

**CONVENIENCE TRANSLATION  
OF PUBLICLY ANNOUNCED  
UNCONSOLIDATED FINANCIAL STATEMENTS  
AND REVIEW REPORT**

**AT 30 JUNE 2013,  
SEE NOTE I OF SECTION THREE**

**ARAP TURK BANK A.Ş.**

**PUBLICLY ANNOUNCED  
UNCONSOLIDATED FINANCIAL STATEMENTS  
TOGETHER WITH REVIEW REPORT**

**AT 30 JUNE 2013**



**CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITOR'S  
REVIEW REPORT ORIGINALLY PREPARED AND ISSUED IN TURKISH**

To the Board of Directors of Arap Türk Bankası A.Ş.:

We have reviewed the accompanying unconsolidated balance sheet of Arap Türk Bankası A.Ş. ("the Bank") at 30 June 2013 and the related unconsolidated statements of income, cash flows and changes in shareholders' equity for the period then ended. These financial statements are the responsibility of the Bank's management. Our responsibility, as independent auditors is to issue a report on these financial statements based on our review. The unconsolidated financial statements of the Bank as at and for the year ended 31 December 2012 were audited by another auditor whose report dated 7 February 2013 expressed a qualified opinion due to provision for possible risks provided by the Bank.

We conducted our review in accordance with the Uniform Chart of Accounts of banks, accounting standards and the independent audit principles in conformity with Banking Law No. 5411. Those principles require that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries concerning the Bank's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

As explained in note II. 7 of "Explanations and Notes Related to Unconsolidated Financial Statements" in section five, at 30 June 2013 the Bank management has reversed and recorded as income the provision for possible risks amounting to 5,000 thousand TL which was recognized as at 31 December 2012.

Based on our review, except for the effects of the matters explained in the third paragraph above on the financial statements, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial statements do not give a true and fair view of the financial position of Arap Türk Bankası A.Ş. at 30 June 2013 and the results of its operations and its cash flows for the period then ended in accordance with accounting principles and standards set out by regulations in conformity with Article 37 of Banking Law No. 5411 and other regulations, interpretations and circulars published by the Banking Regulation and Supervision Agency on accounting and financial reporting principles.



**Additional paragraph for convenience translation:**

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

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

A handwritten signature in blue ink, appearing to read "Z Uras", is written over the printed name.

**Zeynep Uras, SMMM  
Partner**

**Istanbul, 31 July 2013**


**ARAP TÜRK BANKASI A.Ş. UNCONSOLIDATED INTERIM FINANCIAL REPORT  
AS OF AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2013**

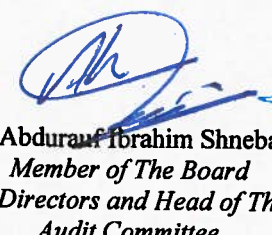
**Address of the Bank's Headquarters :** Valikonağı Caddesi No:10, 34367 – ŞİŞLİ/İSTANBUL  
**Telephone and Fax Numbers :** Tel : 0 212 225 05 00 Faks: 0 212 225 05 26  
**Website of the Bank :** http://www.atbank.com.tr  
**E-mail address of the Bank :** webmaster@atbank.com.tr


The unconsolidated interim financial report as of and for the six month period ended 30 June 2013 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:

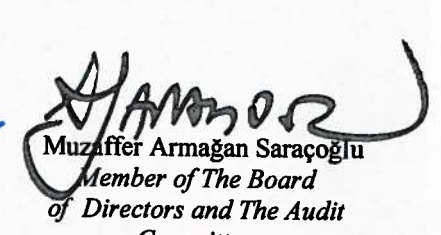
- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK
- DISCLOSURES AND FOOTNOTES RELATED TO UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS
- OTHER DISCLOSURES
- INDEPENDENT AUDITOR’S REVIEW REPORT

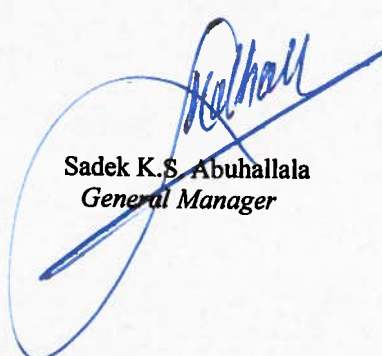
The accompanying unconsolidated interim financial statements and related disclosures and footnotes that were subject to limited review, are prepared in accordance with the “Regulation on Accounting Applications for Banks and Safeguarding of Documents”, Turkish Accounting Standards, Turkish Financial Reporting Standards related appendices and interpretations on these. Unless stated otherwise, the accompanying unconsolidated financial statements are presented in thousands of Turkish Lira (TL) as of 30 June 2013 and have been subject to limited review.

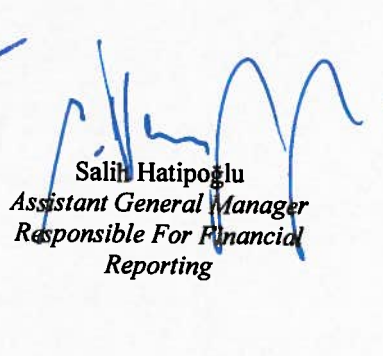
  
**Osman Arslan**  
*Chairman of the Board of Directors*


  
**Abdurrahman İbrahim Şneba**  
*Member of The Board of Directors and Head of The Audit Committee*

  
**Ömer Muzaffer Baktır**  
*Member of The Board of Directors and The Audit Committee*

  
**Muzaffer Armağan Saraçoğlu**  
*Member of The Board of Directors and The Audit Committee*

  
**Sadek K.S. Abuhallala**  
*General Manager*

  
**Salih Hatipoğlu**  
*Assistant General Manager Responsible For Financial Reporting*

  
**Feyzullah Küpeli**  
*Manager*

Contact information of the personnel for addressing questions regarding this financial report:

Name / Title: Feyzullah Küpeli / Manager

Phone No : 0 212 225 05 00

Fax No : 0 212 225 05 26

## **SECTION ONE**

### General Information About The Bank

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UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED  
IN TURKISH, SEE NOTE I OF SECTION THREE**

**ARAP TURK BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2013**

( Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated. )

**SECTION ONE**

**GENERAL INFORMATION ABOUT THE BANK**

**I. BANK’S DATE OF ESTABLISHMENT, BEGINNING STATUTE, ITS HISTORY INCLUDING CHANGES ON ITS STATUTE**

Arap Türk Bankası Anonim Şirketi (“the Bank”) has been established on 18 July 1976 as a joint stock entity in accordance with an agreement signed between the Republic of Turkey and the Libyan Arab Republic. The Bank is managed in conformity with the Articles of Association published in Official Gazette on 18 July 1976 and also as per the “Agreement for the Establishment of a Joint Bank between the Libyan Arab Republic and the Republic of Turkey” dated August 11, 1975. The duration of the Bank is 50 years from the commencement of the Agreement. This period shall be renewable automatically unless agreed otherwise by an Extraordinary General Meeting held at least one year prior to expiration.

In accordance with the Articles of Association, the Board of Directors shall elect a Chairman among its Turkish members and a Deputy Chairman among its Arab members. The General Manager shall always be nominated by the Arab Shareholders assigned by the Board.

**II. BANK’S SHARE CAPITAL STRUCTURE, SHAREHOLDERS DIRECTLY OR INDIRECTLY, ALONE OR TOGETHER HOLDING THE MANAGEMENT AND CONTROL OF THE BANK, RELATED CHANGES WITHIN THE YEAR AND INFORMATION ABOUT BANK’S GROUP**

The Bank is a foreign bank status incorporated in Turkey. The main shareholder Libyan Foreign Bank is %100 owned by Central Bank of Libya. The main shareholder Libyan Foreign Bank has financial investments in various countries.

The other shareholders are Türkiye İş Bankası A.Ş., and T.C. Ziraat Bankası A.Ş.

As of 30 June 2013, the Bank’s share capital at the balance sheet date as follows:

<b>Shareholders</b>	<b>Share amounts</b>	<b>Share percentages</b>
Libyan Foreign Bank	149,687	%62.37
T. İş Bankası A.Ş.	49,382	%20.58
T.C. Ziraat Bankası A.Ş.	37,036	%15.43
Kuwait Investment Co.	3,895	%1.62
<b>Total</b>	<b>240,000</b>	<b>%100</b>

(\*) Emek İnşaat ve İşletme A.Ş. has %0,0000014 share in the paid capital by 3,38 TL.

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IN TURKISH, SEE NOTE I OF SECTION THREE**

**ARAP TURK BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2013**

( Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated. )

**III. INFORMATION ABOUT THE BANK’S CHAIRMAN AND MEMBERS OF BOARD OF DIRECTORS, MEMBERS OF AUDIT COMMITTEE, GENERAL MANAGER AND ASSISTANT GENERAL MANAGERS AND THEIR QUALIFICATIONS, RELATED CHANGES WITHIN THE YEAR AND THEIR SHARES AT THE BANK**

**Chairmen of the Board of Directors and Board Members**

<b>Name</b>	<b>Job Title - Description</b>
Osman Arslan	Chairman of the Board of Directors
Ben Issa A. Hudanah	Deputy Chairman of the Board of Directors
Sadek K.S. Abuhallala	Member of the Board of Directors and General Manager
Abdurauuf İbrahim Shneba	Member of the Board of Directors and Head of Audit Committee
Muzaffer Armağan Saraçoğlu	Member of the Board of Directors and Audit Committee
Ömer Muzaffer Baktır	Member of the Board of Directors and Audit Committee
Abdulfatah A. Enaami	Member of the Board of Directors
Esam Mustafa I. Elrayas	Member of the Board of Directors
Bahattin Özarslantürk	Member of the Board of Directors

**General Manager and Deputies**

<b>Name</b>	<b>Job Title – Description</b>
Sadek K.S. Abuhallala	Member of the Board of Directors and General Manager
Salih Hatipoğlu	Assistant General Manager - Financial Management and Planning Division
Özgür Erker	Assistant General Manager - Treasury and Financial Institutions Division
Abdulmonam Geat Ali Tbigha	Assistant General Manager – Credits Division
Abdussalam Elfituri B.Abushagur	Assistant General Manager – Information Technologies and Operations Division

Members of the board and top level managers do not possess any share in the Bank.

**IV. INFORMATION ON PEOPLE AND ENTITIES WHO HAVE QUALIFIED SHARE IN THE BANK**

<b>Name Surname/Entity Title</b>	<b>Share Amount</b>	<b>Share Percentage %</b>	<b>Paid-in Capital</b>	<b>Unpaid Capital</b>
Libyan Foreign Bank	149,687	62.37	149,687	-
T. İş Bankası A.Ş.	49,382	20.58	49,382	-
T.C. Ziraat Bankası A.Ş.	37,036	15.43	37,036	-

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED  
IN TURKISH, SEE NOTE I OF SECTION THREE**

**ARAP TURK BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2013**

( Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated. )

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**V. INFORMATION ABOUT THE SERVICES AND NATURE OF ACTIVITIES OF THE BANK**

The Bank was established to incorporate commercial activities among Turkey, Middle East and North African countries. The Bank is authorized to collect deposits and operates in corporate banking areas. The Bank has seven branches; three in Istanbul, one in Ankara, one in Kayseri, one in Konya and one in Gaziantep and has share participations in a subsidiary operating in financial leasing business.

**VI. DIFFERENCES BETWEEN THE COMMUNIQUÉ ON PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS OF BANKS AND TURKISH ACCOUNTING STANDARDS AND SHORT EXPLANATION ABOUT THE INSTITUTIONS SUBJECT TO FULL OR PROPORTIONAL CONSOLIDATION AND INSTITUTIONS WHICH ARE DEDUCTED FROM EQUITY OR NOT INCLUDED IN THESE THREE METHODS**

The Bank’s subsidiary Arap Türk Finansal Kiralama Anonim Şirketi is included in the scope of full consolidation method.

Due to differences between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Account Standards, there is no available subsidiary or associate different consolidation method applied.

There are not any investment amount on banks and financial institutions, with shareholding of more than 10% and deducted from capital.

**VII. THE EXISTING OR POTENTIAL, ACTUAL OR LEGAL OBSTACLES ON THE TRANSFER OF SHAREHOLDER’S EQUITY BETWEEN THE BANK AND ITS SUBSIDIARIES OR THE REIMBURSEMENT OF LIABILITIES**

Immediately transfer of the shareholder’s equity between the Bank and its subsidiary is not available. Dividend distribution from shareholders equity is done according to related regulations.

There are no existing or potential, actual or legal obstacle to the reimbursement of liabilities between the Bank and its subsidiary. The Bank charge or pay cost of the services according to the service agreements done between the Bank and its subsidiary.



