*) Average risk amounts are the arithmetical average of the amounts in monthly reports prepared starting from the date of publication of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" (28 June 2012) to the period end.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY-31 DECEMBER 2012**

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

**1. Profile of significant exposures in major regions:**

	Conditional and Unconditiona l exposures to central governments or central banks	Conditional and Unconditiona l exposures to banks and brokerage houses	Conditional and Unconditiona l exposures to corporates	Conditional and Unconditiona l retail exposures	Conditional and Unconditiona l exposures secured by real estate property	Past due receivables	Receivables defined in high risk category by BRSA	Other receiva bles	Total
<b>Current Period *</b>									
Domestic	409,357	171,260	2,454,165	45,624	831,369	11,456	45,691	--	3,968,922
European Union (EU) Countries	--	9,627	77,109	60	--	--	--	--	86,796
OECD Countries **	--	19	--	43	485	--	--	--	547
Off-Shore									
Banking Regions	--	--	--	--	--	--	--	--	--
USA, Canada	--	5,261	--	--	15	--	--	--	5,276
Other Countries	--	32,611	21,017	18	336	--	--	--	53,982
Associates, Subsidiaries and Joint –ventures	--	--	--	--	--	--	--	--	--
Unallocated Assets/Liabilities ***	--	--	--	--	--	--	--	99,080	99,080
<b>Total</b>	<b>409,357</b>	<b>218,778</b>	<b>2,552,291</b>	<b>45,745</b>	<b>832,205</b>	<b>11,456</b>	<b>45,691</b>	<b>99,080</b>	<b>4,214,603</b>

\* Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

\*\* Includes OECD countries other than EU countries, USA and Canada.

\*\*\* Includes assets and liability items that can not be allocated on a consistent basis.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY-31 DECEMBER 2012**

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

**2. Risk profile by sectors or counterparties**

Sectors / Counterparties	1	2	3	4	5	6	7	8	TL	FC	Total
<b>Agricultural</b>	--	--	<b>67,887</b>	<b>627</b>	<b>4,798</b>	--	--	--	<b>54,916</b>	<b>18,396</b>	<b>73,312</b>
Farming and Stockbreeding	--	--	39,536	482	4,798	--	--	--	37,290	7,526	44,816
Forestry	--	--	10,904	140	--	--	--	--	10,031	1,013	11,044
Fishing	--	--	17,447	5	--	--	--	--	7,595	9,857	17,452
<b>Manufacturing</b>	--	--	<b>851,042</b>	<b>9,597</b>	<b>184,308</b>	<b>3,950</b>	<b>119</b>	--	<b>616,836</b>	<b>432,180</b>	<b>1,049,016</b>
Mining and Quarrying	--	--	24,218	1,669	11,938	85	23	--	13,432	24,501	37,933
Production	--	--	726,816	7,928	172,370	3,818	96	--	522,527	388,501	911,028
Electricity, Gas and Water	--	--	100,008	--	--	47	--	--	80,877	19,178	100,055
<b>Construction</b>	--	--	<b>388,567</b>	<b>2,688</b>	<b>128,549</b>	<b>3,262</b>	<b>44</b>	--	<b>367,203</b>	<b>155,907</b>	<b>523,110</b>
<b>Services</b>	<b>409,357</b>	<b>218,778</b>	<b>1,104,459</b>	<b>7,238</b>	<b>309,740</b>	<b>1,488</b>	<b>952</b>	--	<b>872,579</b>	<b>1,179,433</b>	<b>2,052,012</b>
Wholesale and Retail Trade	--	--	306,445	3,570	30,552	791	11	--	295,164	46,205	341,369
Accommodation and Dining	--	--	280,775	956	243,663	268	18	--	73,010	452,670	525,680
Transportation and Telecommunication	--	--	130,475	1,150	16,703	427	483	--	64,189	85,049	149,238
Financial Institutions	409,357	218,778	163,345	881	1,897	--	307	--	338,205	456,360	794,565
Real Estate and Rental Services	--	--	142,693	100	5,112	--	--	--	10,256	137,649	147,905
Professional Services	--	--	25	--	--	--	--	--	25	--	25
Educational Services	--	--	8,503	144	234	2	62	--	8,711	234	8,945
Health and Social Services	--	--	72,198	437	11,579	--	71	--	83,019	1,266	84,285
<b>Other</b>	--	--	<b>140,336</b>	<b>25,595</b>	<b>204,810</b>	<b>2,756</b>	<b>44,576</b>	<b>99,080</b>	<b>299,220</b>	<b>217,933</b>	<b>517,153</b>
<b>Total*</b>	<b>409,357</b>	<b>218,778</b>	<b>2,552,291</b>	<b>45,745</b>	<b>832,205</b>	<b>11,456</b>	<b>45,691</b>	<b>99,080</b>	<b>2,210,754</b>	<b>2,003,849</b>	<b>4,214,603</b>

\* Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

1: Conditional and Unconditional exposures to central governments or central banks

2: Conditional and Unconditional exposures to banks and brokerage houses

3: Conditional and Unconditional exposures to corporates

4: Conditional and Unconditional retail exposures

5: Conditional and Unconditional exposures secured by real estate property

6: Past due receivables

7: Receivables defined in high risk category by BRSA

8: Other receivables

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY-31 DECEMBER 2012**

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

**3. Analysis of maturity-bearing exposures according to remaining maturities**

Exposure Categories	Term To Maturity				
	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year
Conditional and Unconditional Exposures to Central Governments or Central Banks	--	--	--	--	--
Conditional and Unconditional Exposures to Banks and Brokerage Houses	111,096	--	--	--	82,640
Conditional and Unconditional Exposures to Other Corporates	--	--	--	--	--
Conditional and Unconditional Exposures to SME Corporates	--	--	--	--	--
Conditional and Unconditional Exposures to Corporates	470,823	355,564	445,836	640,143	615,646
Conditional and Unconditional Retail Exposures	6,438	4,453	5,017	14,834	13,497
Conditional and Unconditional Exposures Secured by Real Estate Property	32,898	67,737	38,006	84,027	609,537
Past Due Receivables	--	--	--	--	--
Receivables Defined in High Risk Category by BRSA	382	--	--	--	45,309
Exposures in the Form of Bonds Secured by Mortgages	--	--	--	--	--
Short term Exposures to Banks, Brokerage Houses and Corporates	--	--	--	--	--
Exposures in the Form of Collective Investment Undertakings	--	--	--	--	--
Other Receivables	--	--	--	--	--
<b>Total*</b>	<b>621,637</b>	<b>427,754</b>	<b>488,859</b>	<b>739,004</b>	<b>1,366,629</b>

(\*)Following items which do not have a maturity are not included in the table; Receivables from the Central Bank amounting to TL 409,357, non-cash credit lines and payment commitments amounting to TL 76,697, cash and equivalents amounting to TL 45,498, other receivables amounting to TL 27,702 and non-performing loans amounting to TL 11,456.

The Bank uses long-term credit ratings announced by an international rating firm, Fitch rating. Such ratings are used in compliance with regulation on “The Licencing and Operations of the Rating Firms”. For the Bank's capital adequacy calculation, only the latest credit ratings are used that are currently accepted as valid by the issuing Credit Rating Agency.

Credit ratings are used only for the classification of receivables from banks and brokerage houses. There is a credit rating for the securities in the trading book. Therefore, no credit rating is used for issuer or issue.

Based on “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” Appendix 1, Fitch’s credit ratings corresponds to credit grades below:

	BRSA Credit Quality Grades	Fitch Risk Rating
Long Term Credit Quality Grades	1	AAA and AA-
	2	A+ and A-
	3	BBB+ and BBB-
	4	BB+ and BB-
	5	B+ and B-
	6	CCC+ and below

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY-31 DECEMBER 2012**

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

**4. Exposures by risk weights**

Risk Weights	%0	%10	%20	%50	%75	%100	%150	%200	Deductions from Equity	Total
Exposures Before Credit Risk Mitigation	516,614	--	18,517	160,872	240,166	3,227,672	20,791	29,971	--	4,214,603
Exposures After Credit Risk Mitigation	578,334	--	18,517	839,675	41,968	2,685,347	20,791	29,971	--	4,214,603

**5. Information by major sectors and type of counterparties**

As per the TAS and TFRS;

*Impaired Credits*; are the credits that either overdue more than 90 days as of the reporting date or are treated as impaired due to their creditworthiness. For such credits, “specific provisions” are allocated as per the Provisioning Regulation.

*Past Due Credits*; are the credits that overdue upto 90 days but not impaired. For such credits, “general provisions” are allocated as per the Provisioning Regulation.

Major Sectors / Counterparties	Credits			
	Impaired Credits	Past Due Credits	Value Adjustments	Provisions
<b>Agriculture</b>	<b>180</b>	<b>802</b>	<b>16</b>	<b>36</b>
Farming and Stockbreeding	--	--	--	--
Forestry	180	802	16	36
Fishery	--	--	--	--
<b>Manufacturing</b>	<b>9,984</b>	<b>4,731</b>	<b>95</b>	<b>5,397</b>
Mining and Quarrying	1,344	176	4	1,259
Production	8,526	4,555	91	4,071
Electricity, Gas and Water	114	--	--	67
<b>Construction</b>	<b>8,378</b>	<b>16,516</b>	<b>654</b>	<b>2,935</b>
<b>Services</b>	<b>8,809</b>	<b>3,071</b>	<b>57</b>	<b>4,712</b>
Wholesale and Retail Trade	5,061	2,051	37	3,448
Accommodation and Dining	1,019	--	--	751
Transportation and Telecommunication	828	271	5	116
Financial Institutions	--	--	--	--
Real Estate and Rental Services	8	328	7	8
Professional Services	--	--	--	--
Educational Services	3	--	--	2
Health and Social Services	1,890	421	8	387
<b>Others</b>	<b>2,197</b>	<b>13,302</b>	<b>271</b>	<b>826</b>
<b>Total</b>	<b>29,548</b>	<b>38,422</b>	<b>1,093</b>	<b>13,906</b>

**6. Information on movements in value adjustments and provisions**

	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments (*)	Closing Balance
Specific Provisions	4,727	11,087	(1,908)	--	13,906
General Provisions	22,753	12,863	--	--	35,616

(\*) Determined based on exchange rate differences, mergers, acquisition and disposal of subsidiaries.



**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY-31 DECEMBER 2012**

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

**7. Information on collaterals, impairment, rating and maturity related to loans granted to individuals and corporates**

Detail of collaterals of standard and close monitoring loans granted to individuals and corporates is as follows:

	Standard Loans		Loans and Other Receivables Under Close Monitoring	
	Current Period	Prior Period	Current Period	Prior Period
<b>Cash loans granted to individuals and corporates</b>				
Secured Loans:	3,114,820	2,030,512	70,768	36,720
Secured by Cash Collateral	91,850	50,858	221	116
Secured by Mortgages	1,067,939	672,214	54,308	33,598
Secured by Treasury Guarantees or Securities Issued by Public Sector	--	24	--	--
Guarantees Issued by Financial Institutions	--	--	--	--
Other Collaterals (being on the pledges, corporate and personal guarantees, promissory notes)	1,955,031	1,307,416	16,239	3,006
Non-Secured Loans	15,933	27,503	3,541	301
<b>Total</b>	<b>3,130,753</b>	<b>2,058,015</b>	<b>74,309</b>	<b>37,021</b>

Detail of collaterals of non-cash loans granted to real persons and corporate entities is as follows:

	Standard Loans		Loans and Other Receivables Under Close Monitoring	
	Current Period	Prior Period	Current Period	Prior Period
<b>Non-cash loans granted to individuals and corporates</b>				
Secured Loans:	286,414	214,816	6,644	1,420
Secured by Cash Collateral	11,445	1,838	234	--
Secured by Mortgages	18,966	21,158	--	--
Secured by Treasury Guarantees or Securities Issued by Public Sector	--	--	--	--
Guarantees Issued by Financial Institutions	--	--	--	--
Other Collaterals (being on the pledges, corporate and personal guarantees, promissory notes)	256,003	191,820	6,410	1,420
Non-Secured Loans	11,011	11,839	3,540	301
<b>Total</b>	<b>297,425</b>	<b>226,655</b>	<b>10,184</b>	<b>1,721</b>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY-31 DECEMBER 2012**

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

---

**III. Explanations on market risk**

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

In order to provide hedge against the market risk within the context of the risk management objectives, the Bank set its activities related with market risk management in accordance with “Regulations on Banks’ Internal Control and Risk Management Systems” and “Regulation on Measurement and Assesment of Capital Adequacy Ratios of Banks” published in the Official Gazette no. 28337 dated 28 June 2012.

Being exposed to market risk, Bank’s Board of Directors have defined risk management strategies and policies about risk managements in line with application and recommendation of group and have led to follow-up strategies periodically. The limits of risks are identified and these limits are revised periodically. Board of Directors ensure that risk management group and executive managers should identify, measure, control and manage the Bank’s risk.

Market risk arising from trading transactions is limited through the risk appetite policy approved by Board of Directors as “low”and measured by taking into consideration BRSA’s standart methodology. Additionally Financial Control Department reports the market value of daily purchases and sales and realized profit.The risk management and asset liability committee continously monitor compliance of trading transactions with the risk appetite policy. Measurements can be done with online connection with treasury front office in real time. Market risk occurred between mismatches of asset-liability maturity is also monitored through GAP report.

Stress tests and scenario analysis are also applied in order to reflect the effects of prospective severe market fluctuations in the VaR calculations. Risk measurement methods such as cash flow projection, GAP analysis are also applied.

Capital to be kept for general market risk and specific risk are calculated by using a standard method in accordance with “Measurement and Assessment of Bank Capital Adequacy Regulation” and reported monthly.