**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED  
IN TURKISH, SEE NOTE I OF SECTION THREE**

**ARAP TURK BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2013**

( Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated. )

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**SECTION TWO**

**UNCONSOLIDATED FINANCIAL STATEMENTS**

- I. Unconsolidated Balance Sheet (Statement of Financial Position)**
- II. Statement of Unconsolidated Off Balance Sheet Items**
- III. Statement of Unconsolidated Income**
- IV. Statement of Recognised Income and Expense in Unconsolidated Shareholders’ Equity**
- V. Statement of Changes in Unconsolidated Shareholders’ Equity**
- VI. Statement of Unconsolidated Cash Flows**

**Arap Türk Bankası Anonim Şirketi**  
**Unconsolidated Balance Sheet (Statement of Financial Position)**  
**As of 30 June 2013**

(Thousands of Turkish Lira)

ASSETS	Footnotes (5-1)	Reviewed			Audited		
		CURRENT PERIOD (30/06/2013)			PRIOR PERIOD (31/12/2012)		
		TL	FC	TOTAL	TL	FC	TOTAL
<b>I. CASH AND BALANCES WITH THE CENTRAL BANK OF TURKEY</b>	(1)	4,121	309,822	313,943	36,300	171,175	207,475
<b>II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>	(2)	399	75,606	76,005	120,943	71,577	192,520
2.1 Financial assets held for trading		399	75,606	76,005	120,943	71,577	192,520
2.1.1 Public sector debt securities		399	-	399	120,926	-	120,926
2.1.2 Securities representing a share in capital		-	-	-	-	-	-
2.1.3 Derivatives held for trading		-	317	317	17	-	17
2.1.4 Other marketable securities		-	75,289	75,289	-	71,577	71,577
2.2 Financial assets designated at fair value through profit or loss		-	-	-	-	-	-
2.2.1 Public sector debt securities		-	-	-	-	-	-
2.2.2 Equity securities		-	-	-	-	-	-
2.2.3 Loans granted		-	-	-	-	-	-
2.2.4 Other marketable securities		-	-	-	-	-	-
<b>III. BANKS</b>	(3)	10,082	1,270,075	1,280,157	60,116	736,002	796,118
<b>IV. MONEY MARKET PLACEMENTS</b>		18,509	-	18,509	596,126	-	596,126
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3 Receivables from reverse repurchase agreements		18,509	-	18,509	596,126	-	596,126
<b>V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)</b>	(4)	175	780	955	175	722	897
5.1 Securities representing a share in capital		175	780	955	175	722	897
5.2 Public sector debt securities		-	-	-	-	-	-
5.3 Other marketable securities		-	-	-	-	-	-
<b>VI. LOANS AND RECEIVABLES</b>	(5)	402,785	694,276	1,097,061	297,135	439,174	736,309
6.1 Loans and Receivables		402,609	694,276	1,096,885	296,840	439,174	736,014
6.1.1 Loans granted to the Bank's risk group		24,054	61,932	85,986	-	36,092	36,092
6.1.2 Public sector debt securities		-	-	-	-	-	-
6.1.3 Other		378,555	632,344	1,010,899	296,840	403,082	699,922
6.2 Loans under follow-up		8,506	-	8,506	8,523	-	8,523
6.3 Specific provisions (-)		8,330	-	8,330	8,228	-	8,228
<b>VII. FACTORING RECEIVABLES</b>		-	-	-	-	-	-
<b>VIII. INVESTMENTS HELD TO MATURITY (Net)</b>	(6)	55,398	107,157	162,555	25,974	109,175	135,149
8.1 Public sector debt securities		34,068	88,657	122,725	19,918	82,882	102,800
8.2 Other marketable securities		21,330	18,500	39,830	6,056	26,293	32,349
<b>IX. INVESTMENTS IN ASSOCIATES (Net)</b>	(7)	-	-	-	-	-	-
9.1 Consolidated by equity method		-	-	-	-	-	-
9.2 Unconsolidated associates		-	-	-	-	-	-
9.2.1 Financial investments in associates		-	-	-	-	-	-
9.2.2 Non-financial investments in associates		-	-	-	-	-	-
<b>X. INVESTMENTS IN SUBSIDIARIES (Net)</b>	(8)	60,729	-	60,729	40,452	-	40,452
10.1 Financial subsidiaries		60,729	-	60,729	40,452	-	40,452
10.2 Non-financial subsidiaries		-	-	-	-	-	-
<b>XI. INVESTMENTS IN JOINT- VENTURES (Net)</b>	(9)	-	-	-	-	-	-
11.1 Consolidated by equity method		-	-	-	-	-	-
11.2 Unconsolidated joint ventures		-	-	-	-	-	-
11.2.1 Financial investments in joint ventures		-	-	-	-	-	-
11.2.2 Non-financial investments in joint ventures		-	-	-	-	-	-
<b>XII. LEASE RECEIVABLES (Net)</b>	(10)	-	-	-	-	-	-
12.1 Finance lease receivables		-	-	-	-	-	-
12.2 Operational leasing receivables		-	-	-	-	-	-
12.3 Others		-	-	-	-	-	-
12.4 Unearned Revenue (-)		-	-	-	-	-	-
<b>XIII. DERIVATIVE FINANCIAL ASSETS HELD FOR HEDGING</b>	(11)	-	-	-	-	-	-
13.1 Fair value hedges		-	-	-	-	-	-
13.2 Cash flow hedges		-	-	-	-	-	-
13.3 Hedges for investments made in foreign countries		-	-	-	-	-	-
<b>XIV. TANGIBLE ASSETS (Net)</b>		21,729	-	21,729	23,002	-	23,002
<b>XV. INTANGIBLE ASSETS (Net)</b>		2,748	-	2,748	2,034	-	2,034
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		2,748	-	2,748	2,034	-	2,034
<b>XVI. INVESTMENT PROPERTY (Net)</b>	(12)	-	-	-	-	-	-
<b>XVII. TAX ASSET</b>	(13)	2,151	-	2,151	2,488	-	2,488
17.1 Current tax asset		-	-	-	-	-	-
17.2 Deferred tax asset		2,151	-	2,151	2,488	-	2,488
<b>XVIII. ASSET HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)</b>	(14)	11	-	11	288	-	288
18.1 Held for sale purpose		11	-	11	288	-	288
18.2 Held from discontinued operations		-	-	-	-	-	-
<b>XIX. OTHER ASSETS</b>	(15)	4,051	1,951	6,002	11,120	4,309	15,429
<b>TOTAL ASSETS</b>		582,888	2,459,667	3,042,555	1,216,153	1,532,134	2,748,287

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

**Arap Türk Bankası Anonim Şirketi**  
**Unconsolidated Balance Sheet (Statement of Financial Position)**  
**As of 30 June 2013**

(Thousands of Turkish Lira)

LIABILITIES AND SHAREHOLDERS' EQUITY		Footnotes (5-II)	Reviewed			Audited		
			CURRENT PERIOD (30/06/2013)			PRIOR PERIOD (31/12/2012)		
			TL	FC	TOTAL	TL	FC	TOTAL
<b>I.</b>	<b>DEPOSITS</b>	(1)	<b>20,958</b>	<b>1,054,050</b>	<b>1,075,008</b>	<b>562,249</b>	<b>467,489</b>	<b>1,029,738</b>
1.1	Deposits held by the Bank's risk group		1,149	614,798	615,947	536,401	127,455	663,856
1.2	Other		19,809	439,252	459,061	25,848	340,034	365,882
<b>II.</b>	<b>DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING</b>	(2)	-	-	-	<b>3,554</b>	-	<b>3,554</b>
<b>III.</b>	<b>FUNDS BORROWED</b>	(3)	<b>5,057</b>	<b>1,476,082</b>	<b>1,481,139</b>	<b>2,815</b>	<b>1,254,046</b>	<b>1,256,861</b>
<b>IV.</b>	<b>INTERBANK MONEY MARKET</b>		-	-	-	-	-	-
4.1	Interbank money market payables		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money market payables		-	-	-	-	-	-
4.3	Funds provided under repurchase agreements		-	-	-	-	-	-
<b>V.</b>	<b>MARKETABLE SECURITIES ISSUED (Net)</b>		-	-	-	-	-	-
5.1	Bills		-	-	-	-	-	-
5.2	Asset backed securities		-	-	-	-	-	-
5.3	Bonds		-	-	-	-	-	-
<b>VI.</b>	<b>FUNDS</b>		-	-	-	-	-	-
6.1	Borrower funds		-	-	-	-	-	-
6.2	Other		-	-	-	-	-	-
<b>VII.</b>	<b>MISCELLANEOUS PAYABLES</b>		<b>415</b>	<b>1,357</b>	<b>1,772</b>	<b>421</b>	<b>1,152</b>	<b>1,573</b>
<b>VIII.</b>	<b>OTHER EXTERNAL RESOURCES</b>	(4)	<b>2,642</b>	<b>16,911</b>	<b>19,553</b>	<b>12,949</b>	<b>3,047</b>	<b>15,996</b>
<b>IX.</b>	<b>FACTORING PAYABLES</b>		-	-	-	-	-	-
<b>X.</b>	<b>LEASING TRANSACTIONS PAYABLES</b>	(5)	-	-	-	-	-	-
10.1	Finance leasing payables		-	-	-	-	-	-
10.2	Operational leasing payables		-	-	-	-	-	-
10.3	Other		-	-	-	-	-	-
10.4	Deferred finance leasing expenses ( - )		-	-	-	-	-	-
<b>XI.</b>	<b>DERIVATIVE FINANCIAL LIABILITIES HELD FOR HEDGING</b>	(6)	-	-	-	-	-	-
11.1	Fair value hedges		-	-	-	-	-	-
11.2	Cash flow hedges		-	-	-	-	-	-
11.3	Hedges for investments made in foreign countries		-	-	-	-	-	-
<b>XII.</b>	<b>PROVISIONS</b>	(7)	<b>25,798</b>	<b>292</b>	<b>26,090</b>	<b>24,543</b>	<b>271</b>	<b>24,814</b>
12.1	General provisions		18,237	-	18,237	11,811	-	11,811
12.2	Restructuring reserves		-	-	-	-	-	-
12.3	Reserves for employee benefit		7,131	-	7,131	7,232	-	7,232
12.4	Insurance technical reserves (Net)		-	-	-	-	-	-
12.5	Other provisions		430	292	722	5,500	271	5,771
<b>XIII.</b>	<b>TAX LIABILITY</b>	(8)	<b>3,108</b>	-	<b>3,108</b>	<b>3,074</b>	-	<b>3,074</b>
13.1	Current tax liability		3,108	-	3,108	3,074	-	3,074
13.2	Deferred tax liability		-	-	-	-	-	-
<b>XIV.</b>	<b>LIABILITIES FOR ASSETS HELD FOR RESALE AND ASSETS OF DISCONTINUED OPERATIONS</b>		-	-	-	-	-	-
14.1	Held for sale purpose		-	-	-	-	-	-
14.2	Held from discontinued operations		-	-	-	-	-	-
<b>XV.</b>	<b>SUBORDINATED LOANS</b>		-	-	-	-	-	-
<b>XVI.</b>	<b>SHAREHOLDERS' EQUITY</b>	(9)	<b>435,885</b>	-	<b>435,885</b>	<b>412,677</b>	-	<b>412,677</b>
16.1	Paid-in capital		240,000	-	240,000	240,000	-	240,000
16.2	Supplementary capital		9,096	-	9,096	9,096	-	9,096
16.2.1	Share premium		-	-	-	-	-	-
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Securities Value Increase Fund		-	-	-	-	-	-
16.2.4	Revaluation surplus on tangible assets		-	-	-	-	-	-
16.2.5	Revaluation surplus on intangible assets		-	-	-	-	-	-
16.2.6	Revaluation surplus on investment property		-	-	-	-	-	-
16.2.7	Bonus shares of associates, subsidiaries and joint-ventures		-	-	-	-	-	-
16.2.8	Hedging reserves (effective portion)		-	-	-	-	-	-
16.2.9	Revaluation surplus on assets held for sale and assets of discontinued operations		-	-	-	-	-	-
16.2.10	Other capital reserves		9,096	-	9,096	9,096	-	9,096
16.3	Profit reserves		9,130	-	9,130	6,214	-	6,214
16.3.1	Legal reserves		9,130	-	9,130	6,214	-	6,214
16.3.2	Status reserves		-	-	-	-	-	-
16.3.3	Extraordinary reserves		-	-	-	-	-	-
16.3.4	Other profit reserves		-	-	-	-	-	-
16.4	Profit or loss		177,659	-	177,659	157,367	-	157,367
16.4.1	Prior years income/loss		154,193	-	154,193	97,743	-	97,743
16.4.2	Current year income/loss		23,466	-	23,466	59,624	-	59,624
	<b>TOTAL LIABILITIES</b>		<b>493,863</b>	<b>2,548,692</b>	<b>3,042,555</b>	<b>1,022,282</b>	<b>1,726,005</b>	<b>2,748,287</b>

**Arap Türk Bankası Anonim Şirketi**  
**Unconsolidated Off Balance Sheet Commitments**  
**As of 30 June 2013**

(Thousands of Turkish Lira)

	Footnotes (5-III)	Reviewed			Audited		
		CURRENT PERIOD (30/06/2013)			PRIOR PERIOD (31/12/2012)		
		TL	FC	TOTAL	TL	FC	TOTAL
<b>A. OFF BALANCE SHEET COMMITMENTS</b>		<b>180,944</b>	<b>1,760,745</b>	<b>1,941,689</b>	<b>272,167</b>	<b>1,580,009</b>	<b>1,852,176</b>
<b>I. GUARANTEES AND WARRANTIES</b>	(1),(2)	<b>172,686</b>	<b>1,658,880</b>	<b>1,831,566</b>	<b>126,744</b>	<b>1,445,787</b>	<b>1,572,531</b>
1.1. Letters of guarantee		172,686	1,254,499	1,427,185	121,194	1,126,146	1,247,340
1.1.1. Guarantees subject to State Tender Law		18,213	110	18,323	18,569	101	18,670
1.1.2. Guarantees given for foreign trade operations		44,165	1,200,378	1,244,543	7,815	1,100,960	1,108,775
1.1.3. Other letters of guarantee		110,308	54,011	164,319	94,810	25,085	119,895
1.2. Bank acceptances		-	49,625	49,625	5,550	63,485	69,035
1.2.1. Import letter of acceptance		-	-	-	-	-	-
1.2.2. Other bank acceptances		-	49,625	49,625	5,550	63,485	69,035
1.3. Letters of credit		-	354,756	354,756	-	256,156	256,156
1.3.1. Documentary letters of credit		-	-	-	-	-	-
1.3.2. Other letters of credit		-	354,756	354,756	-	256,156	256,156
1.4. Prefinancing given as guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other endorsements		-	-	-	-	-	-
1.6. Securities issue purchase guarantees		-	-	-	-	-	-
1.7. Factoring guarantees		-	-	-	-	-	-
1.8. Other guarantees		-	-	-	-	-	-
1.9. Other warranties		-	-	-	-	-	-
<b>II. COMMITMENTS</b>	(1)	<b>8,258</b>	<b>43,674</b>	<b>51,932</b>	<b>5,779</b>	-	<b>5,779</b>
2.1. Irrevocable commitments		8,258	43,674	51,932	5,779	-	5,779
2.1.1. Asset purchase and sales commitments		2,220	2,211	4,431	-	-	-
2.1.2. Deposit purchase and sales commitments		-	41,463	41,463	-	-	-
2.1.3. Share capital commitment to associates and subsidiaries		-	-	-	-	-	-
2.1.4. Loan granting commitments		-	-	-	-	-	-
2.1.5. Securities issue brokerage commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7. Payment commitments for checks		6,038	-	6,038	5,779	-	5,779
2.1.8. Tax and fund liabilities from export commitments		-	-	-	-	-	-
2.1.9. Commitments for credit card expenditure limits		-	-	-	-	-	-
2.1.10. Commitments for credit cards and banking services promotions		-	-	-	-	-	-
2.1.11. Receivables from short sale commitments		-	-	-	-	-	-
2.1.12. Payables for short sale commitments		-	-	-	-	-	-
2.1.13. Other irrevocable commitments		-	-	-	-	-	-
2.2. Revocable commitments		-	-	-	-	-	-
2.2.1. Revocable loan granting commitments		-	-	-	-	-	-
2.2.2. Other revocable commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>		-	<b>58,191</b>	<b>58,191</b>	<b>139,644</b>	<b>134,222</b>	<b>273,866</b>
3.1. Derivative financial instruments held for hedging		-	-	-	-	-	-
3.1.1. Fair value hedges		-	-	-	-	-	-
3.1.2. Cash flow hedges		-	-	-	-	-	-
3.1.3. Hedges for investments made in foreign countries		-	-	-	-	-	-
3.2. Trading transactions		-	58,191	58,191	139,644	134,222	273,866
3.2.1. Forward foreign currency buy/sell transactions		-	-	-	-	-	-
3.2.1.1. Forward foreign currency transactions-buy		-	-	-	-	-	-
3.2.1.2. Forward foreign currency transactions-sell		-	-	-	-	-	-
3.2.2. Swap transactions related to foreign currency and interest rates		-	58,191	58,191	139,644	134,222	273,866
3.2.2.1. Foreign currency swap-buy		-	29,252	29,252	-	134,222	134,222
3.2.2.2. Foreign currency swap-sell		-	28,939	28,939	139,644	-	139,644
3.2.2.3. Interest rate swaps-buy		-	-	-	-	-	-
3.2.2.4. Interest rate swaps-sell		-	-	-	-	-	-
3.2.3. Foreign currency, interest rate and security options		-	-	-	-	-	-
3.2.3.1. Foreign currency options-buy		-	-	-	-	-	-
3.2.3.2. Foreign currency options-sell		-	-	-	-	-	-
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 SECURITIES (IV+V+VI)</b>		<b>243,068</b>	<b>258,176</b>	<b>501,244</b>	<b>243,213</b>	<b>215,532</b>	<b>458,745</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>211,683</b>	<b>137,098</b>	<b>348,781</b>	<b>212,138</b>	<b>116,908</b>	<b>329,046</b>
4.1. Assets under management		-	-	-	-	-	-
4.2. Investment securities held in custody		-	-	-	-	-	-
4.3. Checks received for collection		153,183	10,671	163,854	159,012	10,908	169,920
4.4. Commercial notes received for collection		58,500	126,427	184,927	53,126	106,000	159,126
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>31,385</b>	<b>121,078</b>	<b>152,463</b>	<b>31,075</b>	<b>98,624</b>	<b>129,699</b>
5.1. Marketable securities		-	-	-	-	-	-
5.2. Guarantee notes		250	212	462	250	196	446
5.3. Commodity		-	-	-	-	-	-
5.4. Warranty		-	-	-	-	-	-
5.5. Immovables		31,107	118,735	149,842	30,797	96,456	127,253
5.6. Other pledged items		28	2,131	2,159	28	1,972	2,000
5.7. Pledged items-depository		-	-	-	-	-	-
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		-	-	-	-	-	-
<b>TOTAL OFF BALANCE SHEET COMMITMENTS</b>		<b>424,012</b>	<b>2,018,921</b>	<b>2,442,933</b>	<b>515,380</b>	<b>1,795,541</b>	<b>2,310,921</b>

**Arap Türk Bankası Anonim Şirketi**  
**Unconsolidated Income Statement**  
**For The Period Ended 30 June 2013**

(Thousands of Turkish Lira)

INCOME AND EXPENSES	Footnotes (5-IV)	Reviewed	Reviewed	Reviewed	Reviewed
		CURRENT PERIOD (01/01/2013-30/06/2013)	CURRENT PERIOD (01/04/2013-30/06/2013)	PRIOR PERIOD (01/01/2012-30/06/2012)	PRIOR PERIOD (01/04/2012-30/06/2012)
<b>I. INTEREST INCOME</b>	(1)	<b>46,168</b>	<b>20,674</b>	<b>63,499</b>	<b>30,234</b>
1.1 Interest on loans		23,636	12,548	28,979	13,806
1.2 Interest received from reserve deposits		-	-	-	-
1.3 Interest received from banks		12,487	5,925	11,570	6,130
1.4 Interest received from money market transactions		3,448	1,205	9,923	4,348
1.5 Interest received from marketable securities portfolio		6,593	994	13,024	5,950
1.5.1 Financial assets held for trading		2,108	(777)	5,649	2,321
1.5.2 Financial assets where value change is reflected to income statement		-	-	-	-
1.5.3 Financial assets available for sale		-	-	-	-
1.5.4 Investments held to maturity		4,485	1,771	7,375	3,629
1.6 Finance lease income		-	-	-	-
1.7 Other interest income		4	2	3	-
<b>II. INTEREST EXPENSE</b>	(2)	<b>10,669</b>	<b>5,733</b>	<b>16,004</b>	<b>7,187</b>
2.1 Interest on deposits		1,583	646	10,468	4,558
2.2 Interest on funds borrowed		9,005	5,031	2,639	1,659
2.3 Interest on money market transactions		81	56	2,897	970
2.4 Interest on securities issued		-	-	-	-
2.5 Other interest expense		-	-	-	-
<b>III. NET INTEREST INCOME/EXPENSE (I - II)</b>		<b>35,499</b>	<b>14,941</b>	<b>47,495</b>	<b>23,047</b>
<b>IV. NET FEES AND COMMISSIONS INCOME/EXPENSE</b>		<b>17,393</b>	<b>8,771</b>	<b>22,696</b>	<b>8,201</b>
4.1 Fees and commissions received		17,678	8,942	23,276	8,350
4.1.1 Non-cash loans		6,901	3,650	6,777	3,430
4.1.2 Other		10,777	5,292	16,499	4,920
4.2 Fees and commissions paid		285	171	580	149
4.2.1 Non-cash loans		1	-	1	-
4.2.2 Other		284	171	579	149
<b>V. DIVIDEND INCOME</b>		<b>4,829</b>	<b>4,829</b>	<b>2,061</b>	<b>55</b>
<b>VI. NET TRADING INCOME/EXPENSE</b>	(3)	<b>(1,665)</b>	<b>(532)</b>	<b>397</b>	<b>(914)</b>
6.1 Capital markets transactions		-	-	9	-
6.2 Profit/losses on trading account securities		(1,887)	(531)	(1,359)	(1,666)
6.3 Foreign exchange profit/losses		222	(1)	1,747	752
<b>VII. OTHER OPERATING INCOME</b>	(4)	<b>5,973</b>	<b>387</b>	<b>2,226</b>	<b>454</b>
<b>VIII. TOTAL OPERATING INCOME/EXPENSE (III+IV+V+VI+VII)</b>		<b>62,029</b>	<b>28,396</b>	<b>74,875</b>	<b>30,843</b>
<b>IX. PROVISION FOR LOAN LOSSES and OTHER RECEIVABLES (-)</b>	(5)	<b>7,014</b>	<b>3,015</b>	<b>815</b>	<b>(1,162)</b>
<b>X. OTHER OPERATING EXPENSES (-)</b>	(6)	<b>26,386</b>	<b>14,590</b>	<b>24,407</b>	<b>12,548</b>
<b>XI. NET OPERATING INCOME/LOSS (VIII-IX-X)</b>		<b>28,629</b>	<b>10,791</b>	<b>49,653</b>	<b>19,457</b>
<b>XII. INCOME RESULTED FROM MERGERS</b>		-	-	-	-
<b>XIII. INCOME/LOSS FROM CONTINUING OPERATIONS</b>		-	-	-	-
<b>XIV. NET MONETARY POSITION GAIN/LOSS</b>		-	-	-	-
<b>XV. INCOME/EXPENSE BEFORE TAXES FROM CONTINUING OPERATIONS (XI+...+XIV)</b>		<b>28,629</b>	<b>10,791</b>	<b>49,653</b>	<b>19,457</b>
<b>XVI. PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)</b>	(7)	<b>(5,163)</b>	<b>(1,800)</b>	<b>(9,394)</b>	<b>(3,643)</b>
16.1 Current tax provision		(4,762)	(1,878)	(9,383)	(3,600)
16.2 Deferred tax provision		(401)	78	(11)	(43)
<b>XVII. NET PROFIT/LOSSES FROM CONTINUING OPERATIONS (XV±XVI)</b>	(8)	<b>23,466</b>	<b>8,991</b>	<b>40,259</b>	<b>15,814</b>
<b>XVIII. INCOME FROM DISCONTINUED OPERATIONS</b>		-	-	-	-
18.1 Income from asset held for sale		-	-	-	-
18.2 Income from sale of associates, subsidiaries and joint-ventures		-	-	-	-
18.3 Other income from discontinued operations		-	-	-	-
<b>XIX. EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>		-	-	-	-
19.1 Expenses on asset held for sale		-	-	-	-
19.2 Expenses on sale of associates, subsidiaries and joint ventures		-	-	-	-
19.3 Other expense from discontinued operations		-	-	-	-
<b>XX. INCOME/EXPENSE BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII-XIX)</b>		-	-	-	-
<b>XXI. PROVISION FOR TAXES ON INCOME FROM DISCONTINUED OPERATIONS (±)</b>		-	-	-	-
21.1 Current tax provision		-	-	-	-
21.2 Deferred tax provision		-	-	-	-
<b>XXII. NET PROFIT/LOSSES FROM DISCONTINUED OPERATIONS (XX±XXI)</b>		-	-	-	-
<b>XXIII. NET PROFIT/LOSSES (XVII+XXII)</b>		<b>23,466</b>	<b>8,991</b>	<b>40,259</b>	<b>15,814</b>
Earning/Loss Per Share		0.0010	0.0004	0.00168	0.00066