In the calculation of the value at credit risk for the derivative financial instruments, the receivables from counterparties are multiplied by the rates stated in the Article 21 and Appendix-2 of “the Regulation on Measurement and Assessment of Capital Adequacy of Banks”, reduced as per the“Regulation on Credit Risk Mitigation Techniques” and then included in the relevant exposure category and weighted for a second time. The risk amount related to the Bank's derivative financial instruments are calculated using the “Fair Value Method”.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY-31 DECEMBER 2012**

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

**1. Information related to market risk**

	<b>Amount</b>
(I) Capital Requirement to be Employed For General Market Risk - Standard Method	843
(II) Capital Requirement to be Employed For Specific Risk - Standard Method	41
Capital Requirement against Specific Risks of Securitisation Positions – Standard Method	--
(III) Capital Requirement to be Employed For Currency Risk - Standard Method	453
(IV) Capital Requirement to be Employed For Commodity Risk – Standard Method	--
(V) Capital Requirement to be Employed For Clearing Risk - Standard Method	0.7
(VI) Total Capital Requirement to be Employed For Market Risk Resulting From Options - Standard Method	50
(VII) Capital Requirement against Counterparty Credit Risks – Standard Method	1,695
<b>(VIII) Total Capital Requirement to be Employed For Market Risk in Banks Using Risk Measurement</b>	<b>--</b>
<b>(IX) Total Capital Requirement to be Employed For Market Risk (I+II+III+IV+V+VI+VII+VIII)</b>	<b>3,083</b>
<b>(X) Amount Subject to Market Risk (12.5 x VIII) or (12.5 x IX)</b>	<b>38,534</b>

**2. Average market risk table calculated at the end of the period**

	<i>Current Period</i>		
	<b>Average</b>	<b>Highest</b>	<b>Lowest</b>
Interest Rate Risk	1,346	2,046	884
Equity-Shares Position Risk	1,624	4,556	--
Currency Position Risk	528	936	244
Commodity Risk	--	--	--
Clearing Risk	0.1	0.7	--
Option Market Risk	152	323	7
Counterparty Credit Risk	1,103	2,470	294
<b>Total Value at Risk</b>	<b>59,406</b>	<b>129,147</b>	<b>17,863</b>

**3. Quantitative information on counterparty risk**

The counterparty risk amount is calculated in accordance with fair value measurement methodology stated in Appendix 1 and section 3 of "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

It is determined replacement cost of the contracts having positive value through using fair value of such contracts. The potential credit risk amount is calculated by multiplying contract or transaction amounts with certain ratios determined in accordance with days to maturity and contract type. Total of replacement cost and potential credit risk make up counterparty risk amount. Counterparty credit risk mitigation considers only cash collaterals.

	<b>Value</b>	<b>Risk Weights</b>					<b>Total Value at Risk</b>
		<b>%0</b>	<b>%20</b>	<b>%50</b>	<b>%75</b>	<b>%100</b>	
Interest-Rate Contracts (*)	174	174	--	--	--	--	--
Foreign-Exchange-Rate Contracts (**)	20,871	63	12,958	1,621	--	6,229	9,631
Commodity Contracts	--	--	--	--	--	--	--
Equity-Shares Related Contracts	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--
Gross Positive Fair Values	20,016	754	7,936	2,712	--	8,614	11,557
Netting Benefits	--	--	--	--	--	--	--
Net Current Exposure Amount	--	--	--	--	--	--	--
Collaterals Received	817	--	--	--	--	--	--
<b>Net Derivative Position (***)</b>	<b>41,061</b>	<b>991</b>	<b>20,894</b>	<b>4,333</b>	<b>--</b>	<b>14,843</b>	<b>21,188</b>

(\*) Includes repo transactions

(\*\*) Includes option, swap and forward contracts.

(\*\*\*) Consists of foreign exchange rate and interest rate contracts and gross values of positive fair value amounts.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY-31 DECEMBER 2012**

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

**IV. Explanations on operational risk**

The value at operational risk is calculated according to the basic indicator approach. Value at operational risk amount is calculated by using the last 3 years' (2011, 2010, 2009) gross incomes, in accordance with the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks" issued on Official Gazette dated November 1, 2006 numbered 26333 and 4th section of the regulation dated 1 June 2007, "Calculation of Operational Risk". 15% of gross income which is TL 7,300. TL 7,300 represents also the minimum capital requirement to recover the risk amount.

	31 December 2009	31 December 2010	31 December 2011	Total/ No. of Years of Positive Gross Income	Rate (%)	Total
Gross Income	29,677	28,694	87,630	48,667	15	7,300
Value at Operational Risk (Total*12.5)						91,250

**V. Explanations on currency risk**

The Bank does not take foreign exchange and parity risk; transactions are usually hedged. Measurable and manageable risks are taken within legal limits.

Position limit on currency risk is determined in line with net general position standard ratio on foreign currency. As of 31 December 2012, the Bank's net long position is TL 51 (31 December 2011: TL 8,363 net short position) resulting from long position on the balance sheet amounting to TL 325,147 (31 December 2011: TL 801,641 long position) and short position on the off-balance amounting to TL 325,096 (31 December 2011: TL 810,004 short position). The Bank uses "Standard Method" used in legal reporting to measure the foreign exchange risk.

The announced current foreign exchange buying rates of the Bank at 31December 2012 and the previous five working days in full TL are as follows:

US Dollar purchase rate as at the balance sheet date	TL 1.7826
Euro purchase rate as at the balance sheet date	TL 2.3517

Date	USD	EUR
25 December 2012	1.7893	2.3651
26 December 2012	1.7877	2.3586
27 December 2012	1.7848	2.3566
28 December 2012	1.7829	2.3657
31 December 2012	1.7826	2.3517

The simple arithmetic average US Dollar and Euro purchase rates for December 2012 are TL 1.7794 and TL 2.3323 (full TL), respectively.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY-31 DECEMBER 2012**

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

**V. Explanations on currency risk (continued)**

<b>Current Period</b>	<b>EUR</b>	<b>USD</b>	<b>Other</b>	<b>Total</b>
<b>Assets</b>				
Cash and Balances with the Central Bank of Turkey	143,275	194,000	823	338,098
Banks	2,138	8,885	13,989	25,012
Financial Assets at Fair Value through Profit/Loss	967	1,715	--	2,682
Interbank Money Market Placements	--	30,304	--	30,304
Financial Assets Available for Sale	--	108,227	--	108,227
Loans (*)	581,695	744,865	134,191	1,460,751
Subsidiaries, Associates and Entities Under Common Control (Joint Vent.)	--	--	--	--
Investments Held to Maturity	--	--	--	--
Derivative Financial Assets Held for Hedging Purposes	--	--	--	--
Tangible Assets	--	--	--	--
Intangible Assets	--	--	--	--
Other Assets (**)	351	139	--	490
<b>Total Assets</b>	<b>728,426</b>	<b>1,088,135</b>	<b>149,003</b>	<b>1,965,564</b>
<b>Liabilities</b>				
Banks Deposits	5,133	40,246	5,814	51,193
Foreign Currency Deposits	279,506	806,787	19,794	1,106,087
Interbank Money Market Received	--	86,806	--	86,806
Funds Borrowed from Other Financial Institutions	203,958	97,822	--	301,780
Sundry Creditors	1,057	894	--	1,951
Marketable Securities Issued	--	--	--	--
Derivative Financial Liabilities Held for Hedging Purposes	--	--	--	--
Other Liabilities	1,282	91,318	--	92,600
<b>Total Liabilities</b>	<b>490,936</b>	<b>1,123,873</b>	<b>25,608</b>	<b>1,640,417</b>
<b>Net Balance Sheet Position</b>	<b>237,490</b>	<b>(35,738)</b>	<b>123,395</b>	<b>325,147</b>
<b>Net Off-Balance Sheet Position</b>	<b>(235,573)</b>	<b>41,881</b>	<b>(131,404)</b>	<b>(325,096)</b>
Financial Derivative Assets(***)	327,607	881,663	156,422	1,365,692
Financial Derivative Liabilities(***)	563,180	839,782	287,826	1,690,788
Non-Cash Loans (****)	70,152	117,700	455	188,307
<b>Prior Period</b>				
Total Assets	322,118	844,478	200,482	1,367,078
Total Liabilities	173,403	376,046	15,988	565,437
<b>Net Balance Sheet Position</b>	<b>148,715</b>	<b>468,432</b>	<b>184,494</b>	<b>801,641</b>
<b>Net Off-Balance Sheet Position</b>	<b>(149,154)</b>	<b>(472,866)</b>	<b>(187,984)</b>	<b>(810,004)</b>
Financial Derivative Assets(**)	140,050	862,279	236,673	1,239,002
Financial Derivative Liabilities(**)	289,204	1,335,145	424,657	2,049,006
Non-Cash Loans (***)	59,121	85,617	--	144,738

(\*) The balance includes foreign currency indexed loans and accruals amounting to TL 447,593.

(\*\*) The balance does not include 2,708 TL of prepaid expenses.

(\*\*\*) In the current period, exchange purchase commitments within the financial derivative assets amounted to TL 76,452 (31 December 2011: TL 231,544), exchange sale commitments within the derivative financial liabilities amounted to TL 39,562 (31 December 2011: TL 240,889).

(\*\*\*\*) There is no effect on the net off-balance sheet position.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY-31 DECEMBER 2012**

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

**V. Explanations on currency risk (continued)**

The following table demonstrates prospective increase and decrease in equities and profit/loss as of 31 December 2012 and 2011 (excluding tax effect) on condition that 10 % decrease of TL against the currencies below. This analysis has been prepared under the assumption that all other variables, especially interest rates, are constant.

	Current Period		Prior Period	
	Profit/Loss	Equity	Profit/Loss	Equity
USD	581	33	(227)	(216)
EURO	192	--	(44)	--
Other FC	(801)	--	(349)	--
<b>Total (Net)</b>	<b>(28)</b>	<b>33</b>	<b>(620)</b>	<b>(216)</b>

**VI. Explanations on interest rate risk**

Interest sensitivity of assets, liabilities and off-balance sheet items are evaluated weekly by considering market developments in the Asset-Liability Committee.

Standard method and Asset-Liability risk measurement methods are used to measure the bank's interest rate risk.

Measurements by employing the standard method are carried out monthly by using maturity ladder. Bank applies interest rate shock analysis to interest rate sensitive assets and liabilities considering historic economic crises. Change in the net present value of the net assets of the Bank are monitored within the limits set by the Board of Directors.

“Interest rate sensitivity of assets, liabilities and off-balance sheet items (Based on repricing dates)”:

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY-31 DECEMBER 2012**

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

**VI. Explanations on interest rate risk (continued)**

<b>Current Period End</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>Over 5 Years</b>	<b>Non- interest Bearing</b>	<b>Total</b>
<b>Assets</b>							
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	--	--	--	--	--	429,812	<b>429,812</b>
Banks	--	--	--	--	--	25,047	<b>25,047</b>
Financial Assets at Fair Value Through Profit or Loss	20,885	10,999	8,834	1,181	1,810	--	<b>43,709</b>
Interbank Money Market Placements	30,304	--	--	--	--	--	<b>30,304</b>
Financial Assets Available-for-Sale	506	--	--	77,740	30,487	--	<b>108,733</b>
Loans	238,560	1,253,776	539,919	825,830	346,977	15,642	<b>3,220,704</b>
Investment Securities Held-to-Maturity	--	--	--	--	--	--	<b>--</b>
Other Assets (*)	--	--	--	--	--	41,923	<b>41,923</b>
<b>Total Assets</b>	<b>290,255</b>	<b>1,264,775</b>	<b>548,753</b>	<b>904,751</b>	<b>379,274</b>	<b>512,424</b>	<b>3,900,232</b>
<b>Liabilities</b>							
Bank Deposits	33,971	--	--	--	--	18,600	<b>52,571</b>
Other Deposits	1,296,866	874,650	291,201	131	--	174,022	<b>2,636,870</b>
Interbank Money Market Received	97,247	--	--	--	--	--	<b>97,247</b>
Sundry Creditors	--	--	--	--	--	9,364	<b>9,364</b>
Marketable Securities Issued	--	101,345	121,401	--	--	--	<b>222,746</b>
Funds Borrowed from Other Financial Institutions	2,827	201,615	102,902	1,326	--	--	<b>308,670</b>
Other Liabilities (**)	2,853	2,367	8,476	--	89,693	469,375	<b>572,764</b>
<b>Total Liabilities</b>	<b>1,433,764</b>	<b>1,179,977</b>	<b>523,980</b>	<b>1,457</b>	<b>89,693</b>	<b>671,361</b>	<b>3,900,232</b>
Balance Sheet Long Position	--	84,798	24,773	903,294	289,581	--	1,302,446
Balance Sheet Short Position	(1,143,509)	--	--	--	--	(158,937)	(1,302,446)
Off-Balance Sheet Long Position	--	--	--	--	--	2,084,430	2,084,430
Off-Balance Sheet Short Position	--	--	--	--	--	(2,088,328)	(2,088,328)
<b>Total Position</b>	<b>(1,143,509)</b>	<b>84,798</b>	<b>24,773</b>	<b>903,294</b>	<b>289,581</b>	<b>(162,835)</b>	<b>(3,898)</b>

(\*) Non-interest bearing column includes TL 15,846 tangible assets, TL 6,211 intangible assets, TL 5,369 tax assets, TL 6,393 non-current assets held for sale and TL 8,104 other assets.