**Arap Türk Bankası Anonim Şirketi**  
**Statement of Recognized Income and Expense In Unconsolidated Shareholders' Equity**  
**For The Period Ended 30 June 2013**

(Thousands of Turkish Lira)

INCOME AND EXPENSE ITEMS ACCOUNTED IN SHAREHOLDERS' EQUITY		Reviewed	
		CURRENT PERIOD (01/01/2013-30/06/2013)	PRIOR PERIOD (01/01/2012-30/06/2012)
I.	I. MARKET VALUE GAINS ON AVAILABLE FOR SALE ASSETS ACCOUNTED UNDER "SECURITIES VALUE INCREASE FUND"	-	-
II.	REVALUATION SURPLUS ON TANGIBLE ASSETS	-	-
III.	REVALUATION SURPLUS ON INTANGIBLE ASSETS	-	-
IV.	TRANSLATION DIFFERENCES FOR TRANSACTIONS IN FOREIGN CURRENCIES	-	-
V.	GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR CASH FLOW HEDGES (effective portion)	-	-
VI.	GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR HEDGES OF NET INVESTMENT (effective portion)	-	-
VII.	EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS	(322)	(6)
VIII.	OTHER INCOME/EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER TAS	-	-
IX.	DEFERRED TAXES ON VALUE INCREASES/DECREASES	64	1
X.	NET INCOME/EXPENSE ITEMS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)	(258)	(5)
XI.	CURRENT PROFIT/LOSSES	23,466	40,259
11.1	Net changes in fair value of securities (transferred to income statement)	-	-
11.2	Gains/losses on hedges of cash flow hedges, reclassified and recorded in income statement	-	-
11.3	Gains/losses on hedges of net investment in foreign operations, reclassified and recorded in income statement	-	-
11.4	Other	23,466	40,259
XII.	TOTAL PROFIT/(LOSS) ACCOUNTED FOR THE CURRENT PERIOD (X+XI)	23,208	40,254

**Arap Türk Bankası Anonim Şirketi**  
**Statement of Changes In Unconsolidated Shareholders' Equity**  
**For The Period Ended 30 June 2013**  
(Thousands of Turkish Lira)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY		Footnotes	Paid-in Capital	Capital Reserves from Inflation Adjustments to Paid in Capital	Share premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit/Loss	Prior Period Net Profit/Loss	Securities Value Increase Fund	Revaluation Surplus on Tangible and Intangible Assets	Bonus Shares of Equity Participations	Hedging Reserves	Accu. Rev.Surp. on Assets Held for Sale and Assets of Discont. Op.s	Total Shareholders' Equity	
<b>PRIOR PERIOD</b> (30/06/2012)																			
I.	Balances at the beginning of the period		240,000	9,096	-	-	3,841	-	-	-	48,095	52,945	-	-	-	-	-	-	353,977
II.	Corrections made as per TAS 8		-	-	-	-	-	-	-	-	150	(150)	-	-	-	-	-	-	-
2.1	Effects of corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of changes in accounting policies		-	-	-	-	-	-	-	-	150	(150)	-	-	-	-	-	-	-
III.	Adjusted balances at the beginning of the period (I-II)		240,000	9,096	-	-	3,841	-	-	-	48,245	52,795	-	-	-	-	-	-	353,977
IV.	Changes during the period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Securities Value Increase Fund		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Hedges for Risk Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1	Net Cash Flow Hedges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2	Net Foreign Investment Hedges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Revaluation surplus on tangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Revaluation surplus on intangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Bonus shares of associates, subsidiaries and joint ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Foreign exchange differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Changes resulted from disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Changes resulted from reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Effect of change in equities of associates on Bank's Equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Capital increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1	Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2	Internal sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Share issuance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Capital Reserves From Inflation Adjustments To Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX.	Others		-	-	-	-	-	-	-	-	-	(5)	-	-	-	-	-	-	(5)
XX.	Current Period Net Profit		-	-	-	-	-	-	-	-	40,259	-	-	-	-	-	-	-	40,259
XXI.	Profit distribution		-	-	-	-	-	-	-	-	(48,245)	45,872	-	-	-	-	-	-	-
20.1	Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2	Transfers to Reserves		-	-	-	-	-	-	-	-	(48,245)	45,872	-	-	-	-	-	-	-
20.3	Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Balances at end of period (III-IV+.....+XIV-XV-XVI)		240,000	9,096	-	-	6,214	-	-	-	40,259	98,662	-	-	-	-	-	-	394,231
<b>CURRENT PERIOD</b> (30/06/2013)																			
I.	Balances at end of prior period		240,000	9,096	-	-	6,214	-	-	-	59,624	97,743	-	-	-	-	-	-	412,677
II.	Changes within the period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV.	Securities Value Increase Fund		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Hedges for Risk Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1	Net Cash Flow Hedges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Net Foreign Investment Hedges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Revaluation surplus on tangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Revaluation surplus on intangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Bonus shares of associates, subsidiaries and joint ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Foreign exchange differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Changes resulted from disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Changes resulted from reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Effect of change in equities of associates on Bank's Equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Capital increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1	Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2	Internal sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share issuance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Capital Reserves From Inflation Adjustments To Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Others		-	-	-	-	-	-	-	-	-	(258)	-	-	-	-	-	-	(258)
XVIII.	Current Period Net Profit		-	-	-	-	-	-	-	-	23,466	-	-	-	-	-	-	-	23,466
XIX.	Profit distribution		-	-	-	-	-	-	-	-	(59,624)	56,708	-	-	-	-	-	-	-
18.1	Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.3	Transfers to legal reserves		-	-	-	-	-	-	-	-	(59,624)	56,708	-	-	-	-	-	-	-
18.5	Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Balances at end of the period (I-II+III+.....+XVI-XVII-XVIII)		240,000	9,096	-	-	9,130	-	-	-	23,466	154,193	-	-	-	-	-	-	435,885

Updated TAS 19 - Standard of Employee Benefits came into force as the date of 1 January 2013. Changes brought by the standard must be applied retrospectively. In this context, actuarial gain/loss is amounting to TL 150 as of 31 December 2011, has been accounted under the "Prior Period Profit/Loss" and profit of the related period has risen at the same rate.

**Arap Türk Bankası Anonim Şirketi**  
**Unconsolidated Statement of Cash Flow**  
**For The Period Ended 30 June 2013**

(Thousands of Turkish Lira)

	Footnotes	Reviewed	
		CURRENT PERIOD (30/06/2013)	PRIOR PERIOD (30/06/2012)
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
1.1 Operating Profit Before Changes in Operating Assets and Liabilities		<b>(39,384)</b>	<b>183,287</b>
1.1.1 Interests Received		42,763	74,078
1.1.2 Interest Paid		(5,571)	(16,939)
1.1.3 Dividend Received		44	-
1.1.4 Fees and Commissions Received		17,678	23,276
1.1.5 Other Income		232	861
1.1.6 Collections From Previously Written-off Loans and Other Receivables		17	-
1.1.7 Payments to Personnel and Service Suppliers		(22,580)	(19,171)
1.1.8 Taxes Paid		(4,792)	(9,863)
1.1.9 Others		(67,175)	131,045
1.2 Changes in Operating Assets and Liabilities		<b>(126,236)</b>	<b>(175,595)</b>
1.2.1 Net Decrease in Financial Assets Held For Trading		112,116	78,131
1.2.2 Net (Increase) Decrease in Financial Assets Valued at Fair Value Through Profit or Loss		-	-
1.2.3 Net Decrease in Due From Banks and Other Financial Institutions		(166,233)	18,737
1.2.4 Net (Increase) in Loans		(352,526)	163,424
1.2.5 Net Decrease in Other Assets		9,880	3,446
1.2.6 Net Increase /(Decrease) in Bank Deposits		45,085	(1,030,434)
1.2.7 Net Increase (Decrease) in Other Deposits		(9)	866
1.2.8 Net Increase/ (Decrease) in Funds Borrowed		219,374	688,472
1.2.9 Net Increase/ (Decrease) in Matured Payables		-	-
1.2.10 Net Increase in Other Liabilities		6,077	(98,237)
<b>I. Net Cash Flow From Banking Operations</b>		<b>(165,620)</b>	<b>7,692</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net Cash Flow From Investing Activities</b>		<b>(36,214)</b>	<b>(34,520)</b>
2.1 Cash Paid For Purchase of Associates, Subsidiaries, and Joint-Ventures		(15,492)	-
2.2 Cash Obtained From Sale of Associates, Subsidiaries and Joint-Ventures		-	-
2.3 Purchases of Tangible Assets		(138)	(317)
2.4 Sales of Tangible Assets		335	18
2.5 Cash Paid For Purchase of Financial Assets Available-For-Sale		-	-
2.6 Cash Obtained From Sale of Financial Assets Available-For-Sale		-	-
2.7 Cash Paid For Purchase of Investments Held-to-Maturity		(58,362)	(92,131)
2.8 Cash Obtained From Sale of Investments Held-to-Maturity		38,596	58,128
2.9 Others		(1,153)	(218)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net Cash Flows From Financing Activities</b>		-	-
3.1 Cash Obtained From Funds Borrowed and Securities Issued		-	-
3.2 Cash Used For Repayment of Funds Borrowed and Securities Issued		-	-
3.3 Equity Instruments Issued		-	-
3.4 Dividends Paid		-	-
3.5 Payments For Financial Leases		-	-
3.6 Others		-	-
<b>IV. Effect of Change in Foreign Exchange Rate On Cash and Cash Equivalents</b>		<b>48,608</b>	<b>(128,856)</b>
<b>V. Net (Decrease)/Increase in Cash and Cash Equivalents</b>		<b>(153,226)</b>	<b>(155,684)</b>
<b>VI. Cash and Cash Equivalents at Beginning of Period</b>		<b>1,378,516</b>	<b>1,544,433</b>
<b>VII. Cash and Cash Equivalents at the End of Period</b>		<b>1,225,290</b>	<b>1,388,749</b>



**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
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**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2013**

( Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated. )

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**SECTION THREE**

**EXPLANATIONS ON ACCOUNTING POLICIES**

**I. EXPLANATIONS FOR BASIS OF PRESENTATION**

The unconsolidated financial statements are prepared in accordance with the “Regulation on the Principles and Procedures Regarding Banks’ Accounting Applications and Safeguarding of Documents” published dated 1 November 2006 by the Banking Regulation and Supervision Agency (“BRSA”) which refers to “Turkish Accounting Standards” (“TAS”) and “Turkish Financial Reporting Standards” (“TFRS”) issued by the Turkish Accounting Standard Boards (“TASB”) and other decrees, notes and explanations related to the accounting and financial reporting principles (all “Turkish accounting Standards” or “TAS”) published by the BRSA and the format and the details of the publicly announced financial statements and related disclosures to these statements have been prepared in accordance with the “Communiqués Related to Publicly Announced Financial Statements of Banks and Explanations and Notes Related to these Financial Statements” published in the Official Gazette No. 28337 dated 28 June 2012, additions and changes in the related to communiqué. The Bank maintains its books of account in Turkish Lira (TL).

Unconsolidated financial statements other than financial assets and liabilities that are presented with fair values, are prepared in thousands of TL and with cost value approach.

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

For a correct perception of the financial statements, the accounting policies and valuation principles are explained between in Notes No. II and XXIII.

**Explanation for convenience translation into English:**

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

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**II. INFORMATION ON STRATEGY FOR THE USE OF FINANCIAL INSTRUMENTS  
AND FOREIGN CURRENCY TRANSACTIONS**

The Bank’s core business operation is banking activities including corporate banking, commercial banking, retail banking and security transactions (treasury transactions) together with international banking services. The Bank uses financial instruments intensively because of the nature of the Bank. The main funding resources are deposits, borrowing and equity and these resources are invested in qualified financial assets. The Bank follows the utilization of resources and the risk and return for the investments in various financial assets through an effective asset and liability management strategy.

The transactions in foreign currency are recorded in accordance with TAS 21 – Effects of Exchange Rate Changes. Related gain and loss occurred due to the changes in exchange rates resulted by the foreign currency transactions are translated into TL over the effective exchange rate prevailing at the date of the transaction and is recorded accordingly. At the end of the related periods, foreign currency assets and liability balances outstanding are translated into Turkish Lira over the Bank’s exchange rates prevailing at the balance sheet date and the resulting exchange rate differences are accounted as foreign exchange gains and losses.

**III EXPLANATIONS ON INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES**

Subsidiaries are the entities that the Bank has the power to govern the financial and operating policies of those so as to obtain benefits from its activities. Subsidiaries are accounted in accordance with “TAS 39 - Financial Instruments: Recognition and Measurement” in the unconsolidated financial statements. Subsidiaries are recorded at fair value. Subsidiaries which are not traded in an active market and whose fair value cannot be reliably set are reflected in financial statements with their costs after deducting impairment losses, if any

**IV. INFORMATION ON FORWARD TRANSACTIONS, OPTIONS AND DERIVATIVE  
INSTRUMENTS**

The Bank’s financial derivatives are classified as “Held for Trading” in accordance with “TAS – 39 Financial Instruments: Recognition and Measurement”.

Derivatives are initially recorded at their purchase costs including the transaction costs. The notional amounts of derivative transactions are recorded in off-balance sheet accounts based on their contractual amounts.

The derivative transactions are measured at fair value subsequent to initial recognition and if the fair value of a derivative financial instrument is positive, it is disclosed under the main account fair values of financial assets through profit or loss” in trading derivative financial instruments and if the fair value difference is negative, it is disclosed under trading derivative financial liabilities.

Gains and losses arising from a change in fair value of trading derivatives after the re measurement are accounted in the income statement. The fair value of the derivative financial instruments is calculated using quoted market prices by using discounted cash flows model.

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**V. INFORMATION ON INTEREST INCOME AND EXPENSE**

Interest income and expense are recognized according to the effective interest method based on accrual basis. Effective interest rate is the rate that discounts the expected cash flows of financial assets or liabilities during their lifetimes to their carrying values. Effective interest rate is calculated when a financial asset or a liability is initially recorded and is not modified thereafter.

The computation of effective interest rate comprises discounts and premiums, fees and commissions paid or received and transaction costs. Transaction costs are additional costs that are directly related to the acquisition, issuance or disposal of financial assets or liabilities.

In accordance with the related regulation, the accrued interest income on non-performing loans are reversed and subsequently recognized as interest income only when collected.

**VI. INFORMATION ON FEES AND COMMISSION**

Fees and commission received and paid are recognized according to either accrual basis of accounting or effective interest method depending on nature of fees and commission; incomes derived from agreements and asset purchases for third parties are recognized as income when realized.

**VII. INFORMATION ON FINANCIAL ASSETS**

The Bank categorizes and records its financial assets as financial assets at fair value through profit or loss, financial assets available-for-sale, loans and receivables or financial assets held to maturity.

Financial assets except for measured at fair value through profit or loss are recognized initially with their transaction costs that are directly attributable to the acquisition or issue of the financial asset. Purchase and sale transactions of securities are accounted at settlement dates.

**a. Financial Assets at Fair Value through Profit or Loss**

This category has two sub categories: financial assets for trading purposes and those recorded as financial assets designated at fair value through profit or loss at their initial recognition.

Financial assets held for trading are part of a portfolio aiming to generate a profit from short term fluctuations in prices or dealer’s margin or in which a pattern of short term profit making exists.

Financial derivative instruments are classified as financial assets held for trading unless they are stated as for hedging purposes. Accounting of derivative financial assets is explained in IV of Section Three.

The financial assets held for trading are initially recognized at cost which includes transaction costs. Subsequent to the initial recognition financial assets held for trading are re-measured at their fair value. The gains and losses arising from the change in fair value are recognized in the income statement. The interest income earned from financial assets held for trading is recorded in the interest income and share profit is recorded in the dividends account.

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**VII. INFORMATION ON FINANCIAL ASSETS (Continued)**

**b. Financial Assets Available-for-Sale**

Financial assets available for sale are financial assets other than those classified as loans and receivables, financial assets held to maturity and financial assets at fair value through profit or loss.

Debt securities classified as financial assets available-for-sale are subsequently re-measured at their fair values. Unrealized gains and losses arising from changes in the fair value of securities classified as financial assets available for sale is reflected in the equity marketable securities value increase fund. When these financial assets available for sale are disposed of or collected the fair value differences accumulated under equity are transferred to the income statement.

Financial assets available for sale that have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value. Financial assets available for sale that do not have a quoted market price and whose fair values cannot be reliably measured are carried at cost, less provision for impairment.

**c. Loans and Receivables**

Loans and receivables are the financial assets raised by the Bank providing money, commodity and services to debtors. Loans are financial assets with fixed or determinable payments and not quoted in an active market.

Loans and receivables are recorded at cost and measured at amortized cost by using effective interest method. The duties paid, transaction expenditures and other similar expenses on assets received against such risks are considered as a part of transaction cost and charged to customers.

**d. Financial Assets Held to Maturity**

Held-to-maturity securities are financial assets that are not classified as loans and receivables with fixed maturities and pre-determinable payments that the Bank has the intent and ability to hold until maturity. The financial assets held to maturity are initially recognized at cost and subsequently carried at amortized cost using effective interest method with internal rate of return after deducting impairments, if any. Interest earned on financial assets held-to-maturity is recognized as interest income in the statement of income.

There are no financial assets that were previously classified as held to maturity but cannot be subject to this classification for two years due to the violation of the tainting rule.

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**VIII. INFORMATION ON IMPAIRMENT OF FINANCIAL ASSETS**

Financial assets or group of financial assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indication exists, the Bank estimates the amount of impairment.

Impairment loss incurs if, and only if, there is objective evidence that the expected future cash flows of financial asset or group of financial assets are adversely affected by an event(s) (“loss event(s)”) incurred subsequent to recognition. The losses expected to incur due to future events are not recognized even if the probability of loss is high.

If there is an objective evidence that certain loans will not be collected, for such loans; the Bank provides specific and general allowances for loan and other receivables classified in accordance with the Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables published on the Official Gazette no. 26333 dated 1 November 2006 and the amendments to this regulation. The allowances are recorded in the statement of income of the related period.

Provision in prior periods has been collected which is provisioned accounts are recorded under other operating income is deducted. Receivables collected which is provisioned in the same year, the impairment loss is deducted from loans and other receivables.

**IX. INFORMATION ON OFFSETTING FINANCIAL INSTRUMENTS**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**X. INFORMATION ON SALE AND REPURCHASE AGREEMENTS AND LENDING OF FINANCIAL ASSETS**

Repurchase (“repo”) and resale (“reverse repo”) agreements of financial assets are followed at the balance sheet accounts. Financial assets which are sold to customers under repurchase agreements are categorized according to initial classification and are measured in accordance with the accounting policy of the related portfolio.

Funds obtained under repurchase agreements are accounted under funds provided under repurchase agreements in liability accounts. The interest expense accruals are calculated by means of internal rate of return method over the difference resulting from repurchase and sale prices for the relevant period.

Securities subject to repurchase (“reverse repo”) agreements are reflected under receivables from reverse repurchase agreements. The difference between the purchase and resell price which is related with the period is computed with the effective interest rate method for accrued interest income.

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**XI. INFORMATION ON ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS**

An asset that is classified as held for sale (or to be discarded fixed assets) is measured with its book value or cost deducted fair value, depending on the lower one. An asset to be classified asset held for sale, particular asset (or to be discarded fixed assets) should be similar to these types of assets and should be able to be sold immediately with commonly accepted terms and conditions. Asset should be marketed in line with its fair value. For selling probability to be high, relevant management level should plan the sale and should finalize the plan by determining the buyers.

Assets held for sale are comprised of tangible assets acquired due to non performing receivables, and are accounted in the financial statements in accordance with the “Regulation On The Disposals of The Commodities and Properties Acquired Due to Receivables and The Purchase and Sale of Precious Metals by Banks” dated 1 November 2006 and published on the Official Gazette No.26333.

A discontinued operation is classified as the Bank’s assets discarded or assets held for sales. Information on discontinued operations is presented separately in consolidated income statement. As at reporting date, the Bank does not have any discontinued operations.

**XII. INFORMATION ON GOODWILL AND OTHER INTANGIBLE ASSETS**

There is no goodwill in the accompanying financial statements related to the acquisition of a subsidiary.

The Bank’s intangible assets consist of software.

Intangible assets are initially recorded at their costs in compliance with the TAS 38 – Intangible Assets.

The costs of the intangible assets purchased before 31 December 2004 are restated from the purchasing dates to 31 December 2004, the date the hyperinflationary period is considered to be ended. The intangible assets purchased after this date are recorded at their historical costs. The intangible assets are amortized based on straight line amortization. The useful life of software is determined as 5 years.

If there is objective evidence of impairment, the asset’s recoverable amount is estimated in accordance with the TAS 36 – Impairment of Assets and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is made.

**XIII. INFORMATION ON TANGIBLE ASSETS**

The costs of the tangible assets purchased before 31 December 2004 are restated from the purchasing dates to 31 December 2004, the date the hyperinflationary period is considered to be ended. In subsequent periods no inflation adjustment is made for tangible assets, and costs which are restated as of 31 December 2004 are considered as their historical costs. Tangible assets purchased after 1 January 2005 are recorded at their historical costs after foreign exchange differences and financial expenses are deducted if any.

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**XIII. INFORMATION ON TANGIBLE ASSETS (Continued)**

Gains and losses arising from the disposal of the tangible assets are calculated as the difference between the net book value and the net sales price and recognized in the income statement of the period.

Maintenance and repair costs incurred for tangible assets are recorded as expense. Expenditures incurred that extend the useful life and service capacity of the assets are capitalized.

The depreciation rates used approximate the rates of the useful life of the tangible assets are as follows:

<b>Tangible assets</b>	<b>Estimated useful life (Years)</b>	<b>Depreciation Rate (%)</b>
Buildings	50	2
Motor vehicles	5	20
Office equipment, furniture and fixture	5-50	2-20

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

At each reporting date, the Bank evaluates whether there is objective evidence of impairment on its assets. If there is an objective evidence of impairment, the asset’s recoverable amount is estimated in accordance with the TAS 36 – Impairment of Assets and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is made.

**XIV. INFORMATION ON LEASING ACTIVITIES**

*Finance leasing activities as the lessor*

Tangible assets acquired by way of finance leasing are recognized in tangible assets and the obligations under finance leases arising from the lease contracts are presented under “Finance Lease Payables” account in the financial statements. In the determination of the related assets and liabilities, the lower of the fair value of the leased asset and the present value of leasing payments is considered. Financial costs of leasing agreements are expanded in lease periods at a fixed interest rate.

If there is impairment in the value of the assets obtained through financial lease and in the expected future benefits, the leased assets are valued with net realizable value. Depreciation for assets obtained through financial lease is calculated in the same manner as tangible assets.

Interest and exchange rate expenses related to financial leasing are recognized in the income statement. The Bank does not provide financial leasing services as a lessor.

Transactions regarding operational leases are accounted on an accrual basis in accordance with the term of the related contracts.

*Operational leases*

Transactions regarding operational lease agreements are accounted on an accrual basis in accordance with the terms of the related contracts.

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**XV. INFORMATION ON PROVISIONS AND CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions and contingent liabilities are provided for in accordance with the TAS 37 - Provisions, Contingent Liabilities and Contingent Assets, except for the general and specific provisions set aside for the loans and other receivables.

Provisions are recognized when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made.

A provision for contingent liabilities arising from past events should be recognized in the same period of occurrence if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate the amount of the obligation can be made.

**XVI. INFORMATION ON LIABILITIES REGARDING EMPLOYEE BENEFITS**

*Reserve for employee termination benefits*

In accordance with existing Turkish Labour Law, the Bank is required to make lump-sum termination indemnities to each employee who has completed one year of service with the Bank and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The computation of the liability is based upon the retirement pay ceiling announced. The applicable ceiling amount as at 30 June 2013 is TL 3,129 (full TL) (31 December 2012: TL 3,034 (full TL)). Reserve for employee termination benefits are calculated via net present value of estimated provision of probable liabilities will be arised in the future and reflected in the financial statements.

The Bank reserved for employee severance indemnities in the accompanying unconsolidated financial statements using actuarial method in compliance with the updated TAS 19 – Employee Benefits. Accumulated all actuarial gains and losses in equity are recognized in retained earnings.

As at 30 June 2013 and 31 December 2012, the major actuarial assumptions used in the calculation of the total liability are as follows:

	<b>Current Period</b>	<b>Prior Period</b>
Discount Rate	%2.38	%2.86
Expected Rate of Salary/Limit Increase	%5.00	%5.00
Estimated Employee Turnover Rate	%5.42	%5.42

*Other benefits to employees*

The Bank has provided provision for undiscounted short-term employee benefits earned during the financial period as per services rendered in compliance with the updated TAS 19– Employee Benefits in the accompanying unconsolidated financial statements.



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**XVII. INFORMATION ON TAX APPLICATIONS**

**Corporate tax**

The corporate tax rate is 20%. Corporate tax rate is calculated on the total income of the Bank after adjusting for certain disallowable expenses, exempt income and other allowances. No further tax is payable unless the profit is distributed.