(\*\*) Non-interest bearing column includes TL 382,669 shareholders' equity, TL 34,833 other liabilities, TL 41,820 provisions and TL 10,053 tax liabilities.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY-31 DECEMBER 2012**

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

**VI. Explanations on interest rate risk (continued)**

Interest rate sensitivity of assets, liabilities and off-balance sheet items (Based on repricing dates):

Prior Period End	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non- interest Bearing	Total
<b>Assets</b>							
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	--	--	--	--	--	243,385	243,385
Banks	--	--	--	--	--	18,903	18,903
Financial Assets at Fair Value Through Profit or Loss	19,041	2,168	6,999	24,739	1,185	--	54,132
Interbank Money Market Placements	--	--	--	--	--	--	--
Financial Assets Available -for-Sale	--	--	--	15,830	--	14	15,844
Loans	388,058	650,948	461,807	328,069	266,154	11,641	2,106,677
Investment Securities Held-to- Maturity	--	--	--	--	--	--	--
Other Assets (*)	--	--	--	--	--	47,808	47,808
<b>Total Assets</b>	<b>407,099</b>	<b>653,116</b>	<b>468,806</b>	<b>368,638</b>	<b>267,339</b>	<b>321,751</b>	<b>2,486,749</b>
<b>Liabilities</b>							
Bank Deposits	34,181	3,784	--	--	--	751	38,716
Other Deposits	902,415	724,854	277,566	--	--	106,954	2,011,789
Interbank Money Market Received	6,831	--	--	--	--	--	6,831
Sundry Creditors	--	--	--	--	--	105,796	105,796
Marketable Securities Issued	--	--	--	--	--	--	--
Funds Borrowed from Other Financial Institutions	7,453	20,027	2,276	--	--	--	29,756
Other Liabilities (**)	1,414	4,664	7,000	3,237	--	277,546	293,861
<b>Total Liabilities</b>	<b>952,294</b>	<b>753,329</b>	<b>286,842</b>	<b>3,237</b>	<b>--</b>	<b>491,047</b>	<b>2,486,749</b>
Balance Sheet Long Position	--	--	181,964	365,401	267,339	--	814,704
Balance Sheet Short Position	(545,195)	(100,213)	--	--	--	(169,296)	(814,704)
Off-Balance Sheet Long Position	--	373,413	190,983	--	--	1,647,482	2,211,878
Off-Balance Sheet Short Position	--	(377,781)	(192,479)	--	--	(1,658,347)	(2,228,607)
<b>Total Position</b>	<b>(545,195)</b>	<b>(104,581)</b>	<b>180,468</b>	<b>365,401</b>	<b>267,339</b>	<b>(180,161)</b>	<b>(16,729)</b>

(\*) Non-interest bearing column includes TL 11,663 tangible assets, TL 6,074 intangible assets, TL 20,472 tax assets , TL 6,270 non-current assets held for sale and TL 3,329 other assets.

(\*\*) Non-interest bearing column includes TL 233,253 shareholders' equity, TL 12,343 other liabilities, TL 25,938 provisions and TL 6,012 tax liabilities.



**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY-31 DECEMBER 2012**

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

**VI. Explanations on interest rate risk (continued)****Average interest rates applied to financial instruments**

<b>Current Period End</b>	<b>EUR</b>	<b>USD</b>	<b>JPY</b>	<b>TL</b>
	%	%	%	%
<b>Assets</b>				
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	--	--	--	--
Banks	--	--	--	--
Financial Assets at Fair Value Through Profit/ Loss	4.53	5.06	--	10.37
Interbank Money Market Placements	--	--	--	0.55
Financial Assets Available-for-Sale	--	4.52	--	12.19
Loans	7.63	7.13	--	13.68
Investment Securities Held-to-Maturity	--	--	--	--
<b>Liabilities</b>				
Bank Deposits	--	2.25	--	--
Other Deposits	3.11	3.54	--	8.82
Interbank Money Market Received	--	1.63	--	5.50
Sundry Creditors	--	--	--	--
Marketable Securities Issued	--	--	--	7.88
Funds Borrowed from Other Financial Institutions	3.53	4.11	--	8.23
<b>Prior Period End</b>	<b>EUR</b>	<b>USD</b>	<b>JPY</b>	<b>TL</b>
	%	%	%	%
<b>Assets</b>				
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	--	--	--	--
Banks	--	--	--	--
Financial Assets at Fair Value Through Profit/Loss	4.95	6.19	--	10.74
Interbank Money Market Placements	--	--	--	--
Financial Assets Available-for-Sale	--	9.58	--	--
Loans	7.67	7.20	--	15.96
Investment Securities Held-to-Maturity	--	--	--	--
<b>Liabilities</b>				
Bank Deposits	0.74	3.93	--	10.50
Other Deposits	4.17	4.23	--	11.53
Interbank Money Market Received	--	--	--	5.75
Sundry Creditors	--	--	--	--
Marketable Securities Issued	--	--	--	--
Funds Borrowed from Other Financial Institutions	3.69	3.22	--	7.55

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY-31 DECEMBER 2012**

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

**VI. Explanations on interest rate risk (continued)****Interest rate risk on banking book**

As per the “Regulation on Measurement and Evaluation of Interest Rate Risk Resulted from Banking Book as per Standard Shock Method” published by the BRSA in 23 August 2011, the Bank analyses and reports to the Bank’s senior management the interest rate sensitivity of equity on a monthly basis by applying positive and negative shocks to the interest sensitive on balance sheet and off-balance sheet positions which are distributed into groups based on their casflows.

	<b>Shock Applied</b> (+ / - x bps)	<b>Gains/ Losses</b>	<b>Gains / Equity - Losses / Equity</b>
TRY	500	-34,373	%-7.14
TRY	-400	31,416	%6.53
USD Dollar	200	-60	%-0.01
USD Dollar	-200	-13,088	%-2.72
EURO	200	-34,674	%-7.21
EURO	-200	665	%0.14
<b>Total (For Positive Shocks)</b>		<b>-69,107</b>	<b>%-14</b>
<b>Total (For Negative Shocks)</b>		<b>18,993</b>	<b>%4</b>

**VII. Position risk of equity securities resulted from banking book**

The Bank has no position risk of equity securities as of 31 December 2012.

<b>Equity Securities (Shares)</b>	<b>Comparison</b>		
	<b>Carrying Value</b>	<b>Fair Value</b>	<b>Market Value</b>
<b>Share Investment Group A</b>	--	--	--
Quoted Securities	--	--	--
<b>Share Investment Group B</b>	--	--	--
Quoted Securities	--	--	--
<b>Share Investment Group C</b>	--	--	--
Quoted Securities	--	--	--

<b>Portfolio</b>	<b>Gains/Losses In the Current Period</b>	<b>Valuation Surpluses</b>		<b>Unrealized Gains and Losses</b>	
		<b>Total</b>	<b>Amount under Supplementary Capital</b>	<b>Total</b>	<b>Amount under Core Capital</b>
<b>Private Equity Investments</b>	--	--	--	--	--
<b>Quoted Shares</b>	676	--	--	--	--
<b>Other Share</b>	--	--	--	--	--
<b>Total</b>	--	--	--	--	--

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY-31 DECEMBER 2012**

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

**VIII. Explanations on liquidity risk**

The Bank diversifies its funding resources with deposits and bank borrowings to avoid the liquidity risk. Maturity compliance between assets and liabilities are monitored and liquid assets are kept to meet probable liquidity needs that might result from market fluctuations.

According to BRSA's "Legislation on Measurement and Assessment of Liquidity Adequacy of the Banks"; published in the Official Gazette numbered 26333, dated November 1, 2006; liquidity ratio is required to be 80 % for foreign currency assets/liabilities and 100 % for total assets/liabilities in the calculation of the bank's weekly and monthly reporting effective from 1 September 2007. Liquidity ratios for the current period are shown below:

	<b>First Maturity Slice (Weekly)</b>		<b>Second Maturity Slice (Monthly)</b>	
	<b>FC</b>	<b>FC + TL</b>	<b>FC</b>	<b>FC+TL</b>
<b>Average (%)</b>	121.21	172.04	97.06	131.44
<b>Max. (%)</b>	147.03	204.83	111.92	184.36
<b>Min. (%)</b>	102.27	140.00	86.29	109.55

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY - 31 DECEMBER 2012**

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

**VIII. Explanation related to the liquidity risk (continued)**

Presentation of assets and liabilities according to their remaining maturities:

<b>Current Period</b>	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Year</b>	<b>5 Years and Over</b>	<b>Unallocated</b>	<b>Total</b>
<b>Assets</b>								
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	146,272	283,540	--	--	--	--	--	<b>429,812</b>
Banks	25,047	--	--	--	--	--	--	<b>25,047</b>
Financial Assets at Fair Value Through Profit or Loss	--	7,187	10,332	9,144	1,615	15,431	--	<b>43,709</b>
Interbank Money Market Placements	--	30,304	--	--	--	--	--	<b>30,304</b>
Financial Assets Available-for-Sale	--	--	--	506	77,740	30,487	--	<b>108,733</b>
Loans	--	400,302	454,439	1,492,618	753,467	104,236	15,642	<b>3,220,704</b>
Investment Securities Held-to-Maturity	--	--	--	--	--	--	--	<b>--</b>
Other Assets (*)	--	--	--	--	--	--	41,923	<b>41,923</b>
<b>Total Assets</b>	<b>171,319</b>	<b>721,333</b>	<b>464,771</b>	<b>1,502,268</b>	<b>832,822</b>	<b>150,154</b>	<b>57,565</b>	<b>3,900,232</b>
<b>Liabilities</b>								
Bank Deposits	18,600	33,971	--	--	--	--	--	<b>52,571</b>
Other Deposits	174,022	1,296,866	874,650	291,201	131	--	--	<b>2,636,870</b>
Funds Borrowed from Other Financial Institutions	--	2,860	60,143	155,613	90,054	--	--	<b>308,670</b>
Interbank Money Market Received	--	97,247	--	--	--	--	--	<b>97,247</b>
Marketable Securities Issued	--	--	1,345	121,401	100,000	--	--	<b>222,746</b>
Sundry Creditors	--	9,364	--	--	--	--	--	<b>9,364</b>
Other Liabilities (**)	--	36,608	4,034	12,544	3,652	91,407	424,519	<b>572,764</b>
<b>Total Liabilities</b>	<b>192,622</b>	<b>1,476,916</b>	<b>940,172</b>	<b>580,759</b>	<b>193,837</b>	<b>91,407</b>	<b>424,519</b>	<b>3,900,232</b>
<b>Net Liquidity Gap</b>	<b>(21,303)</b>	<b>(755,583)</b>	<b>(475,401)</b>	<b>921,509</b>	<b>638,985</b>	<b>58,747</b>	<b>(366,954)</b>	<b>--</b>
<b>Prior Period</b>								
<b>Total Assets</b>	<b>136,410</b>	<b>770,547</b>	<b>322,605</b>	<b>534,098</b>	<b>396,678</b>	<b>266,948</b>	<b>59,463</b>	<b>2,486,749</b>
<b>Total Liabilities</b>	<b>107,705</b>	<b>1,070,358</b>	<b>754,019</b>	<b>288,360</b>	<b>6,104</b>	<b>921</b>	<b>259,282</b>	<b>2,486,749</b>
<b>Net Liquidity Gap</b>	<b>28,705</b>	<b>(299,811)</b>	<b>(431,414)</b>	<b>245,738</b>	<b>390,574</b>	<b>266,027</b>	<b>(199,819)</b>	<b>--</b>

(\*) Certain assets on the balance sheet that are necessary for the banking operations but not convertible into cash in the short term such as tangible assets, investments in associates, joint ventures and subsidiaries, stationary supplies and prepaid expenses are included in this column.

(\*\*) Shareholders' equity and provisions are classified in other liabilities in unallocated column.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 31 DECEMBER 2012

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

## VIII. Explanation related to the liquidity risk (continued)

### Contractual maturity analysis of liabilities according to remaining maturities

31 December 2012	Carrying Value	Gross Nominal Outflows	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over
Bank Deposits	52,571	52,617	18,600	34,017	--	--	--	--
Other Deposits	2,636,870	2,660,916	174,022	1,300,775	884,763	301,213	143	--
Interbank Money Market Borrowings	97,247	97,261	--	97,261	--	--	--	--
Marketable Securities Issued	222,746	242,680	--	--	2,210	131,679	108,791	--
Funds Borrowed from Other Financial Institutions	308,670	322,413	--	3,296	60,844	161,504	96,769	--
Subordinated Loans	89,693	152,387	--	--	--	6,326	25,320	120,741
<b>Total</b>	<b>3,407,797</b>	<b>3,528,274</b>	<b>192,622</b>	<b>1,435,349</b>	<b>947,817</b>	<b>600,722</b>	<b>231,023</b>	<b>120,741</b>

31 December 2011	Carrying Value	Gross Nominal Outflows	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over
Bank Deposits	38,716	38,780	751	34,227	3,802	--	--	--
Interbank Money Market Borrowings	6,831	6,835	--	6,835	--	--	--	--
Other Deposits	2,011,789	2,046,157	106,954	906,601	736,407	296,195	--	--
Funds Borrowed from Other Financial Institutions	29,756	30,179	--	7,459	20,401	2,319	--	--
<b>Total</b>	<b>2,087,092</b>	<b>2,121,951</b>	<b>107,705</b>	<b>955,122</b>	<b>760,610</b>	<b>298,514</b>	<b>--</b>	<b>--</b>

## IX. Explanations on securitisation positions

The Bank does not have any securitization positions as of balance sheet date.

## X. Information on credit risk mitigation techniques

The Bank does not apply any netting on balance sheet and off-balance sheet. Guarantees and derivatives are not used as credit mitigation technique; but only financial collaterals consisting of cash blokages are used.

Applications related to the valuation and management of collaterals are defined as follows: Appraisals for the mortgages that are received as collaterals are only performed by the firms that have been approved by the BRSA and licensed by the CMB. Appraisal reports for the real estate that are received as collaterals for commercial loans, are renewed each year as long as the risk continues. As a rule, each year a different appraisal firm is preferred. Management of the appraisal process is carried out by the Credits Department. Vehicle pledges are followed through their insurance values. Regular investigations are performed for the cheques and bills that are received as collaterals and in case of any negative finding the Bank seeks to replace the collateral.

The Bank's guarantees are mainly composed of cheques, notes, mortgages, guarantees, vehicle pledges and deposit pledges. The Bank's credit risk concentration is mainly consists of corporate receivables and followed by receivables that are collateralized with mortgage, SME receivables and retail receivables, respectively.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY - 31 DECEMBER 2012**

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

**X. Information on credit risk mitigation techniques (continued)**

<b>Exposure Categories*</b>	<b>Amount</b>	<b>Financial Collaterals</b>	<b>Other/Physical Collaterals**</b>	<b>Guarantees and Credit Derivatives</b>
Receivables from Central Governments	409,357	--	--	--
Receivables, Coins, Purchased Cheques from Regional or Local Governments and CBT Banks	--	--	--	--
Receivables from Administrative Units and Non-Commercial Enterprises	--	--	--	--
Receivables from Multilateral Development Banks	--	--	--	--
Receivables from International Organisations	--	--	--	--
Receivables from Banks and Brokerage Houses	218,778	--	--	--
Corporate Receivables	2,552,291	57,943	--	--
Retail Receivables	45,745	3,777	--	--
Receivables that are Collateralized by Residential	832,205	--	1,013,216	--
Past due Receivables	11,456	--	8,603	--
Receivables Defined in High Risk Category by BRSA	45,691	--	--	--
Securities Collateralised by Mortgages	--	--	--	--
Short-term Receivables from Banks, Brokerage Houses and Corporates	--	--	--	--
Investments Similar to Collective Investment Funds	--	--	--	--
Other Receivables	99,080	--	--	--
<b>Total</b>	<b>4,214,603</b>	<b>61,720</b>	<b>1,021,819</b>	<b>--</b>

(\*) Non-cash risks presented above are subject to credit conversion.