Dividends paid to the resident institutions and the institutions working through local offices or representatives are not subject to withholding tax. The withholding tax rate on the dividend payments other than the ones paid to the non-resident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions is 15%.

In applying the withholding tax rates on dividend payments to the non-resident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

The prepaid taxes are calculated and paid at the rates valid for the earnings of the related years. The payments can be deducted from the annual corporate tax calculated for the whole year earnings.

Tax losses can be carried forward for a maximum period of five years following the year in which the losses were incurred according to Turkish Tax Legislation. Tax losses cannot be carried back.

In Turkey, there is no procedure for a final and definite agreement on tax assessments. Companies file their tax returns with their tax offices by the end of 25th of the fourth month following the close of the accounting period to which they relate. Tax declarations and related accounting entries can be investigated by tax authorities for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

**Deferred taxes**

The Bank calculates and accounts deferred tax assets and liabilities in accordance with the TAS 12 – Income Taxes and BRSA’s explanations; deferred tax assets and liabilities are recognized on all taxable temporary differences arising between the carrying values of assets and liabilities in the financial statements and their corresponding balances used for taxation purposes except for the differences not deductible for tax purposes and initial recognition of assets and liabilities which affect neither accounting nor taxable profit.

If transactions and events are recorded in the statement of income, then the related tax effects are also recognized in the statement of income. However, if transactions and events are recorded directly in the shareholders’ equity, the related tax effects are also recognized directly in the shareholders’ equity.

The net amount of deferred tax receivables and deferred tax payables is shown on the financial tables.

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**XVII. INFORMATION ON TAX APPLICATIONS (Continued)**

**Transfer Pricing**

In Turkey, the transfer pricing provisions has been stated under the Article 13 of Corporate Tax Law with the heading of “disguised profit distribution via transfer pricing”. The General Communiqué on disguised profit distribution via Transfer Pricing, dated 18 November 2007 sets details about implementation.

If the companies enter into transactions concerning to the sale or the purchase of the goods or services with the related parties by setting the prices or amounts which are not in line with the arm’s length principle, related profits will be treated as having been wholly or partially distributed in a disguised way via transfer pricing. This kind of disguised profit distribution via transfer pricing cannot be deducted from tax base in accordance with corporate tax.

**XVIII. ADDITIONAL INFORMATION ON BORROWINGS**

Except for financial liabilities that are classified as held for trading derivatives which carried at fair values, all other financial liabilities are initially recognized at cost including transaction costs and re-measured at amortized cost using the effective interest rate method.

The Bank did not issue any stocks convertible into bonds.

The Bank does not have borrowing instruments issued by itself.

**XIX. INFORMATION ON SHARE ISSUANCES**

The Bank has not issued any share in the year.

**XX. INFORMATION ON BILLS OF EXCHANGES AND ACCEPTANCES**

Acceptances are realized simultaneously with the payment dates of the clients and they are presented as commitments in off-balance sheet accounts.

There are no acceptances presented as liabilities against any assets.

**XXI. INFORMATION ON GOVERNMENT INCENTIVES**

There are no government incentives utilized by the Bank as of 30 June 2013 and 31 December 2012.

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**XXII. INFORMATION ON SEGMENT REPORTING**

Operating segment is the unit that operates in only one product or service of the Bank or the group of products or services which are related each other and differs from other units from the point of risk and profit. Operating segments are presented in the footnote XIV of Fourth Section.

**XXIII. OTHER DISCLOSURES**

**Profit reserves and profit distribution**

Retained earnings as per the statutory financial statements other than legal reserves are available for distribution, subject to legal reserve requirement referred to below.

The legal reserves are comprised of first and second reserves, in accordance with the Turkish Commercial Code (“TCC”). The first legal reserve is appropriated out of the profits at the rate of 5% until the total reserve reaches a maximum of 20% of the Bank’s paid in capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of the 5% of the Company’s share capital; however holding companies are not subject to this application. First and second legal reserves can only be used to compensate accumulated losses and cannot be used for profit distribution unless they exceed 50% of paid-in capital.

**Related parties**

In accompanying financial statements, shareholders, key management personnel and board members together with their families and companies controlled by or affiliated by them associated and jointly controlled entities are considered as Related Parties in compliance with TAS 24 - Related Party Disclosures Standard. Related parties are presented V footnote of Fifth Section.

**Cash and cash equivalents**

In the cash flows statements “Cash” refers to cash in vault, cash in transit, bank cheques purchased and demand deposits in banks including Central Bank of Turkey; “Cash equivalent” refers to money market placements and time deposits at banks which has original maturity less than three months.

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**SECTION FOUR**

**INFORMATION ON THE FINANCIAL POSITION OF THE BANK**

**I. INFORMATION ON CAPITAL ADEQUACY RATIO**

The capital adequacy ratio calculations are applied in accordance with the “Regulation on Measurement and Evaluation of Capital Adequacy of Banks” published in Official Journal No 28337 of 28 June 2012 from 1 July 2012. The solo basis capital adequacy ratio of the Bank in accordance with the “Regulation on Measurement and Evaluation of Capital Adequacy of Banks” is 17.08% as of 30 June 2013. (31 December 2012: 22.77%)

The risk measurement methods used in the determination of the capital adequacy ratio:

In the calculation process of capital adequacy ratio, the data which are compatible with current regulations are used. In this case, the market and credit risk are also taken into account as “Trading Accounts” and “Banking Accounts”.

The items which are deducted from trading accounts and shareholders’ equity are not considered in the calculation of the credit risk. Depleted and amortized assets are taken into consideration by net amounts which are calculated by the deduction of depreciation cost and provisions.

The amount subject to credit risk for non cash loans and commitments are converted credit by using the conversion rates which are defined in the 5th article of “Regulation on Measurement and Evaluation of Capital Adequacy of Banks”. Besides, the provisions which are defined in “Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to Be Set Aside” and taken place at the liability side of the balance sheet are also taken into consideration. And classified to the relevant risk class by regarding the 6th article of “Regulation on credit risk mitigation techniques” and the risk is weighted in accordance with the same regulations Annex-1.

Value at operational risk (VOR) is calculated in accordance with the “Basic Indicator Method”and is included in the capital adequacy ratio calculation.

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**I. INFORMATION ON CAPITAL ADEQUACY RATIO (Continued)**

**Information on unconsolidated capital adequacy standard ratio**

Current Period	Risk Weight							
	%0	%10	%20	%50	%75	%100	%150	%200
<b>The Amount Subject to Credit</b>	<b>370,577</b>	<b>-</b>	<b>232,950</b>	<b>2,083,219</b>	<b>-</b>	<b>1,066,686</b>	<b>128,656</b>	<b>-</b>
<b>Risk Types</b>								
Contingent and Non-Contingent Receivables from Central Governments and Central Banks	346,264	-	-	88,657	-	-	-	-
Contingent and Non-Contingent Receivables from Regional Governments and Local Authorities	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables from Administrative Units and Non-commercial Enterprises	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables from Multilateral Development Banks	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables from International Organizations	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables from Banks and Financial Intermediaries	18,509	-	232,950	1,956,868	-	11,090	-	-
Contingent and Non-Contingent Corporate Receivables	-	-	-	-	-	950,224	-	-
Contingent and Non-Contingent Retail Receivables	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables Secured by Residential Property	-	-	-	37,694	-	19,529	-	-
Past Due Loans	-	-	-	-	-	176	-	-
Higher-Risk Receivables Defined by BRSA	-	-	-	-	-	-	128,656	-
Marketable Securities	-	-	-	-	-	-	-	-
Collateralized Mortgages	-	-	-	-	-	-	-	-
Securitization Exposures	-	-	-	-	-	-	-	-
Short-Term Receivables from Banks and Corporate	-	-	-	-	-	-	-	-
Undertakings for Collective Investments in Transferable Securities	-	-	-	-	-	-	-	-
Other Receivables	5,804	-	-	-	-	85,667	-	-

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**I. INFORMATION ON CAPITAL ADEQUACY RATIO (Continued)**

**Information on unconsolidated capital adequacy standard ratio**

Prior Period	Risk Weight							
	%0	%10	%20	%50	%75	%100	%150	%200
<b>The Amount Subject to Credit</b>	<b>832,953</b>	<b>-</b>	<b>194,988</b>	<b>1,420,824</b>	<b>-</b>	<b>810,983</b>	<b>258,940</b>	<b>-</b>
<b>Risk Types</b>								
Contingent and Non-Contingent Receivables from Central Governments and Central Banks	240,982	-	-	82,882	-	-	-	-
Contingent and Non-Contingent Receivables from Regional Governments and Local Authorities	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables from Administrative Units and Non-commercial Enterprises	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables from Multilateral Development Banks	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables from International Organizations	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables from Banks and Financial Intermediaries	586,125	-	194,988	1,312,732	-	25,516	-	-
Contingent and Non-Contingent Corporate Receivables	-	-	-	-	-	700,103	-	-
Contingent and Non-Contingent Retail Receivables	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables Secured by Residential Property	-	-	-	25,210	-	9,525	-	-
Past Due Loans	-	-	-	-	-	295	-	-
Higher-Risk Receivables Defined by BRSA	-	-	-	-	-	278	258,940	-
Marketable Securities Collateralized Mortgages	-	-	-	-	-	-	-	-
Securitization Exposures	-	-	-	-	-	-	-	-
Short-Term Receivables from Banks and Corporate	-	-	-	-	-	-	-	-
Undertakings for Collective Investments in Transferable Securities	-	-	-	-	-	-	-	-
Other Receivables	5,846	-	-	-	-	75,266	-	-

**Information on unconsolidated capital adequacy ratio**

	Current Period	Prior Period
<b>A</b> Required Capital for Credit Risk (Amount Based to Credit Risk*0.08) (RCFCR)	187,830	130,223
<b>B</b> Required Capital for Market Risk (RCFMR)	7,502	7,016
<b>C</b> Required Capital for Operational Risk (RCFOR)	15,319	12,119
Shareholders' Equity	449,696	425,105
<b>Shareholders' Equity/((RCFCR+RCFMR+RCFOR)*12.5*100)</b>	<b>17.08</b>	<b>22.77</b>

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**I. INFORMATION ON CAPITAL ADEQUACY RATIO (Continued)**

**Information on Shareholder’s Equity**

	<b>Current Period</b>	<b>Prior Period</b>
<b>CORE CAPITAL</b>		
Paid-in Capital	240,000	240,000
Nominal capital	240,000	240,000
Capital Commitments (-)	-	-
Inflation adjustment to paid-in capital	9,096	9,096
Share Premium	-	-
Share Cancellation profit	-	-
Legal reserves	9,130	6,214
Inflation adjustment to legal reserves	-	-
Profit	177,659	157,367
Net income for the period	23,466	59,624
Prior period profit	154,193	97,743
Provisions for possible risks up to 25% of Core Capital	-	5,000
Income on Sale of Equity Shares and Real Estates to be used up for Capital	-	-
Primary Subordinated Debt (up to 15% of Core Capital)	-	-
Loss excess of Reserves (-)	-	-
Current Period Loss	-	-
Prior Periods Loss	-	-
Leasehold Improvements (-)	1,667	2,061
Prepaid Expenses (-)	2,748	2,034
Intangible Assets (-)	-	-
Deferred Tax	-	-
<b>Total Core Capital</b>	<b>431,470</b>	<b>413,582</b>
<b>SUPPLEMENTARY CAPITAL</b>		
General Provisions	18,237	11,811
45% of Revaluation Surplus on Movables	-	-
45% of Revaluation Surplus on Immovable’s	-	-
Bonus shares of Associates, Subsidiaries and Joint-Ventures	-	-
Primary Subordinated Debt excluding the Portion included in Core Capital	-	-
Secondary Subordinated Debt	-	-
Marketable Securities and Investment Securities Value Increase Fund	-	-
Adjustment to paid-in capital, profit reserves and previous years losses(except	-	-
<b>Total Supplementary Capital</b>	<b>18,237</b>	<b>11,811</b>
<b>CAPITAL</b>	<b>449,707</b>	<b>425,393</b>
<b>DEDUCTIONS FROM CAPITAL</b>		
Partnership share on banks and financial institutions (domestic and abroad) that are not consolidated, with a shareholding of 10% and above	11	288
The sum of partnership share on banks and financial institutions (domestic and abroad), with shareholding of less than 10%, but exceeding 10% and more of the sum of core and supplementary capital of the bank	-	-
Loans extended to banks, financial institutions (domestic and abroad) and qualified shareholders, like secondary subordinated loan and debt instruments purchased from these institutions issued, like primary and secondary subordinated loan	-	-
Loans extended being noncompliant with articles 50 and 51 of the Law	-	-
Net book values of properties owned, exceeding 50% of banks’ equity and properties, and trade goods overtaken in exchange for loans and receivables that should be disposed within five years in accordance with article 57 of the Law, but not yet disposed	11	288
Securitization positions preferred to deduct from equity	-	-
Other	-	-
<b>TOTAL SHAREHOLDER’S EQUITY</b>	<b>449,696</b>	<b>425,105</b>

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**II. INFORMATION ON MARKET RISK**

Bank’s operations about risk management are carried out complying with “Regulation on Bank’s regulation about internal systems” and “Regulation on Measurement and Evaluation of Capital Adequacy of Banks”.