(\*\*) Other / Physical Collaterals are shown with full amounts which are possible to be used, in line with the Regulation on Measurement and Assessment of Capital Adequacy of Banks and Credit Risk Mitigation Techniques.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY - 31 DECEMBER 2012**

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

---

**XI. Information on risk management objectives and policies**

The Bank does not apply any netting on balance sheet and off-balance sheet. Guarantees and derivatives are not used as credit mitigation techniques; but only financial collaterals consisting of cash blokages are used.

Risk Management System refers to the Board of Directors, the Audit Committee, the Risk Management Committee, the Asset-Liability Committee and the Risk Management Department which have been composed in order to manage systemic risks that the Bank is exposed to. The Board of Directors is the owner of the Bank's Risk Management System and ensures the establishment of an effective, sufficient and appropriate risk management system as well as the continuity of the system. The main objective of the Bank's Risk Management System is to identify, measure, monitor and control the risks that the Bank is exposed to, by determining the policies, limits and procedures to control, to monitor, and if necessary to change the risk-return structure of the Bank's future cash flows and the level & the quality of related activities.

As part of the Risk Management System, the Asset and Liability Committee presentation is prepared on a weekly basis and the Risk Committee and the Board of Directors presentations are made on a monthly basis. The presentations mainly consists of the Bank's financial statements, profit and loss Analysis, Credit Risk, Market Risk, Liquidity Risk, Concentration Risk, Interest Rate Risk due to Banking Book, and Operational Risk as well as the risk that the Bank is currently exposed to or possible risks.

The Board of Directors of the Bank delegated the authorization related to the hedge accounting to the Asset and Liability Committee with the condition of providing regular information. At the same time the Bank has organised credit policies and risk mitigation policies due to credit risk. All processes of the Bank are controlled by the Bank's Internal Audit Department's control matrices regularly and are subject to supervision by the Internal Inspection Department at the same time.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY - 31 DECEMBER 2012**

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

**XII. Explanations on presentation of financial assets and liabilities at their fair values**

Valuation methods of the financial instruments valued with their fair value are shown below.

	Carrying Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
<b>Financial Assets</b>	<b>3,384,788</b>	<b>2,141,424</b>	<b>3,410,859</b>	<b>2,135,296</b>
Interbank Money Market Placements	30,304	--	30,304	--
Banks	25,047	18,903	25,047	18,903
Financial Assets Available-for-Sale	108,733	15,844	108,733	15,844
Investments Held-to-Maturity	--	--	--	--
Loans	3,220,704	2,106,677	3,246,775	2,100,549
<b>Financial Liabilities</b>	<b>3,230,221</b>	<b>2,186,057</b>	<b>3,230,203</b>	<b>2,186,057</b>
Bank Deposits	52,571	38,716	52,571	38,716
Other Deposits	2,636,870	2,011,789	2,636,870	2,011,789
Funds Borrowed from Other Financial Institutions	308,670	29,756	308,652	29,756
Marketable Securities Issued	222,746	--	222,746	--
Sundry Creditors	9,364	105,796	9,364	105,796

	Level 1 TL		Level 2 TL		Level 3 TL	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Financial Assets</b>						
Financial Assets at Fair Value through Profit and Loss	23,692	36,319	20,017	17,813	--	--
Financial Assets Available for Sale	108,227	15,830	506	--	--	--
<b>Total</b>	<b>131,919</b>	<b>52,149</b>	<b>20,523</b>	<b>17,813</b>	<b>--</b>	<b>--</b>
<b>Financial Liabilities</b>						
Financial Liabilities at Fair Value through Profit and Loss	--	--	13,696	16,315	--	--
<b>Total</b>	<b>--</b>	<b>--</b>	<b>13,696</b>	<b>16,315</b>	<b>--</b>	<b>--</b>

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

**XIII. Explanations on transactions carried out on behalf of customers and fiduciary activities**

None.



**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY - 31 DECEMBER 2012**

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

**SECTION FIVE****EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL  
STATEMENTS****I. Explanations and disclosures related to the assets****1. Information on cash and balances with the Central Bank of Turkey**

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL /Foreign Currency	6,151	14,304	3,245	12,859
Balances with the Central Bank of Turkey	85,563	323,794	74,458	152,823
Other	--	--	--	--
<b>Total</b>	<b>91,714</b>	<b>338,098</b>	<b>77,703</b>	<b>165,682</b>

**1.1 Information related to the account of the Central Bank of Turkey**

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	85,563	40,254	74,458	26,944
Unrestricted Time Deposits	--	--	--	--
Restricted Time Deposits	--	283,540	--	125,879
<b>Total</b>	<b>85,563</b>	<b>323,794</b>	<b>74,458</b>	<b>152,823</b>

According to the communiqué No: 2005/1 on “Reserve Deposits”, the banks operating in Turkey are required to keep reserve deposit at the rates varying from 5% - 11% for TL liabilities depending on maturities of liabilities, and at the rate 6% - 11.5% and denominated mainly in EUR and USD for FC liabilities. Reserve deposits do not earn interest.

**2. Information on financial assets at fair value through profit or loss:****2.1 Information on financial assets at fair value through profit and loss given as collateral or blocked**

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	7,505	--	5,967	756
Other	--	--	--	--
<b>Total</b>	<b>7,505</b>	<b>--</b>	<b>5,967</b>	<b>756</b>

Trading securities given as collateral represent those collaterals given to the Central Bank of Turkey, and ISE Clearing and Custody Bank (Takasbank) for liquidity, interbank money market, foreign exchange market and other transactions, as of balance sheets dates.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY - 31 DECEMBER 2012**

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

**2.2 Financial assets at fair value through profit and loss subject to repurchase agreements**

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	10,407	--	6,930	--
<b>Total</b>	<b>10,407</b>	<b>--</b>	<b>6,930</b>	<b>--</b>

**2.3 Positive differences relating to derivative financial assets held-for-trading**

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	1,739	97	1,691	--
Swap Transactions	15,433	253	15,038	--
Futures Transactions	--	--	--	--
Options	1,465	1,030	13	1,071
Other	--	--	--	--
<b>Total</b>	<b>18,637</b>	<b>1,380</b>	<b>16,742</b>	<b>1,071</b>

**3. Information on Banks**
**3.1 Information on banks**

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	35	25,012	122	18,781
Domestic	13	5	8	--
Foreign	22	25,007	114	18,781
Foreign head-offices and branches	--	--	--	--
<b>Total</b>	<b>35</b>	<b>25,012</b>	<b>122</b>	<b>18,781</b>

**3.2 Due from foreign banks**

	Unrestricted Balances		Restricted Balances	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	4,448	6,920	1,679	3,781
USA and Canada	5,048	3,445	2,215	774
OECD Countries (*)	11,639	3,975	--	--
Off-Shore Banking Regions	--	--	--	--
Other	--	--	--	--
<b>Total</b>	<b>21,135</b>	<b>14,340</b>	<b>3,894</b>	<b>4,555</b>

(\*) OECD countries other than the EU countries, USA and Canada.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY - 31 DECEMBER 2012**

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

**4. Information on financial assets available-for-sale**
**4.1 Financial assets subject to repurchase agreements and provided as collateral/blocked**

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	--	100,845	--	--
Other	--	--	--	--
<b>Total</b>	<b>--</b>	<b>100,845</b>	<b>--</b>	<b>--</b>

**4.2 Details of financial assets available-for-sale**

	Current Period	Prior Period
Debt instruments	108,733	15,830
Quoted on Stock Exchange	108,227	15,830
Unquoted on Stock Exchange	506	--
Share certificates	--	14
Quoted on Stock Exchange	--	--
Unquoted on Stock Exchange	--	14
Impairment provision (-)	--	--
<b>Total</b>	<b>108,733</b>	<b>15,844</b>

**5. Information on loans**
**5.1 Information on all types of loans and advances given to shareholders and employees of the Bank**

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
<b>Direct Loans to Shareholders</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>9,702</b>
Corporate Shareholders	--	--	--	9,702
Individual Shareholders	--	--	--	--
<b>Indirect Loans to Shareholders</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Loans to Employees</b>	<b>542</b>	<b>--</b>	<b>366</b>	<b>--</b>
<b>Total</b>	<b>542</b>	<b>--</b>	<b>366</b>	<b>9,702</b>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY - 31 DECEMBER 2012**

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

**5.2 Information on the first and second group loans and other receivables including restructured or rescheduled loans**

	Standard Loans and Other Receivables			Loans and Other Receivables under Close Monitoring		
	<i>Loans and Other Receivables (Total)</i>	<i>Loan and Receivables with Revised Contract Terms</i>		<i>Loans and Other Receivables (Total)</i>	<i>Loan and Receivables with Revised Contract Terms</i>	
		<i>Extension of Repayment Plan</i>	<i>Other</i>		<i>Extension of Repayment Plan</i>	<i>Other</i>
<b>Cash Loans</b>						
<b>Loans</b>	<b>3,116,262</b>	<b>14,491</b>	<b>--</b>	<b>55,057</b>	<b>13,995</b>	<b>5,257</b>
Working Capital Loans	--	--	--	--	--	--
Export Loans	200,039	--	--	2,296	--	--
Import Loans	--	--	--	--	--	--
Loans to Financial Sector	64,957	--	--	--	--	--
Consumer Loans	217,505	64	--	13,254	587	3,504
Credit Cards	535	--	--	--	--	--
Others	2,633,226	14,427	--	39,507	13,408	1,753
<b>Specialization Loans</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Other Receivables</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total</b>	<b>3,116,262</b>	<b>14,491</b>	<b>--</b>	<b>55,057</b>	<b>13,995</b>	<b>5,257</b>

Standard Loans and Other Receivables			Loans and Other Receivables under Close Monitoring	
<b>Number of Extensions</b>		<b>14,491</b>		<b>13,995</b>
1 or 2 times		14,491		13,995
3, 4 or 5 times		--		--
Over 5 times		--		--

Standard Loans and Other Receivables		Loans and Other Receivables under Close Monitoring	
<b>Extension Periods</b>	<b>14,491</b>		<b>13,995</b>
0-6 Months	14,427		4,582
6 -12 Months	--		927
1 – 2 Years	42		7,283
2 – 5 Years	6		381
5 Years and over	16		822

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY - 31 DECEMBER 2012**

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

**5.2 Information on the first and second group loans and other receivables including restructured or rescheduled loans (continued)**
**The overdue analysis of close monitoring loans**

<i>Current Period</i>	Corporate/ Commercial	Consumer Loans	Total
	Loans		
1-30 days	10,146	1,513	11,659
31-60 days	4,397	8,169	12,566
61-90 days	10,808	3,389	14,197
<b>Total</b>	<b>25,351</b>	<b>13,071</b>	<b>38,422</b>

<i>Prior Period</i>	Corporate/ Commercial	Consumer Loans	Total
	Loans		
1-30 days	16,919	7,055	23,974
31-60 days	936	8,566	9,502
61-90 days	364	3,181	3,545
<b>Total</b>	<b>18,219</b>	<b>18,802</b>	<b>37,021</b>

**Maturity analysis of cash loans**

<i>Current Period</i>	Standard Loans and Other Receivables		Loans and Other Receivables under Close Monitoring	
	<i>Loans and Other Receivables</i>	<i>Loans and Receivables with Revised Contract Terms</i>	<i>Loans and Other Receivables</i>	<i>Loans and Receivables with Revised Contract Terms</i>
<b>Short-term Loans and Other Receivables</b>	<b>1,679,871</b>	<b>--</b>	<b>20,960</b>	<b>3,053</b>
Loans	1,679,871	--	20,960	3,053
Specialization Loans	--	--	--	--
Other Loans	--	--	--	--
<b>Medium and Long-term Loans and Other Receivables</b>	<b>1,436,391</b>	<b>14,491</b>	<b>34,097</b>	<b>16,199</b>
Loans	1,436,391	14,491	34,097	16,199
Specialization Loans	--	--	--	--
Other Loans	--	--	--	--

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY - 31 DECEMBER 2012**

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

**5.3 Information on consumer loans, individual credit cards and credit cards given to personnel:**

	Short-Term	Medium or Long Term	Total
<b>Consumer Loans-TL</b>	<b>10,624</b>	<b>67,429</b>	<b>78,053</b>
Real Estate Loans	--	14,302	14,302
Vehicle Loans	--	1,273	1,273
General Purpose Loans	10,624	51,854	62,478
Other	--	--	--
<b>Consumer Loans-Indexed to FC</b>	<b>--</b>	<b>155,986</b>	<b>155,986</b>
Real Estate Loans	--	150,263	150,263
Vehicle Loans	--	--	--
General Purpose Loans	--	5,723	5,723
Other	--	--	--
<b>Consumer Loans-FC</b>	<b>--</b>	<b>--</b>	<b>--</b>
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
<b>Individual Credit Cards-TL</b>	<b>473</b>	<b>--</b>	<b>473</b>
With Installment	--	--	--
Without Installment	473	--	473
<b>Individual Credit Cards-FC</b>	<b>5</b>	<b>--</b>	<b>5</b>
With Installment	--	--	--
Without Installment	5	--	5
<b>Loans Given to Employees-TL</b>	<b>125</b>	<b>361</b>	<b>486</b>
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	125	361	486
Other	--	--	--
<b>Loans Given to Employees - Indexed to FC</b>	<b>--</b>	<b>--</b>	<b>--</b>
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
<b>Loans Given to Employees - FC</b>	<b>--</b>	<b>--</b>	<b>--</b>
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
<b>Personnel Credit Cards – TL</b>	<b>56</b>	<b>--</b>	<b>56</b>
With Installment	--	--	--
Without Installment	56	--	56
<b>Personnel Credit Cards – FC</b>	<b>--</b>	<b>--</b>	<b>--</b>
With Installment	--	--	--
Without Installment	--	--	--
<b>Overdraft Loans-TL (Real Persons)</b>	<b>389</b>	<b>--</b>	<b>389</b>
<b>Overdraft Loans-FC (Real Persons)</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total</b>	<b>11,672</b>	<b>223,776</b>	<b>235,448</b>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY - 31 DECEMBER 2012**

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

**5.4 Information on commercial loans with installments and corporate credit cards**

	Short Term	Medium or Long Term	Total
<b>Installment Commercial Loans – TL</b>	<b>36,394</b>	<b>377,518</b>	<b>413,912</b>
Real Estate Loans	--	2,845	2,845
Vehicle Loans	210	3,759	3,969
General Purpose Loans	36,184	370,914	407,098
Other	--	--	--
<b>Installment Commercial Loans – Indexed to FC</b>	<b>14,764</b>	<b>112,709</b>	<b>127,473</b>
Real Estate Loans	--	6,765	6,765
Vehicle Loans	--	6,038	6,038
General Purpose Loans	14,764	99,906	114,670
Other	--	--	--
<b>Installment Commercial Loans - FC</b>	<b>--</b>	<b>--</b>	<b>--</b>
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
<b>Corporate Credit Cards – TL</b>	<b>1</b>	<b>--</b>	<b>1</b>
With Installment	--	--	--
Without Installment	1	--	1
<b>Corporate Credit Cards – FC</b>	<b>--</b>	<b>--</b>	<b>--</b>
With Installment	--	--	--
Without Installment	--	--	--
<b>Overdraft Loans-TL (Legal Entities)</b>	<b>10,191</b>	<b>--</b>	<b>10,191</b>
<b>Overdraft Loans-FC (Legal Entities)</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total</b>	<b>61,350</b>	<b>490,227</b>	<b>551,577</b>

**5.5 Allocation of loans by customers**

	Current Period	Prior Period
Public Sector	--	--
Private Sector	3,205,062	2,095,036
<b>Total</b>	<b>3,205,062</b>	<b>2,095,036</b>

**5.6 Allocation of Domestic and Foreign Loans**

	Current Period	Prior Period
Domestic Loans	3,127,999	2,095,036
Foreign Loans	77,063	--
<b>Total</b>	<b>3,205,062</b>	<b>2,095,036</b>

**5.7 Loans granted to subsidiaries and associates**

The Bank does not have any loans granted to subsidiaries as of 31 December 2012.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY - 31 DECEMBER 2012**

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

**5.8 Specific provisions provided against loans**

Specific Provisions	Current Period	Prior Period
Loans and Receivables with Limited Collectability	1,737	261
Loans and Receivables with Doubtful Collectability	3,401	842
Uncollectible Loans and Receivables	8,768	3,624
<b>Total</b>	<b>13,906</b>	<b>4,727</b>

**5.9 Information on non-performing loans (Net)**
**5.9.1 Information on loans and other receivables included in non-performing loans which are restructured or rescheduled**

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
<b>Current Period</b>	<b>--</b>	<b>188</b>	<b>13</b>
(Gross Amounts before Specific Provisions)			
Restructured Loans and Other Receivables	--	188	13
Rescheduled Loans and Other Receivables	--	--	--
<b>Prior Period</b>	<b>166</b>	<b>--</b>	<b>98</b>
(Gross Amounts before Specific Provisions)			
Restructured Loans and Other Receivables	166	--	98
Rescheduled Loans and Other Receivables	--	--	--

**5.9.2 Movement on non-performing loans**

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
<b>Balances at Beginning of Period</b>	<b>4,718</b>	<b>2,203</b>	<b>9,447</b>
Additions (+)	29,153	363	610
Transfers from Other Categories of Non-Performing Loans (+)	--	17,810	7,027
Transfers to Other Categories of Non-Performing Loans (-)	17,810	7,027	--
Collections (-)	6,066	4,606	6,050
Write-offs (-)	9	--	215
Corporate and Commercial Loans	--	--	61
Retail Loans	9	--	154
Credit Cards	--	--	--
Other	--	--	--
<b>Balances at End of the Period</b>	<b>9,986</b>	<b>8,743</b>	<b>10,819</b>
Specific Provisions (-)	1,737	3,401	8,768
<b>Net Balance on Balance Sheet</b>	<b>8,249</b>	<b>5,342</b>	<b>2,051</b>



**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY - 31 DECEMBER 2012**

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

**5.9.3 Information on non-performing loans and other receivables in foreign currencies**

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
<b>Current Period</b>			
Balance as of the Period End	504	2,688	4,001
Specific Provisions (-)	25	344	2,884
<b>Net Balance on Balance Sheet</b>	<b>479</b>	<b>2,344</b>	<b>1,117</b>
<b>Prior Period</b>			
Balance as of the Period End	1,066	485	6,884
Specific Provisions (-)	53	80	2,539
<b>Net Balance on Balance Sheet</b>	<b>1,013</b>	<b>405</b>	<b>4,345</b>

**5.9.4 Information regarding gross and net amounts of non-performing loans with respect to user groups**

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
<b>Current Period (Net)</b>	<b>8,249</b>	<b>5,342</b>	<b>2,051</b>
Loans Granted to Real Persons and Legal Entities (Gross)	9,986	8,743	10,819
Specific provisions (-)	1,737	3,401	8,768
Loans Granted to Real Persons and Legal Entities (Net)	8,249	5,342	2,051
Banks (Gross)	--	--	--
Specific Provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	--	--	--
Specific Provisions (-)	--	--	--
Other Loan and Receivables (Net)	--	--	--
<b>Prior Period (Net)</b>	<b>4,457</b>	<b>1,361</b>	<b>5,823</b>
Loans Granted to Real Persons and Legal Entities (Gross)	4,718	2,203	9,447
Specific provisions (-)	261	842	3,624
Loans Granted to Real Persons and Legal Entities (Net)	4,457	1,361	5,823
Banks (Gross)	--	--	--
Specific Provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	--	--	--
Specific Provisions (-)	--	--	--
Other Loan and Receivables (Net)	--	--	--

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY - 31 DECEMBER 2012**

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

---

**5.10 *Liquidation policy for uncollectible loans and other receivables***

The Bank allocates 100% provision for uncollectible loans. If the Bank has collateral, non-performing loans and other receivables are collected through liquidation of these collaterals. In the absence of collateral, the Bank performs periodical market intelligence and tries to determine the assets acquired subsequently by the debtor and applies to the legal follow-up process.

**5.11 *Explanations related to write-off policy***

In case of all necessary conditions based on the relevant regulation occur, all impaired loans are written-off by the Board of Directors' decision.

**6. Information on held-to-maturity investments**

The Bank does not have any held to maturity investments as of 31 December 2012.

**7. Information on associates**

The Bank does not have any associates as of 31 December 2012.

**8. Information on subsidiaries**

The Bank does not have any subsidiaries as of 31 December 2012.

**9. Information on entities under common control (Joint Ventures)**

The Bank does not have any joint ventures as of 31 December 2012.

**10. Information on lease receivables**

The Bank does not have any lease receivables as of 31 December 2012.

**11. Information on derivative financial assets held for hedging purposes**

**11.1 Positive valuation derivative financial assets held for hedging purposes**

The Bank does not have any derivative financial assets held for hedging purposes as of 31 December 2012.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 31 DECEMBER 2012**

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

**12. Information on tangible assets**

<b>Current Period</b>	<b>Vehicles</b>	<b>Other Tangible Assets(*)</b>	<b>Total</b>
Cost			
Beginning Balance, 1 January 2012	117	27,983	28,100
Additions	--	7,779	7,779
Disposals	(86)	(180)	(266)
<b>Ending Balance, 31 December 2012</b>	<b>31</b>	<b>35,582</b>	<b>35,613</b>
Accumulated Depreciation			
Beginning Balance, 1 January 2012	(84)	(16,353)	(16,437)
Depreciation	(12)	(3,584)	(3,596)
Disposals	86	180	266
<b>Ending Balance, 31 December 2012</b>	<b>(10)</b>	<b>(19,757)</b>	<b>(19,767)</b>
<b>Net Book Value, 31 December 2012</b>	<b>21</b>	<b>15,825</b>	<b>15,846</b>

<b>Prior Period</b>	<b>Vehicles</b>	<b>Other Tangible Assets(*)</b>	<b>Total</b>
Cost			
Beginning Balance, 1 January 2011	339	21,606	21,945
Additions	31	8,584	8,615
Disposals	(253)	(2,207)	(2,460)
<b>Ending Balance, 31 December 2011</b>	<b>117</b>	<b>27,983</b>	<b>28,100</b>
Accumulated Depreciation			
Beginning Balance, 1 January 2011	(288)	(14,914)	(15,202)
Depreciation	(37)	(3,401)	(3,438)
Disposals	241	1,962	2,203
<b>Ending Balance, 31 December 2011</b>	<b>(84)</b>	<b>(16,353)</b>	<b>(16,437)</b>
<b>Net Book Value, 31 December 2011</b>	<b>33</b>	<b>11,630</b>	<b>11,663</b>

(\*) Other tangible fixed assets consist of leasehold improvements, office machinery, furniture and other movables.

**12.1 Disclosure for impairment losses or releases individually material for financial statements****12.1.1 Conditions for allocating/releasing any impairment:**

None.

**12.1.2 Amount of impairment losses provided or released in financial statements during current period:**

None.

**12.2 Other impairment losses provided or released in current period that are immaterial for the financial statement individually**

None.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 31 DECEMBER 2012**

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

**13. Information on intangible assets****13.1 Useful lives and amortisation rates**

The useful life of an asset is determined by taking the asset's expected economic life, technical, technological or other kinds of obsolescence, and maintenance costs into account. The amortization rates used are in accordance with the useful lives of the underlying assets. The useful lives are determined as defined by TAS 38 "Intangible Assets".

The Bank's intangible assets, software programs, establishment and restructuring expenses, intangible rights, and their useful life is considered from 3 to 10 years.

**13.2 Amortisation methods**

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

**13.3 Balances at beginning and end of current period**

	Current Period		Prior Period	
	Cost	Accumulated Amortisation	Cost	Accumulated Amortisation
Intangible Assets	36,900	30,689	33,478	27,404

(\*)Includes the software and other intangible assets

**13.4 Movements of intangible assets for the current period**

	Current Period	Prior Period
Cost		
Beginning Balance, 1 January	33,478	27,761
Additions	3,422	5,717
<b>Ending Balance, 31 December</b>	<b>36,900</b>	<b>33,478</b>
Accumulated Depreciation		
Beginning Balance, 1 January	(27,404)	(25,717)
Depreciation Expense for Current Period (-)	(3,285)	(1,687)
<b>Ending Balance, 31 December</b>	<b>(30,689)</b>	<b>(27,404)</b>
<b>Net Book Value, 31 December</b>	<b>6,211</b>	<b>6,074</b>

**13.5 Details for any individually material intangible assets**

None.

**13.6 Intangible assets capitalised under government incentives at fair values**

None.

**13.7 Revaluation method of intangible assets capitalised under government incentives and valued at fair values at capitalisation dates**

None.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 31 DECEMBER 2012**

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

**13.8 Net book value of intangible asset that are restricted in usage or pledged**

None.

**13.9 Commitments to acquire intangible assets**

None.

**13.10 Disclosure on revalued intangible assets**

None.

**13.11 Research and development costs expensed during current period**

None.

**13.12 Goodwill**

None.

**14. Information on investment properties**

None.

**15. Information on deferred tax asset****15.1 Amount of deferred tax asset recognized in the balance sheet in respect of deductible temporary differences, unused tax losses and unused tax credits**

As of 31 December 2012, the deferred tax asset amounting to TL 5,356 is calculated by netting of carryforward tax losses, deductible temporary differences and taxable temporary differences (31 December 2011: TL 20,472)

As of 31 December 2012 TL 6,034 (31 December 2011: TL 21,078) of deferred tax asset consist of deferred tax asset from carry forward tax losses, and remaining tax bases are the differences between the book value of assets and liabilities on the balance sheet as of 31 December 2012 and their taxable values in accordance with tax legislation which will be considered in the calculation of the subsequent periods profit and losses. The deferred tax assets and liabilities are presented as net in the accompanying financial statements

	Current Period	
	Deferred Tax Base	Deferred Tax Asset/ Liability
Retirement Pay and Unused Vacation Provision	2,033	407
Carry Forward Tax Losses	30,168	6,034
Other Provisions	2,500	500
Commission Income/Expense Collected as Cash	8,622	1,724
Tangible Assets Base Differences	(2,544)	(509)
Financial Assets Valuation	(13,211)	(2,642)
Other	(789)	(158)
<b>Deferred Tax Assets</b>	<b>26,779</b>	<b>5,356</b>

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY - 31 DECEMBER 2012

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

**15.1 Amount of deferred tax asset recognized in the balance sheet in respect of deductible temporary differences, unused tax losses and unused tax credits (continued)**

	Prior Period	
	Deferred Tax Base	Deferred Tax Asset/ Liability
Retirement Pay and Unused Vacation Provision	2,010	402
Carry Forward Tax Losses	105,389	21,078
Commission Income/Expense Collected as Cash	6,457	1,291
Tangible Assets Base Differences	(1,841)	(368)
Prepaid Option Premiums	883	177
Financial Assets Valuation	(10,540)	(2,108)
<b>Deferred Tax Assets</b>	<b>102,358</b>	<b>20,472</b>

The movement of the current year and prior year deferred tax assets is shown below:

	Current Period	Prior Period
Deferred Tax Asset, 1 January	20,472	22,795
Deferred Tax Income / (Expense)	(14,603)	(2,754)
Deferred Tax Recognized Directly Under Equity	(513)	431
<b>Deferred Tax Asset 31 December</b>	<b>5,356</b>	<b>20,472</b>

Expiration date of carry forward tax losses are shown below:

	Current Period	Prior Period
To be expired in 2013	--	62,944
To be expired in 2014	7,560	19,837
To be expired in 2015	22,608	22,608
<b>Total</b>	<b>30,168</b>	<b>105,389</b>

The Bank utilized the carry forward tax losses of TL 75,221 for the temporary corporate tax calculations in the current year.

**15.2 Amount and expiry date of deductible temporary differences, unused tax losses, unused tax credits for which no deferred tax asset is recognized in prior periods in the balance sheet**

None.