To be in compliance with governances, Bank has regulated its operations about market risk management within the scope of “Regulation on Measurement and Evaluation of Capital Adequacy of Banks” published in Official Journal No 28337 of 28 June 2012 from 1 July 2012.

To implement methods of risk managements’ policy, strategy, implementations that approved by board of directors; to report bank’s potential important risks to board of directors on time and accurately, internal control about units, to evaluate risk and internal auditing reports and to correct risks, faults, inadequacies occurred in those units or to take necessary measures and to be incorporate into process of determining risk limits are in charge of senior management.

Board of directors is reviewing efficiency of risk management systems through the agency of auditing committee, other relevant committees, senior management and also in consideration of various risk reports and evaluations made by auditing committee.

Risk policies and methods of implementations which are determined for market risk that bank is exposed to, is approved by board of directors and being reviewed regularly. Market risk is managed by the way of measuring, limiting risks in compliance with international standards and putting capital aside according to those results.

Risk Management Department is analyzing and calculating bank interest rate in consideration of various dimensions within the scope of market risk management operations.

Interest rate and currency risk is being measured within the scope of market risk that calculated according to standard method and included to calculation of capital requirement standard ratio.

Besides of standard method, value at risk method (VRM) is used for calculating changes in risk factors and its’ effects on bank portfolio. Subjected method is tested by retrospective test method.

Stress tests are made to analyze the possible effects of Interest and rate fluctuations on bank on a monthly basis.

Moreover, scenario analyses are made to classify expectations of possible changes at risk factors based on various interest rate and exchange rate level expectations.

Board of directors determined limits to evaluate the results of standard methods and daily value at risk method results. Also limits are determined for credit risk and capital requirements ratio by board of directors.



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The Bank’s market risk is calculated on a monthly basis using the “Standard Method”. Interest rate risks and exchange rate risks, factors of the market risks, are periodically analyzed using different methods (ratio analysis, duration, gap, sensitivity, etc.).

With stress testing methods, the effect of extraordinary fluctuations of risk factors on the Bank is measured on a monthly basis and in case the necessity arises. Different scenarios based on changes in risk factors are measured with scenario analysis. All the analysis mentioned above are tested in a retrospective manner to ensure the reliability of the tests.

The Board of Directors has determined the early warning limit of Amount Exposed to Market Risk / Equity ratio as maximum %45, limit max. %50, limit exception max. %55 in order to limit market risk is calculated with Standard method. In order to limit daily VaR results, the early warning limit of daily VaR / Equity ratio is determined as max. %0.5, limit max. %1, and limit exception %2.

**Information related to market risk**

	<b>Current Period</b>	<b>Prior Period</b>
(I) Capital requirement to be employed for general market risk - Standard method	1,607	2,210
(II) Capital requirement to be employed for specific risk - Standard method	1,483	1,403
(III) Standard method for specific risk of necessary capital requirement on securitization positions	-	-
(IV) Capital requirement to be employed for currency risk - Standard method	4,402	3,368
(V) Capital requirement to be employed for commodity risk - Standard method	-	-
(VI) Capital requirement to be employed for settlement risk - Standard method	-	-
(VII) Total capital requirement to be employed for market risk resulting from options–Standard method	-	-
(VIII) Counterparty credit risk capital requirement - Standard method	10	35
<b>(IX) Total capital requirement to be employed for market risk in banks using risk measurement model</b>	<b>-</b>	<b>-</b>
<b>(X) Total capital requirement to be employed for market risk (I+II+III+IV+V+VI+VII+VIII)</b>	<b>7,502</b>	<b>7,016</b>
<b>(XI) Market Value at Risk (12.5 x IX) or (12.5 x X)</b>	<b>93,775</b>	<b>87,700</b>

**III. INFORMATION ON FOREIGN CURRENCY EXCHANGE RATE RISK**

**Whether the Bank is exposed to foreign exchange risk, whether the effects of this situation are estimated, and whether the board of directors of the Bank sets limits for positions that are monitored daily**

The Bank complies with net general position-shareholder’s equity limits. The Bank has the possibility to borrow a significant amount of foreign currency.

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**III. INFORMATION ON FOREIGN CURRENCY EXCHANGE RATE RISK (Continued)**

Within the context of the market risk management work of the Risk Management Department, the Bank’s Exchange rate risk is calculated and analyzed taking different dimensions of the issue in consideration. The Exchange rate risk is measured according to market risk calculated using the Standard Method and is included in the capital adequacy ratio. For testing effects of the unexpected exchange rate fluctuations on the Bank monthly basis stress test analysis are done. In addition, by classifying the changes in risk factors different scenario analysis are done based on different exchange rate expectations. The sensitivity of assets, liabilities and off-balance sheets against exchange rate are measured by an analysis on a monthly basis.

**The magnitude of hedging foreign currency debt instruments and net foreign currency investments by using hedging derivatives**

The Bank does not have any financial derivatives used for hedging.

**Foreign exchange risk management policy**

Transactions are being hedged according to the Central Bank of Turkey’s basket of currencies instantly. Managable and measurable risks are taken in the scope of the regulatory limits.

**Foreign exchange buying rates of the last five business days before the balance sheet date as publicly announced by the Bank, are as follows**

<b>Date</b>	<b>US Dollars</b>	<b>EUR</b>
21 June 2013	TL 1.9166	TL 2.5327
24 June 2013	TL 1.9312	TL 2.5508
25 June 2013	TL 1.9407	TL 2.5426
26 June 2013	TL 1.9339	TL 2.5380
27 June 2013	TL 1.9320	TL 2.5192
28 June 2013	TL 1.9272	TL 2.5109

**The basic arithmetical average of the bank’s foreign exchange bid rate for the last thirty days:**

The basic arithmetical average of the Bank’s foreign exchange bid rate for June 2013 is TL 1.8999 for USD and TL 2.5064 for EUR.

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**III. INFORMATION ON FOREIGN CURRENCY EXCHANGE RATE RISK (Continued)**

**Information on Currency Risk**

<b>Current Period</b>	<b>Euro</b>	<b>US Dollars</b>	<b>Other</b>	<b>Total</b>
<b>Assets</b>				
Cash (Cash in Vault, Foreign currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	73,478	236,267	77	309,822
Banks	376,653	893,180	242	1,270,075
Financial Assets through Profit or Loss	-	75,606	-	75,606
Interbank Money Market Placements	-	-	-	-
Investment Securities Available-for-Sale	-	780	-	780
Loans <sup>1</sup>	86,444	697,031	-	783,475
Investments in Subsidiaries and Associates	-	-	-	-
Investment Securities Held-to-Maturity	22,656	84,501	-	107,157
Financial Derivative held for Hedging (Assets)	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	1,033	918	-	1,951
<b>Total Assets</b>	<b>560,264</b>	<b>1,988,283</b>	<b>319</b>	<b>2,548,866</b>
<b>Liabilities</b>				
Bank Deposits	306,388	582,329	5	888,722
Foreign Currency Deposits	73,110	91,940	278	165,328
Money Market Borrowings	-	-	-	-
Funds Borrowed from Other Financial Institutions	203,534	1,272,548	-	1,476,082
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	40	1,314	3	1,357
Financial Derivatives held for Hedging (Liabilities)	-	-	-	-
Other Liabilities	5,953	11,181	69	17,203
<b>Total Liabilities</b>	<b>589,025</b>	<b>1,959,312</b>	<b>355</b>	<b>2,548,692</b>
<b>Net “Balance Sheet Position”</b>	<b>(28,761)</b>	<b>28,971</b>	<b>(36)</b>	<b>174</b>
<b>Net “Off Balance Sheet Position”</b>	<b>27,041</b>	<b>(28,939)</b>	<b>-</b>	<b>(1,899)</b>
Financial Derivatives (Assets)	29,252	-	-	29,252
Financial Derivatives (Liabilities)	(2,211)	(28,939)	-	(31,150)
<b>Non-Cash Loans</b>	<b>625,619</b>	<b>777,629</b>	<b>255,632</b>	<b>1,658,880</b>
<b>Prior Period</b>				
Total Assets	423,169	1,168,406	483	1,592,058
Total Liabilities	423,026	1,302,512	467	1,726,005
Balance Sheet Position, net	143	(134,106)	16	(133,947)
Off Balance Sheet Position, net	-	134,222	-	134,222
Financial Derivatives (Assets)	-	134,222	-	134,222
Financial Derivatives (Liabilities)	-	-	-	-
Non-cash Loans	598,245	612,562	234,980	1,445,787

<sup>1</sup> As of 30 June 2013 loan balance includes foreign currency indexed loans amounting to TL 89,199 (31 December 2012: TL 59,924).

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**III. INFORMATION ON FOREIGN CURRENCY EXCHANGE RATE RISK (Continued)**

**Exposed currency risk**

The possible increases or decreases in the shareholders’ equity and the profit/loss as per an assumption of devaluation/appreciation by 10% of TL against currencies mentioned below as of 30 June 2013 and 31 December 2012 are presented in the below table. The other variables, especially the interest rates, are assumed to be fixed in this analysis.

Assuming 10% devaluation of TL;

	30 June 2013		31 December 2012	
	Income Statement	Shareholders’ Equity (*)	Income Statement	Shareholders’ Equity (*)
US Dollar	(3)	(3)	12	12
Euro	172	172	14	14
Other Currencies	4	4	2	2
<b>Total</b>	<b>173</b>	<b>173</b>	<b>28</b>	<b>28</b>

(\*) The effect on shareholders’ equity also includes the effect on the profit/loss.

Assuming 10% appreciation of TL;

	30 June 2013		31 December 2012	
	Income Statement	Shareholders’ Equity (*)	Income Statement	Shareholders’ Equity (*)
US Dollar	3	3	(12)	(12)
Euro	(172)	(172)	(14)	(14)
Other Currencies	(4)	(4)	(2)	(2)
<b>Total</b>	<b>(173)</b>	<b>(173)</b>	<b>(28)</b>	<b>(28)</b>

(\*) The effect on shareholders’ equity also includes the effect on the profit/loss

**IV. INFORMATION ON INTEREST RATE RISK**

**Interest rate sensitivity of the assets, liabilities and off-balance sheet items**

Within the context of the market risk management of the Risk Management Department, the Bank’s interest rate risk is calculated and analyzed taking different dimensions of the issue in consideration. The interest rate risk is measured according to market risk calculated using the standard method and is included in the capital adequacy ratio. To test the effect of the interest rate fluctuations on the Bank monthly based stress test analysis are done.

In addition, by classifying the changes in risk factors different scenario analysis are done based on different interest rate expectations. The sensitivity of assets, liabilities and off-balance sheets against interest rate are measured by an analysis on a monthly basis.

**The expected effects of the fluctuations of market interest rates on the Bank’s financial position and cash flows, the expectations for interest income, and the limits the board of directors has established on daily interest rates**

The Board of Directors has determined limits for the amount exposed to market risk/ shareholder’s equity, to be maximum %45 for the early warning limit, %50 for limit maximum, and maximum %55 for limit exception in order to follow interest rate risk, exchange rate risk and equity price risk.

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**IV. INFORMATION ON INTEREST RATE RISK (Continued)**

**The precautions taken for the interest rate risk the Bank was exposed to during the current year and their expected effects on net income and shareholders’ equity in the future periods**

Although the increase in interest rates have a limited negative effect on the Bank’s financial position the Bank’s Equity structure is able to confront the negative effects of possible fluctuations in the interest rates.