**15.3 Deferred tax asset resulting from the cancellation of the provision for impairment losses related to the deferred taxes**

None.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY - 31 DECEMBER 2012**

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

---

**16. Information on assets held for sale and non-current assets related to discontinued operations**

As of 31 December 2012, the Bank has TL 6,393 assets held for sale (31 December 2011: TL 6,270).

**17. Information on other assets**

Other assets do not exceed 10% of total assets excluding the off-balance sheet items.

**17.1 Information on prepaid expenses, tax and similar items**

As of 31 December 2012, total prepaid expenses are TL 5,069 (31 December 2011: TL 1,301).

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY - 31 DECEMBER 2012

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

**II. Explanations and disclosures related to liabilities****1. Information on deposits****1.1 Information on maturity structure of deposits***Current Period*

	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Months -1 Year	1 Year and Over	Cumulative Deposit	Total
<b>Saving Deposits</b>	<b>7,443</b>	--	<b>7,637</b>	<b>482,065</b>	<b>371,829</b>	<b>52,535</b>	<b>3,325</b>	--	<b>924,834</b>
<b>Foreign Currency</b>									
<b>Deposits</b>	<b>84,570</b>	--	<b>120,733</b>	<b>708,648</b>	<b>86,787</b>	<b>28,724</b>	<b>75,617</b>	--	<b>1,105,079</b>
Residents in Turkey	71,926	--	102,884	696,814	82,895	28,724	6,710	--	989,953
Residents Abroad	12,644	--	17,849	11,834	3,892	--	68,907	--	115,126
<b>Public Sector Deposits</b>	<b>5</b>	--	--	<b>3,038</b>	--	--	--	--	<b>3,043</b>
<b>Commercial Deposits</b>	<b>80,920</b>	--	<b>75,837</b>	<b>133,300</b>	<b>103,448</b>	<b>127,748</b>	<b>28,425</b>	--	<b>549,678</b>
<b>Other Ins. Deposits</b>	<b>76</b>	--	--	<b>49,830</b>	<b>3,307</b>	<b>15</b>	--	--	<b>53,228</b>
<b>Precious Metal</b>									
<b>Deposits</b>	<b>1,008</b>	--	--	--	--	--	--	--	<b>1,008</b>
<b>Interbank Deposits</b>	<b>18,600</b>	--	--	<b>33,971</b>	--	--	--	--	<b>52,571</b>
Central Bank of Turkey	--	--	--	--	--	--	--	--	--
Domestic Banks	--	--	--	12,499	--	--	--	--	12,499
Foreign Banks	18,600	--	--	21,472	--	--	--	--	40,072
Special Finan.Inst.	--	--	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--	--	--
<b>Total</b>	<b>192,622</b>	--	<b>204,207</b>	<b>1,410,852</b>	<b>565,371</b>	<b>209,022</b>	<b>107,367</b>	--	<b>2,689,441</b>

*Prior Period*

	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Months -1 Year	1 Year and Over	Cumulative Deposit	Total
<b>Saving Deposits</b>	<b>5,202</b>	--	<b>4,911</b>	<b>633,741</b>	<b>299,567</b>	<b>30,310</b>	<b>2,186</b>	--	<b>975,917</b>
<b>Foreign Currency</b>								--	
<b>Deposits</b>	<b>66,053</b>	--	<b>38,303</b>	<b>319,628</b>	<b>37,587</b>	<b>2,230</b>	<b>35,620</b>	--	<b>499,421</b>
Residents in Turkey	59,155	--	37,551	314,517	36,495	1,876	751	--	450,345
Residents Abroad	6,898	--	752	5,111	1,092	354	34,869	--	49,076
<b>Public Sector Deposits</b>	--	--	--	--	--	--	--	--	--
<b>Commercial Deposits</b>	<b>35,461</b>	--	<b>9,439</b>	<b>172,455</b>	<b>204,914</b>	<b>113,944</b>	--	--	<b>536,213</b>
<b>Other Ins. Deposits</b>	<b>238</b>	--	--	--	--	--	--	--	<b>238</b>
<b>Precious Metal</b>								--	
<b>Deposits</b>	--	--	--	--	--	--	--	--	--
<b>Interbank Deposits</b>	<b>751</b>	--	<b>16,753</b>	<b>21,212</b>	--	--	--	--	<b>38,716</b>
Central Bank of Turkey	--	--	--	--	--	--	--	--	--
Domestic Banks	--	--	16,753	5,690	--	--	--	--	22,443
Foreign Banks	751	--	--	15,522	--	--	--	--	16,273
Special Finan. Inst.	--	--	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--	--	--
<b>Total</b>	<b>107,705</b>	--	<b>69,406</b>	<b>1,147,036</b>	<b>542,068</b>	<b>146,484</b>	<b>37,806</b>	--	<b>2,050,505</b>



**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 31 DECEMBER 2012**

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

**1.2 Information on saving deposits under the guarantee of saving deposit insurance and exceeding the limit of saving deposit insurance:**

	Under the Guarantee of Deposit Insurance		Exceeding the limit of Deposit Insurance	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	171,627	166,620	747,983	805,016
Foreign Currency Saving Deposits	53,519	51,406	599,297	288,005
Other Deposits in the Form of Saving Deposits	--	--	--	--
Foreign Branches' Deposits Under Insurance of Foreign Authorities	--	--	--	--
Off-shore Banking Regions' Deposits Under Foreign Authorities' Insurance	--	--	--	--
<b>Total</b>	<b>225,146</b>	<b>218,026</b>	<b>1,347,280</b>	<b>1,093,021</b>

**1.3 Saving deposits in Turkey are not covered by any insurance in any other countries since the Bank's headquarter is not located abroad.****1.4 Saving deposits that are not under the guarantee of deposit insurance fund**

	Current Period	Prior Period
Deposits and Accounts in Branches Abroad	--	--
Deposits of Ultimate Shareholders and Their Close Families	3	1,751
Deposits of Chairman and Members of the Board of Directors and their Close Families	5,221	3,223
Deposits Obtained through Illegal Acts Defined in the 282nd Article of the 5237 Numbered Turkish Criminal Code dated 26 September 2004.	--	--
Saving Deposits in Banks Established in Turkey Exclusively for Off Shore Banking Activities	--	--

**2. Information on derivative financial liabilities held for trading****2.1 Information on negative differences relating to derivative financial liabilities held for trading**

Trading Purpose Derivative Financial Liabilities	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	4,071	57	10,676	--
Swap Transactions	6,079	910	4,695	--
Futures Transactions	--	--	--	--
Options	1,557	1,022	--	944
Other	--	--	--	--
<b>Total</b>	<b>11,707</b>	<b>1,989</b>	<b>15,371</b>	<b>944</b>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 31 DECEMBER 2012**

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

**3. Information on banks and other financial institutions****3.1 Information on banks and other financial institutions**

	Current Period		Prior Period	
	TL	FC	TL	FC
Loans from Central Bank of Turkey	--	--	--	--
From Domestic Banks and Institutions	6,890	9,211	1,115	1,638
From Foreign Banks, Institutions and Funds	--	292,569	--	27,003
<b>Total</b>	<b>6,890</b>	<b>301,780</b>	<b>1,115</b>	<b>28,641</b>

The Bank has provided borrowing in the amount of USD 30 million from International Finance Corporation (IFC) and EUR 15 million from European Fund for Southeast Europe (EFSE) with a maturity of five years for the financing of commercial / small and medium sized entities and woman entrepreneurs.

In addition, the Bank provided EUR 45 million and USD 20 million syndication loan in two tranches from international banks with a maturity of 1 year.

**3.2 Maturity analysis of borrowings**

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	5,689	210,933	1,115	28,641
Medium and Long Term	1,201	90,847	--	--
<b>Total</b>	<b>6,890</b>	<b>301,780</b>	<b>1,115</b>	<b>28,641</b>

**3.3 Additional explanation related to the concentrations of the Bank's major liabilities:**

In the scope of normal banking operations, the Bank funds itself through funds provided deposits, bank borrowings and bond issuance.

**4. Informations related with issued instruments**

The Bank issued financing bills during year 2012. TL 75,000 nominal was issued on 6 March 2012, TL 75,000 nominal was issued on 18 June 2012, TL 50,000 nominal was issued on 14 November 2012 and TL 75,000 nominal was issued on 21 December 2012. The bill which was issued on 6 March 2012 with 31 August 2012 maturity and the bill issued on 18 June 2012 with 14 December 2012 maturity have expired on maturity dates. In addition to bills, the Bank issued a bond with a maturity of 720 days and quarterly coupon payment in the amount of TL 100,000 nominal on 7 November 2012.

	TL		FC	
	Short Term	Medium and Long Term	Short Term	Medium and Long Term
Nominal	125,000	100,000	--	--
Cost	120,782	100,000	--	--
Carrying Amount	121,401	101,345	--	--

**5. Sundry Creditors and Other Liabilities**

Sundry creditors and other liabilities of balance sheet does not exceed % 10 of the balance sheet total.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 31 DECEMBER 2012**

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

**6. Criteria used in the determination of lease installments in the finance lease contracts, renewal and purchase options, restrictions, and significant burdens imposed on the bank on such contracts**

As of 31 December, the Bank has no financial lease agreements ( 31 December 2011: None).

**6.1 Changes in agreements and further commitments arising**

None.

**6.2 Obligations under financial lease**

None.

**6.3 Information on operational leases and footnotes**

The Bank has operational lease agreements for some of its bank branches. If the rental payments is made in advance, the paid amount is accounted under prepaid expenses in “Other Assets”, in the following months, the rental expenses belonging to those months are recorded in profit/loss accounts.

The Bank does not incur any liability as a result of any changes in operational lease agreements. The Bank does not have any obligation from operational lease agreements.

**6.4 Information on “Sale-and-lease back” agreements**

In the current period, there is no sale and lease back agreements.

**7. Information on derivative financial liabilities for hedging purposes**

There are no derivative financial liabilities for hedging purposes in the current period.

**8. Information on provisions****8.1 Information on general provisions**

	Current Period	Prior Period
Loans and Receivables in Group 1	32,260	21,013
- Additional Provision for Loan and Receivables with Extended Maturities	576	973
Loans and Receivables in Group 2	1,901	869
- Additional Provision for Loan and Receivables with Extended Maturities	700	606
Non-Cash Loans	1,455	871
Others	--	--
<b>Total</b>	<b>35,616</b>	<b>22,753</b>

**8.2 Foreign exchange losses on the foreign currency indexed loans and finance lease receivables**

The foreign exchange losses on the foreign currency indexed loans as of 31 December 2012, amounting to TL 759 (31 December 2011: TL 305) are netted off from loans on the balance sheet.

**8.3 The specific provisions provided for unindemnified non cash loans**

As of 31 December 2012, the specific provision provided for unindemnified non cash loans is TL 47 (31 December 2011: TL 237).

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 31 DECEMBER 2012**

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

**8.4 Explanation on other provisions****8.4.1 Provisions for probable losses**

None.

**8.4.2 The breakdown of the subsidiary accounts if other provisions exceed 10% of the grand total provisions**

None.

**8.4.3 Explanations on reserves for employee benefits**

As of 31 December 2012, reserves for employee benefits amounting to TL 4,553 (31 December 2011: TL 2,010) comprise TL 410 reserve for employee termination benefits (31 December 2011: TL 323), TL 1,623 unused vacation pay liability (31 December 2011: TL 1,687) and TL 2,500 personnel premium accrual (31 December 2011: None).

**9. Explanations on tax liabilities****9.1 Explanations on current tax liability****9.1.1 Explanations on tax provision**

As of 31 December 2012 and 31 December 2011, the Bank has no corporate tax liability.

**9.1.2 Information on taxes payable**

	Current Period	Prior Period
Corporate taxes payable	--	--
Taxation on securities	4,090	1,856
Property tax	176	93
Banking and Insurance Transaction Tax (BITT)	2,528	1,700
Taxes on foreign exchange transactions	--	--
Value added taxes payable	111	65
Income tax ceased from wages	1,049	920
Other	94	46
<b>Total</b>	<b>8,048</b>	<b>4,680</b>

**9.1.3 Information on premiums**

	Current Period	Prior Period
Social Security Premiums- Employee	762	506
Social Security Premiums- Employer	1,084	720
Bank Social aid Pension Fund Premium- Employee	--	--
Bank Social Aid Pension Fund Premium- Employer	--	--
Pension Fund Membership Fees and Provisions- Employee	--	--
Pension Fund Membership Fees and Provisions- Employer	--	--
Unemployment Insurance- Employee	53	35
Unemployment Insurance- Employer	106	71
Other	--	--
<b>Total</b>	<b>2,005</b>	<b>1,332</b>

**9.2 Explanations on deferred tax liabilities**

None.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 31 DECEMBER 2012**

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

**10. Information on liabilities regarding assets held for sale and discontinued operations**

None.

**11. Explanations on subordinated loans**

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Domestic Banks	--	--	--	--
Domestic Other Institutions	--	89,693	--	--
Foreign Banks	--	--	--	--
Foreign Other Institutions	--	--	--	--
<b>Total</b>	<b>--</b>	<b>89,693</b>	<b>--</b>	<b>--</b>

The Bank acquired subordinated loan from its parent company, Fiba Holding A.Ş., amounting to USD 50 million. Maturity of relevant loan is 10 years, with a repayment option on the 5th year. The loan has 6 month periods for interest payment, with principal repayment at the maturity.

**12. Information on shareholders' equity****12.1 Paid-in capital**

	<b>Current Period</b>	<b>Prior Period</b>
Common Stock	426,650	325,000
Preferred Stock	--	--

**12.2 Paid-in capital amount, explanation as to whether the registered share capital system is applied at the bank; if so the amount of registered share capital ceiling:**

Registered share capital system is not applied.

**12.3 Information on share capital increases and their sources; other information on increased capital shares in current period**

As of 20 September 2011, the Bank decided to increase its paid in capital by Euro 41,000 in terms of TL equivalent.

The first tranche of the related increase was transferred to the Bank on 10 October 2011 as TL 52,250; the second tranche was transferred on 1 December 2011 as TL 49,400. As of 31 December 2011, such capital payments are accounted for under the "Sundry Creditors". Following the approval of the BRSA, the extraordinary General Assembly was held on 26 January 2012 and the increase in paid in capital was registered. Accordingly, the Bank's capital increased to TL 426,650.

<b>Date of the increase</b>	<b>Increase Amount</b>	<b>Cash</b>	<b>Increase Funded by Profit Reserves</b>	<b>Increase Funded by Capital Reserves</b>
26 January 2012	TL 101,650	TL 101,650	--	--

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 31 DECEMBER 2012**

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

**12.4 Information on share capital increases from revaluation funds**

None.

**12.5 Information on capital commitments the purpose and the sources until the end of the fiscal year and the subsequent interim period:**

The capital is totally paid in and there are no capital commitments.

**12.6 Indicators of the Bank's income, profitability and liquidity for the prior periods and possible effects of these future assumptions due to the uncertainty of these indicators on the Bank's equity:**

None.

**12.7 Information on privileges given to stocks representing the capital**

The Bank does not have any preferred shares.

**12.8 Common stock issue premiums, shares and equity instruments**

None.

**12.9 Information on marketable securities value increase fund**

	Current Period		Prior Period	
	TL	FC	TL	FC
From Subsidiaries, Associates, and Entities Under Common Control (Joint Ventures)	--	--	--	--
Security Valuation Difference	(4)	328	--	(1,727)
Exchange Difference	--	--	--	--
<b>Total</b>	<b>(4)</b>	<b>328</b>	<b>--</b>	<b>(1,727)</b>

**12.10 Information on revaluation reserve**

TL 12,669 gain on sale of the head office building in the year 2008 had been recognized as income in accordance with Turkish Accounting Standards. With decision of the General Assembly dated 16 March 2009, 75% of the gain, which corresponds to TL 9,502 was decided to be transferred to a special funds account at the stage of distribution of profit for the year 2008 and it will not be transferred to any other account except for share capital for a 5-year period in order to benefit from the tax exemptions stated in Corporate Tax Law No: 5520, article 5/e. The Bank has booked this amount under "Fixed Assets Revaluation Reserve" account.

**12.11 Bonus shares of Subsidiaries, Associates and Joint Ventures**

None.

**12.12 Information on legal reserves**

None.

**12.13 Information on extraordinary reserves**

None.

**13. Information on minority shares**

None.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY - 31 DECEMBER 2012**

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

**III. Explanations and disclosures related to off-balance sheet contingencies and commitments****1. Information on off-balance sheet commitments****1.1 Nature and amount of irrevocable loan commitments**

	<b>Current Period</b>	<b>Prior Period</b>
Asset Sale and Purchase Commitments	165,269	493,362
Credit Card Limit Commitments	3,664	4,861
Commitments for Promotion on Credit Cards and Banking Services	74	80
Commitments for Credit Allocation with the Guarantee of Usage	214,154	37,652
Export Commitments	1,640	--
Commitment for Cheques	37,693	19,425
Other Irrevocable Commitments	503	--
<b>Total</b>	<b>422,997</b>	<b>555,380</b>

**1.2 Possible losses and commitments related to off-balance sheet items, including the ones listed below****1.2.1 Non-cash loans including guarantees, acceptances, financial guarantee and other letters of credits**

	<b>Current Period</b>	<b>Prior Period</b>
Letters of Guarantee TL	117,604	83,638
Letters of Guarantee FC	108,475	97,565
Letters of Credit	55,614	47,173
Bills of Exchange and Acceptances	25,916	--
<b>Total</b>	<b>307,609</b>	<b>228,376</b>

**1.2.2 Revocable, irrevocable guarantees and other similar commitments and contingencies**

	<b>Current Period</b>	<b>Prior Period</b>
Revocable Letters of Guarantee	12,396	30,496
Irrevocable Letters of Guarantee	169,402	114,469
Letters of Guarantee Given in Advance	21,706	15,590
Letters of Guarantee Given to Customs	971	976
Other Letters of Guarantee	21,604	19,672
<b>Total</b>	<b>226,079</b>	<b>181,203</b>

**2. Total amount of non-cash loans**

	<b>Current Period</b>	<b>Prior Period</b>
Non-Cash Loans Given against Cash Loans	--	--
With Original Maturity of 1 Year or Less Than 1 Year	--	--
With Original Maturity of More Than 1 Year	--	--
Other Non-Cash Loans	307,609	228,376
<b>Total</b>	<b>307,609</b>	<b>228,376</b>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY - 31 DECEMBER 2012**

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

**3. Information on sectoral risk concentrations of non-cash loans**

	<i>Current Period</i>				<i>Prior Period</i>			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
<b>Agricultural</b>	--	--	<b>4,210</b>	<b>2.24</b>	<b>7,822</b>	<b>9.35</b>	<b>23,059</b>	<b>15.93</b>
Farming and Stockbreeding	--	--	734	0.39	7,822	9.35	22,788	15.74
Forestry	--	--	1,124	0.60	--	--	271	0.19
Fishing	--	--	2,352	1.25	--	--	--	--
<b>Manufacturing</b>	<b>20,417</b>	<b>17.11</b>	<b>65,640</b>	<b>34.86</b>	<b>10,013</b>	<b>11.97</b>	<b>35,148</b>	<b>24.28</b>
Mining and Quarrying	4,985	4.18	22,835	12.13	2,700	3.23	8,207	5.67
Production	15,432	12.93	42,805	22.73	6,044	7.23	24,595	16.99
Electricity, Gas and Water	--	--	--	--	1,269	1.51	2,346	1.62
<b>Construction</b>	<b>38,065</b>	<b>31.91</b>	<b>51,044</b>	<b>27.11</b>	<b>46,246</b>	<b>55.29</b>	<b>61,936</b>	<b>42.79</b>
<b>Services</b>	<b>54,435</b>	<b>45.63</b>	<b>63,207</b>	<b>33.56</b>	<b>18,829</b>	<b>22.52</b>	<b>24,538</b>	<b>16.96</b>
Wholesale and Retail Trade	17,526	14.68	25,853	13.74	--	--	1,091	0.75
Accommodation and Dining	4,195	3.52	13,095	6.95	843	1.01	296	0.20
Transportation and Telecommunication	2,786	2.34	14,753	7.83	1,606	1.92	12,762	8.82
Financial institutions	5,266	4.41	9,404	4.99	9,649	11.54	7,062	4.88
Real Estate and Rental Services	2,727	2.29	84	0.04	24	0.03	--	--
Professional Services	893	0.75	18	0.01	1,495	1.79	189	0.13
Educational Services	18,685	15.66	--	--	900	1.08	--	--
Health and Social services	2,357	1.98	--	--	4,312	5.15	3,138	2.18
<b>Other</b>	<b>6,385</b>	<b>5.35</b>	<b>4,206</b>	<b>2.23</b>	<b>728</b>	<b>0.87</b>	<b>57</b>	<b>0.04</b>
<b>Total</b>	<b>119,302</b>	<b>100.00</b>	<b>188,307</b>	<b>100.00</b>	<b>83,638</b>	<b>100.00</b>	<b>144,738</b>	<b>100.00</b>

**4. Information on the first and second group of non-cash loans**

	<b>Group I</b>		<b>Group II</b>	
	TL	FC	TL	FC
Letters of Guarantee	113,721	102,173	3,883	6,302
Bills of Exchange and Bank Acceptances	1,698	24,218	--	--
Letters of Credit	--	55,614	--	--
Endorsements	--	--	--	--
Underwriting Commitments	--	--	--	--
Factoring Related Guarantees	--	--	--	--
Other Guarantees and Surities	--	--	--	--
<b>Non-Cash Loans</b>	<b>115,419</b>	<b>182,005</b>	<b>3,883</b>	<b>6,302</b>



**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 31 DECEMBER 2012**

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

**5. Information related to derivative financial instruments**

	Current Period	Prior Period
<b>Types of trading transactions</b>		
Foreign Currency Related Derivative Transactions (I)	<b>4,007,489</b>	<b>3,947,123</b>
Forward Transactions	700,319	431,709
Swap Transactions	2,083,782	3,044,767
Futures Transactions	--	--
Option Transactions	1,223,388	470,647
Interest Related Derivative Transactions (II)	--	--
Forward Rate Transactions	--	--
Interest Rate Swap Transactions	--	--
Interest Option Transactions	--	--
Futures Interest Transactions	--	--
Other Trading Derivative Transactions (III)	--	--
<b>A. Total Derivative Transactions Held for Trading (I+II+III)</b>	<b>4,007,489</b>	<b>3,947,123</b>
<b>Types of hedging transactions</b>		
Fair Value Hedges	--	--
Cash Flow Hedges	--	--
Net Investment Hedges	--	--
<b>B. Total Derivative Transactions Held for Hedging Purposes</b>	<b>--</b>	<b>--</b>
<b>Total Derivative Transactions (A+B)</b>	<b>4,007,489</b>	<b>3,947,123</b>

**6. Credit derivatives and risk exposures on credit derivatives**

None.

**7. Explanations on contingent liabilities and assets**

None.

**8. Custodian and intermediary services**

The Bank provides trading and safe keeping services in the name and account of third parties, which are presented in the statement of contingencies and commitments.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY - 31 DECEMBER 2012**

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

**IV. Explanations and disclosures related to the income statement****1. Interest income****1.1 Information on interest on loans (\*)**

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on loans	<b>269,952</b>	<b>59,522</b>	<b>134,282</b>	<b>26,634</b>
Short Term Loans	202,150	17,544	89,949	10,219
Medium and Long Term Loans	67,802	41,978	44,333	16,415
Interest on Non-Performing Loans	1,227	--	765	--
Premiums received from Resource Utilization Support Fund	--	--	--	--
<b>Total</b>	<b>271,179</b>	<b>59,522</b>	<b>135,047</b>	<b>26,634</b>

\*Includes fees and commissions obtained from cash loans.

**1.2 Information on interest income received from banks**

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of Turkey	209	--	--	--
Domestic Banks	420	63	3,205	15
Foreign Banks	2	4	17	9
Branches and Head Office Abroad	--	--	--	--
<b>Total</b>	<b>631</b>	<b>67</b>	<b>3,222</b>	<b>24</b>

**1.3 Interest received from marketable securities portfolio**

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Held for Trading	1,181	493	1,416	671
Financial Assets at Fair Value Through Profit or Loss	--	--	--	--
Financial Assets Available-for-Sale	125	2,069	--	1,115
Investment Securities Held-to-Maturity	--	--	--	--
<b>Total</b>	<b>1,306</b>	<b>2,562</b>	<b>1,416</b>	<b>1,786</b>

**1.4 Information on interest income received from associates and subsidiaries**

None.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY - 31 DECEMBER 2012**

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

**2. Interest expense****2.1 Information on interest on funds borrowed**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Banks</b>	<b>224</b>	<b>9,512</b>	<b>1,343</b>	<b>12,180</b>
The Central Bank of Turkey	--	--	--	--
Domestic Banks	224	117	22	26
Foreign Banks	--	9,395	1,321	12,154
Branches and Head Office Abroad	--	--	--	--
<b>Other Institutions</b>	<b>--</b>	<b>2,814</b>	<b>--</b>	<b>--</b>
<b>Total</b>	<b>224</b>	<b>12,326</b>	<b>1,343</b>	<b>12,180</b>

**2.2 Information on interest expenses to associates and subsidiaries**

None.

**2.3 Information on interest expenses to securities issued**

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Paid to Securities Issued	8,948	--	--	--

**2.4 Distribution of interest expense on deposits based on maturity of deposits:**

Account Description	Demand Deposits	Time Deposits					Cumulative Deposit	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over		
<i>Turkish Lira</i>								
Bank Deposits	--	483	--	--	--	--	--	483
Saving Deposits	--	837	68,226	31,158	6,368	379	--	106,968
Public Sector Deposits	--	1	39	--	--	--	--	40
Commercial Deposits	--	2,114	11,747	7,130	14,736	13,783	--	49,510
Other	--	53	3,035	318	59	--	--	3,465
7 Day Call Accounts	--	--	--	--	--	--	--	--
<b>Total</b>	<b>--</b>	<b>3,488</b>	<b>83,047</b>	<b>38,606</b>	<b>21,163</b>	<b>14,162</b>	<b>--</b>	<b>160,466</b>
<i>Foreign Currency</i>								
Foreign Currency Deposits	--	1,380	16,026	1,610	217	1,668	--	20,901
Bank Deposits	--	791	--	--	--	--	--	791
7 Day Call Accounts	--	--	--	--	--	--	--	--
Precious Metal Deposits	--	--	--	--	--	--	--	--
<b>Total</b>	<b>--</b>	<b>2,171</b>	<b>16,026</b>	<b>1,610</b>	<b>217</b>	<b>1,668</b>	<b>--</b>	<b>21,692</b>
<b>Grand Total</b>	<b>--</b>	<b>5,659</b>	<b>99,073</b>	<b>40,216</b>	<b>21,380</b>	<b>15,830</b>	<b>--</b>	<b>182,158</b>

**3. Information on dividend income**

None.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY - 31 DECEMBER 2012**

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

**4. Information on net trading income / loss**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Income</b>	<b>320,858</b>	<b>83,993</b>
Gains on Capital Market Operations	7,112	2,496
Gains on Derivative Financial Instruments	93,805	64,871
Foreign Exchange Gains	219,941	16,626
<b>Loss (-)</b>	<b>283,825</b>	<b>78,833</b>
Losses on Capital Market Operations	956	1,708
Losses on Derivative Financial Instruments	60,271	58,763
Foreign Exchange Losses	222,598	18,362
<b>Net Trading Income / ( Loss )</b>	<b>37,033</b>	<b>5,160</b>

**5. Information on other operating income**

The Bank accounted for the income arising from collections or reversals of various provisions especially the specific provisions for loan losses in the “Other Operating Income”. Reversal of provisions amount to TL 2,009 in the current period (2011: TL 1,749). Remaining part of the other operating income is made up of fees charged to customers for various banking services and income on sale of assets.

**6. Impairment on loans and other receivables**

	<b>Current Period</b>	<b>Prior Period</b>
Specific Provisions on Loans and Other Receivables:	11,087	<b>2,680</b>
<i>III. Group Loans and Receivables</i>	1,737	261
<i>IV. Group Loans and Receivables</i>	3,401	842
<i>V. Group Loans and Receivables</i>	5,949	1,577
General Loan Loss Provisions	12,863	15,568
Free Provision for Probable Risks	--	--
Impairment Losses on Securities:	--	--
<i>Financial Assets at Fair Value Through Profit or Loss</i>	--	--
<i>Financial Assets Available-for-Sale</i>	--	--
Impairment Losses on Associates, Subsidiaries, Joint Ventures and		
Investment Securities Held to Maturity:	--	--
<i>Associates</i>	--	--
<i>Subsidiaries</i>	--	--
<i>Joint Ventures</i>	--	--
<i>Investments Held to Maturity</i>	--	--
Other	1	--
<b>Total</b>	<b>23,951</b>	<b>18,248</b>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 31 DECEMBER 2012**

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

**7. Information related to other operational expenses**

	<b>Current Period</b>	<b>Prior Period</b>
Personnel Expenses	55,181	34,696
Provision for Employee Termination Benefits	87	--
Provision for Bank's Social Aid Fund Deficit	--	--
Impairment Losses on Tangible Assets	--	--
Depreciation Charges of Tangible Assets	3,596	3,414
Impairment Losses on Intangible Assets	--	--
Depreciation Charges of Intangible Assets	3,285	1,687
Impairment Losses on Investment Accounted for under Equity Method	--	--
Impairment of Assets to be Disposed	--	--
Depreciation of Assets to be Disposed	--	24
Impairment of Assets Held for Sale	--	--
Other Operating Expenses	22,048	18,815
<i>Operational Leases Expenses</i>	10,646	7,838
<i>Repair and Maintenance Expenses</i>	332	351
<i>Advertisement Expenses</i>	258	1,288
<i>Other Expenses</i>	10,812	9,338
Losses on Sale of Assets	33	195
Other	11,327	5,977
<b>Total</b>	<b>95,557</b>	<b>64,808</b>

**8. Information on profit/loss before tax from continued and discontinued operations**

All profit/loss before tax of the Bank is from ongoing operations. The Bank has no discontinued operations.

	<b>Current Period</b>	<b>Prior Period</b>
Interest Income	335,525	168,442
Interest Expenses (-)	204,441	98,002
Net Fee ve Commission income	6,984	12,029
Trading Profit/Loss (Net)	37,033	5,160
Other Operating Income	4,725	3,368
Provision for Impairment in Loans and Other Receivables	23,951	18,248
Other Operating Expenses (-)	95,557	64,808
<b>Profit(loss) Before Tax</b>	<b>60,318</b>	<b>7,941</b>

**9. Information on tax provision from continued and discontinued operations****9.1 Current period taxation benefit or charge and deferred tax benefit or charge**

For the period ended as of 31 December 2012, the deferred tax charge of the Bank is TL 14,603 (31 December 2011: TL 2,754).

	<b>Current Period</b>	<b>Prior Period</b>
Deferred Tax Income/ (Expense)	(14,603)	(2,754)
Provision of Deferred Tax	--	--
<b>Net Deferred Tax Expense</b>	<b>(14,603)</b>	<b>(2,754)</b>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 31 DECEMBER 2012**

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

**9.2 Deferred tax benefit / (charge) arising from origination or reversal of temporary differences**

<i>Deferred tax benefit / (charge) arising from origination or reversal of temporary differences</i>	<b>Current Period</b>	<b>Prior Period</b>
Arising from Origination of Deductable Temporary Differences (+)	1,727	398
Arising from Reversal of Deductable Temporary Differences (-)	(138)	(6,953)
Arising from Origination of Taxable Temporary Differences (-)	(1,157)	(52)
Arising from Reversal of Taxable Temporary Differences (+)	9	2,459
Arising from Origination of Financial Losses (+)	--	3,133
Arising from Reversal of Financial Losses (-)	(15,044)	(1,739)
Arising from Origination of Tax Deductions and Exemptions (+)	--	--
Arising from Reversal of Tax Deductions and Exemptions (-)	--	--
<b>Total</b>	<b>(14,603)</b>	<b>(2,754)</b>
Provision	--	--
<b>Net deferred tax</b>	<b>(14,603)</b>	<b>(2,754)</b>

**9.3 Deferred tax benefit / (charge) arising from temporary differences, tax losses or unused tax credits**

<b>Sources of deferred tax benefit/charge</b>	<b>Current Period</b>	<b>Prior Period</b>
Arising from Origination (+)/ Reversal (-) of Deductable Temporary Differences	1,589	(6,555)
Arising from Origination (-)/ Reversal (+) of Taxable Temporary Differences	(1,148)	2,407
Arising from Origination (+)/ Reversal (-) of Tax Losses	(15,044)	1,394
Arising from Origination (+)/ Reversal (-) of Unused Tax Credits	--	--
<b>Total</b>	<b>(14,603)</b>	<b>(2,754)</b>
Provision	--	--
<b>Net deferred tax</b>	<b>(14,603)</b>	<b>(2,754)</b>

**10. Information on profit/loss from continued and discontinued operations**

	<b>Current Period</b>	<b>Prior Period</b>
Profit/(Loss) Before Tax from Continuing Operations	60,318	7,941
Tax Benefit/(Charge) on Continuing Operations	(14,603)	(2,754)
<b>Net Profit/(Loss) from Continuing Operations</b>	<b>45,715</b>	<b>5,187</b>

**11. Information on net profit/loss for the period****11.1 The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the complete understanding of the Bank's performance for the period**

In the current and prior periods, the Bank's income from ordinary banking transactions is interest income from loans and marketable securities and other banking service income. Main expenses are interest expense on deposits and similar debt items which are funding resources of loans and marketable securities.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY - 31 DECEMBER 2012**

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

---

- 11.2** *Changes in estimations made by the Bank with respect to the financial statement items do not have a material effect on profit/loss.*
- 11.3** *As there is no minority share in shareholders' equity, there is no profit or loss attributable to the minority shares.*
- 12.** **If "other" lines of the income statement exceeds 10% of the period profit/loss, information on components making up at least 20% of "other" items**

Current year "net fees and commissions income-other" figure of TL 6,582 majorly comprised of transfer commissions of TL 1,019, insurance commissions of TL 858, and other commissions such as account maintenance fees, investment fund commissions, project finance commissions, limit set and revision commissions, expertise fees, financial analysis and intelligence fees. Previous year, "net fees and commissions income-other" figure of TL 10,904 majorly comprised of intermediary commissions of TL 6,994, money transfer commissions of TL 794 and insurance commissions of TL 765.

**V. Explanations and disclosures related to statements of changes in shareholders' equity**

**1. Information on inflation adjustment difference of shareholders' equity**

Per the circular issued by the BRSA on 28 April 2005 and the decision of BRSA No: 1623 on 21 April 2005, the inflation accounting applied in banking system has been decided to be ceased as at 1 January 2005.

In accordance with the circular, TL 17,416 inflation adjustments to paid-in-capital until 31 December 2005 have been transferred to "Other Capital Reserves" account which was formerly recognized in "Inflation Adjustment to Paid-in-Capital" account.

**2. Information on profit distribution**

None.

**3. Information on foreign exchange difference**

None.

**4. Information on available for sale financial assets**

Mark to market gains and losses on available for sale securities are not reflected to profit and loss but recognized in equity under "Securities Valuation Reserve" account until such securities are sold, redeemed, disposed of or impaired.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 31 DECEMBER 2012**

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

**VI. Explanations and disclosures related to the statement of cash flows****1. Information on cash and cash equivalents**

Cash and cash equivalents components and accounting policies defining these components:

Cash, foreign currency storage, money on road, purchased bank cheques and deposits in all banks including Central Bank of Turkey are defined as "Cash", interbank money market placements with original maturity less than 3 months and investments on smarketable securities are defined as " Cash equivalents".

In the current period, TL 4,555 restricted demand deposits held in banks abroad due to derivative transactions and statutory reserves in Central Bank of Turkey are not included as cash equivalent assets (31 December 2011: TL 14,273).

a) Cash and cash equivalents at the beginning of the period:

	<b>1 January 2012</b>	<b>1 January 2011</b>
Cash	16,104	13,738
Banks and Other Financial Institutions	108,923	64,455
<b>Total Cash and Cash Equivalent Assests</b>	<b>125,027</b>	<b>78,193</b>

b) Cash and cash equivalents at the end of the period:

	<b>31 December 2012</b>	<b>31 December 2011</b>
Cash	20,456	16,104
Banks and Other Financial Institutions	146,965	115,750
Money Market Placements	30,304	--
Borrowings from Money Markets	(97,247)	(6,827)
<b>Total Cash and Cash Equivalents Assets</b>	<b>100,478</b>	<b>125,027</b>

**2. Information on cash and cash equivalent assets of the Bank that is not available for free use due to legal restrictions or other reasons**

None.



**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 31 DECEMBER 2012**

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

**3. Information on other item in cash flow statement and the effect of the exchange rate change on cash and cash equivalents**

“Other items” amounting to TL (1,784) in “operating profit before changes in operating assets and liabilities” consists of other operating expenses and realized derivative losses (31 December 2011: TL (30,554)).

“Net increase/decrease in other liabilities” amounting to TL 23,693 in “Changes in operating assets and liabilities” consists of changes in sundry creditors, taxes and due payables, other liabilities (31 December 2011: TL 10,329).

“Net increase/decrease in other assets” amounting to TL (4,671) in “Changes in operating assets and liabilities” consists of changes in sundry debtors, other receivables (31 December 2011: TL (141)).

Investment activities arised from net cash flow including “Other” account of TL (3,422) consists of purchases of intangible asset (31 December 2011: TL (5,717)).

The change effect of exchange rate on cash and cash equivalents are shown in foreign exchange transactions profit/loss account. That gain/loss is shown in cash flow statement as "the effect of exchange rate changes on cash and cash equivalents".

**VII. Explanations and disclosures on the risk group of the Bank****1. Information on the volume of transactions with the Bank’s risk group, lending and deposits outstanding at period end and income and expenses in the current period****1.1 Current Period**

Bank’s Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank’s Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables (**)						
Balance at the Beginning of the Period	--	--	6,161	9,702	3,696	1,817
Balance at the End of the Period	--	--	--	--	31,845	4,959
Interest and Commission Income Received	--	--	--	1	583	34

(\*) Described in article 49 of the Banking Act No: 5411.

(\*\*) Includes all transactions accepted as loans in article 48 of the Banking Act No: 5411.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY - 31 DECEMBER 2012**

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

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

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	--	--	--	--	--	450
Balance at the End of the Period	--	--	6,161	9,702	3,696	1,817
Interest and Commission Income Received	--	--	10	3	--	--

(\*) Described in article 49 of the Banking Act No: 5411.

**1.2 Information on deposits to the Bank's risk group**

Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at the Beginning of the Period	--	--	2	113,864	95,201	--
Balance at the End of the Period	--	--	2,644	2	119,992	95,201
Deposit Interest Expense	--	--	1,823	1,235	1,828	1,975

(\*) Described in article 49 of the Banking Act No: 5411.

**1.3 Information on funds obtained from Bank's risk group**

Subordinated loan amount obtained from Bank's risk group is TL 89,693 (31 December 2011: None).  
Funds obtained from other related parties amount to TL 59,197 (31 December 2011: None).

**1.4 Information on forward and option agreements and similar agreements made with Bank's risk group**

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Financial Assets at Fair Value Through Profit and Loss:						
Balance at the Beginning of the Period	--	--	3,401,356	757,317	--	--
Balance at the End of the Period	--	--	--	3,401,356	165,714	--
Total Income/Loss	--	--	--	--	27,796	1,147
Transactions for Hedging Purposes:						
Balance at the Beginning of the Period	--	--	--	--	--	--
Balance at the End of the Period	--	--	--	--	--	--
Total Income/Loss	--	--	--	--	--	--

(\*) As described in the Article 49 of Banking Act no.5411.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY - 31 DECEMBER 2012**

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

---

**2. Information on transactions with the Bank's risk group**

**2.1 *Relations with entities in the risk group of / or controlled by the Bank regardless of the nature of relationship among the parties***

The terms of related party transactions are equivalent to those that prevail in arm's length transactions only if such terms can be substantiated regarding the limits exposed by the Banking Act. Adopted Bank policy is that assets and liabilities will not be dominated by the risk group and the balances with the risk group will have a reasonable share in the total balance sheet.

**2.2 *In addition to the structure of the relationship, type of transaction, amount, and share in total transaction volume, amount of significant items, and share in all items, pricing policy and other***

As of 31 December 2012, the ratio of the loans and other receivables used by the entities of risk group to total loans and receivables is 0.99% and the ratio of the deposits of entities of risk group to total deposits is 4.56%. Ratio of funds obtained from entities of risk group to total funds borrowed is 37.4%.

In current period benefits provided to the key management is TL 3,528 (31 December 2011: TL 2,250).

**2.3 *Total of similar type of transactions together, unless a separate disclosure is required to present the effect of the transactions on financial statements***

None.

**2.4 *Transactions accounted for under equity method***

None.

**2.5 *Explanations on purchase and sale of real estate and other assets, sales and purchases of services, agency contracts, finance lease agreements, transfer of data obtained from research and development, licensing agreements, financing (including loans and cash and in-kind capital support), guarantees and promissory notes, and management contracts***

None.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY - 31 DECEMBER 2012**

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

**VIII. Explanations on the Bank's domestic, foreign, off-shore branches or investments in associates  
and foreign representative offices****1. Information related to the Bank's domestic and foreign branch and representatives**

	Number	Number of Employees			
Domestic Branch	28	612			
			Country of Incorporations		
Foreign Representation Office			1-		
			2-		
			3-		
				Total Assets	Statutory Share Capital
Foreign Branch			1-		
			2-		
			3-		
Off-shore Banking Region Branches			1-		
			2-		
			3-		

**IX. Events after balance sheet**

None.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF  
1 JANUARY - 31 DECEMBER 2012**

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

---

**SECTION SIX**

**OTHER EXPLANATIONS ON THE OPERATIONS OF THE BANK**

None.

**SECTION SEVEN**

**EXPLANATIONS ON AUDITORS' REPORT**

**I. Explanations on the auditors' report**

The Bank's publicly available financial statements and footnotes have been audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu Limited) and the independent auditors' report dated 25 February 2013 is presented in front of the financial statements.

**II. Other footnotes and explanations prepared by the independent auditors**

None.