**Information related to interest rate sensitivity of assets, liabilities and off-balance sheet items (based on re-pricing dates)**

<b>Current Period</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 Years and Over</b>	<b>Non- Interest Bearing</b>	<b>Total</b>
<b>Assets</b>							
Cash (cash in vault, foreign currencies, cash in transit, cheques purchased) and balances with the Central Bank of Turkey Banks	-	-	-	-	-	313,943	313,943
Financial assets at fair value through Profit or Loss	598,836	533,304	148,017	-	-	-	1,280,157
Interbank Money Market Placements	598	819	568	74,020	-	-	76,005
Financial assets available-for-sale	18,509	-	-	-	-	-	18,509
Loans	-	-	-	-	-	955	955
Investment securities held-to-maturity	327,339	223,157	361,769	184,620	-	176	1,097,061
Other assets <sup>1</sup>	1,196	36,989	48,829	39,100	36,441	-	162,555
	926	-	-	-	-	92,444	93,370
<b>Total assets</b>	<b>947,404</b>	<b>794,269</b>	<b>559,183</b>	<b>297,740</b>	<b>36,441</b>	<b>407,518</b>	<b>3,042,555</b>
<b>Liabilities</b>							
Bank deposits	639,520	193,067	57,871	-	-	-	890,458
Other deposits	15,011	3,671	8,580	-	-	157,288	184,550
Money market borrowings	-	-	-	-	-	-	-
Miscellaneous payables	-	-	-	-	-	1,772	1,772
Marketable securities issued	-	-	-	-	-	-	-
Funds Borrowed From Other Fin. Ins.	331,008	705,898	443,340	893	-	-	1,481,139
Other liabilities <sup>2</sup>	-	762	-	-	-	483,874	484,636
<b>Total liabilities</b>	<b>985,539</b>	<b>903,398</b>	<b>509,791</b>	<b>893</b>	<b>-</b>	<b>642,934</b>	<b>3,042,555</b>
Long Position in the Balance Sheet	-	-	49,392	296,847	36,441	-	382,680
Short Position in the Balance Sheet	(38,135)	(109,129)	-	-	-	(235,416)	(382,680)
Long Position in the Off-balance Sheet	-	313	-	-	-	-	313
Short Position in the Off-balance Sheet	-	-	-	-	-	-	-
<b>Total Position</b>	<b>(38,135)</b>	<b>(108,816)</b>	<b>49,392</b>	<b>296,847</b>	<b>36,441</b>	<b>(235,416)</b>	<b>313</b>

1 Other Assets: The amount of TL 92,444 in the Non-Interest Bearing column is composed of Subsidiaries amounting to TL 60,729, Tangible Assets amounting to TL 21,729, Intangible Assets amounting to TL 2,748, Deferred Tax Assets amounting to TL 2,151, Assets Held for Sale amounting to TL 11, Miscellaneous Receivables amounting to TL 1,021, and Other Assets amounting to TL 4,055.

2 Other Liabilities: The amount of TL 483,874 in the Non-Interest Bearing Column is composed of Shareholders’ Equity amounting to TL 435,885, Provisions amounting to TL 26,090, Tax, Duty and Premium Payable amounting to TL 3,108 and Other Foreign Resources amounting to TL 18,791.

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**IV. INFORMATION ON INTEREST RATE RISK (Continued)**

<b>Prior Period</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 Years and Over</b>	<b>Non- Interest Bearing</b>	<b>Total</b>
<b>Assets</b>							
Cash (cash in vault, foreign currencies, cash in transit, cheques purchased) and balances with the Central Bank of Turkey	166,448	-	-	-	-	41,027	207,475
Banks	267,998	437,860	90,260	-	-	-	796,118
Financial assets at fair value through Profit or Loss	512	59,319	63,943	66,119	2,627	-	192,520
Interbank Money Market Placements	596,126	-	-	-	-	-	596,126
Financial assets available-for-sale	-	-	-	-	-	897	897
Loans	232,708	192,433	221,321	89,552	-	295	736,309
Investment securities held-to-maturity	2,001	36,489	15,101	28,641	52,917	-	135,149
Other assets <sup>1</sup>	867	-	-	-	-	82,826	83,693
<b>Total assets</b>	<b>1,266,660</b>	<b>726,101</b>	<b>390,625</b>	<b>184,312</b>	<b>55,544</b>	<b>125,045</b>	<b>2,748,287</b>
<b>Liabilities</b>							
Bank deposits	821,852	11,757	11,762	-	-	-	845,371
Other deposits	18,968	3,724	1,811	-	-	159,864	184,367
Money market borrowings	-	-	-	-	-	-	-
Miscellaneous payables	-	-	-	-	-	1,573	1,573
Marketable securities issued	-	-	-	-	-	-	-
Funds Borrowed From							
Other Fin. Ins.	262,161	614,884	379,615	201	-	-	1,256,861
Other liabilities <sup>2</sup>	248	5,394	1,255	-	-	453,218	460,115
<b>Total liabilities</b>	<b>1,103,229</b>	<b>635,759</b>	<b>394,443</b>	<b>201</b>	<b>-</b>	<b>614,655</b>	<b>2,748,287</b>
Long Position in the Balance Sheet	163,432	90,342	-	184,111	55,544	-	493,429
Short Position in the Balance Sheet	-	-	(3,818)	-	-	(489,611)	(493,429)
Long Position in the Off-balance Sheet	5,527	56,991	71,704	-	-	-	134,222
Short Position in the Off-balance Sheet	(5,793)	(59,484)	(74,367)	-	-	-	(139,644)
<b>Total Position</b>	<b>163,166</b>	<b>87,849</b>	<b>(6,481)</b>	<b>184,111</b>	<b>55,544</b>	<b>(489,611)</b>	<b>(5,422)</b>

1 Other Assets: The amount of TL 82,826 in the Non-Interest Bearing column is composed of Subsidiaries amounting to TL 40,452, Tangible Assets amounting to TL 23,002, Intangible Assets amounting to TL 2,034, Tax Assets amounting to TL 2,488, Assets Held for Sale amounting to TL 288, Miscellaneous Receivables amounting to TL 3,436, and Other Assets amounting to TL 11,126.

2 Other Liabilities: The amount of TL 453,218 in the Non-Interest Bearing Column is composed of Shareholders' Equity amounting to TL 412,677, Provisions amounting to TL 24,814, Tax, Duty and Premium Payable amounting to TL 3,074 and Other Foreign Resources amounting to TL 12,653.

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**IV. INFORMATION ON INTEREST RATE RISK (Continued)**

**Average interest rates applied to monetary financial instruments%**

	EUR	USD	JPY	TL
<b>Current Period</b>				
<b>Assets</b>				
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of Turkey.	-	-	-	-
Banks	1.42	2.25	-	6.45
Financial assets at fair value through profit or loss	-	5.37	-	10.20
Money market placement	-	-	-	6.03
Financial assets available-for-sale	-	-	-	-
Loans	3.27	4.01	-	7.54
Investment securities held-to-maturity	5.21	6.65	-	6.14
<b>Liabilities</b>				
Interbank deposits	0.88	0.78	-	4.82
Other deposits	0.49	0.65	-	4.71
Money market borrowings	-	-	-	-
Miscellaneous payables	-	-	-	-
Marketable securities issued	-	-	-	-
Funds borrowed from other financial institutions	0.60	1.25	-	6.27

	EUR	USD	YEN	TL
<b>Prior Period</b>				
<b>Assets</b>				
Cash (cash in vault, , effectives, money in transit, cheques purchased) and balances with the Central Bank of Turkey,	-	-	-	-
Banks	2.04	3.14	-	5.55
Financial Assets at Fair Value Through Profit or Loss	-	5.37	-	7.27
Money market placements	-	-	-	6.23
Financial assets available-for-sale	-	-	-	-
Loans	5.02	4.91	-	8.54
Investment securities held-to-maturity	5.21	7.25	-	5.51
<b>Liabilities</b>				
Interbank deposits	0.75	-	-	4.88
Other deposits	0.52	1.13	-	6.28
Money market borrowings	-	-	-	-
Miscellaneous payables	-	-	-	-
Marketable securities issued	-	-	-	-
Funds borrowed from other financial institutions	0.59	1.07	-	8.26

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IV. INFORMATION ON INTEREST RATE RISK (Continued)

**The interest rate risk of the banking book items**

*The nature of interest rate risk which banking books and early repayment of loans and measurement frequency of interest rate risk with significant assumptions including related to the movement deposits except time deposit*

The interest rate sensitivity of assets, liabilities and off-balance sheet items are considered taking into account the developments in the market by Asset-Liability Committee every two weeks.

The interest rate risk of the banking book items measurement is included The Bank’s interest rate positions which is defined as banking accounts created and performed relevant re-pricing and maturity data take into account.

The interest rate sensitivity of assets and liabilities cash flows calculated present values using yield curves which generated using market interest rates.

The interest rate risk of the banking book items is measured legally in accordance with the “Regulation on Measurement and Assessment of Standard Shock Method on the interest rate risk arising from banking accounts”, published in the Official Gazette numbered 28034 and dated 23 August 2011, and this legal limit is monitored and reported monthly, based on this measurement. The Bank maintains its capital proportionally with the interest rate risk arising from banking accounts.

The interest rate risks of financial instruments on trading portfolio are considered within the scope of the market risk.

**The economic value differences that will be occurred due to fluctuations on interest rates with the Regulation on Standard Shock Method on the interest rate risk arising from banking accounts**

**Current Period:**

Currency	Applied Shock (+/- x basis point)	Revenue/ Loss	Revenue/Shareholders’Equity Loss/ Shareholders’ Equity
1 TRY	500	(14,228)	%(3.16)
	(400)	28,394	%6.31
2 EUR	200	(386)	%(0.09)
	(200)	157,020	%34.92
3 USD	200	(7,630)	%(1.70)
	(200)	408,989	%90.95
<b>Total (For negative shocks)</b>		<b>594,403</b>	<b>%132.18</b>
<b>Total (For positive shocks)</b>		<b>(22,244)</b>	<b>%(4.95)</b>



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**IV. INFORMATION ON INTEREST RATE RISK (Continued)**

**Prior Period:**

Currency	Applied Shock (+/- x basis point)	Revenue/ Loss	Revenue/Shareholders'Equity Loss/ Shareholders' Equity
1 TRY	500	(12,926)	%(3.04)
	(400)	27,261	%6.4
2 EUR	200	(6,979)	%(1.64)
	(200)	59,037	%13.89
3 USD	200	18,858	%4.44
	(200)	(136,609)	%(32.14)
<b>Total (For negative</b>		<b>(50,311)</b>	<b>%(11.84)</b>
<b>Total (For positive</b>		<b>(1,047)</b>	<b>%(0.25)</b>

**Equity investment risk due from banking book**

The Bank does not have equity investment risk due to subsidiary and securities issued capital which classified banking accounts are not traded on the stock exchange.

***Information on booking value, fair value and market value of equity investments***

None.

***Information on equity investments realized gains or losses, revaluation increases and unrealized gains or losses and these amounts including capital contribution.***

None.

**V. INFORMATION ON LIQUIDITY RISK**

**Source of Bank's current liquidity risk and whether the related precautions are taken to eliminate the risk, Restrictions on fund sources established by the board of directors for the purpose of meeting urgent liquidity demand and making payments for matured debts**

The Bank's liquidity risk has been analyzed within the context of risk management operations. Within this context Bank's liquidity risk has been analyzed by common ratio analysis and liquidity position analysis based on payment terms. The periodic reporting requirement to BRSA is being performed in accordance with the regulation regarding liquidity adequacy measurement.

**Whether the payments, assets and liabilities match with the interest rates, and whether the effect of mismatch on profitability is measured**

The main reason of liquidity risk is the existence of long term assets versus short term funds borrowed from abroad. On the other hand, these short term funds have the capability of being renewed. Bank has strong fund sources besides there is no restriction on fund sources for the purpose of meeting urgent liquidity demand and making payments for matured debts. As a result of this, the Bank has not been encountered with liquidity problems and there is no expectation of possible liquidity risk for the future for the Bank.

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**V. INFORMATION ON LIQUIDITY RISK (Continued)**

**Internal and external sources to meet the short and long-term liquidity needs, significant sources of liquidity that are not utilized**

Shareholder’s Equity has an important portion in the funding resources. The Bank is also capable of funding itself through domestic money markets and funding resources provided by its main shareholder.

As per the BRSA Communiqué published on the Official Gazette dated 1 November 2006 and became effective starting, “Measurement and Assessment of the Adequacy of Banks’ Liquidity”, the weekly and monthly liquidity ratios on a bank-only basis for foreign currency assets/liabilities and total assets/liabilities should be minimum 80% and 100%, respectively. The liquidity ratios as of 30 June 2013 are as follows;

<i>Current Period</i>	<b>Primary Maturity Split (Weekly)</b>		<b>Secondary Maturity Split (Monthly)</b>	
	<b>FC</b>	<b>FC+TL</b>	<b>FC</b>	<b>FC+TL</b>
<b>Average</b>	157	251	108	150
<b>Highest (%)</b>	221	349	136	213
<b>Lowest (%)</b>	97	151	84	117
<i>Prior Period</i>	<b>Primary Maturity Split (Weekly)</b>		<b>Secondary Maturity Split (Monthly)</b>	
	<b>FC</b>	<b>FC+TL</b>	<b>FC</b>	<b>FC+TL</b>
<b>Average</b>	157	235	112	148
<b>Highest (%)</b>	275	402	187	265
<b>Lowest (%)</b>	89	107	81	105

**Evaluation of amount and sources of the Bank’s cash flows**

As mentioned above, the Bank has sufficient cash and cash inflow to supply its cash outflow literally and on time.

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**V. INFORMATION ON LIQUIDITY RISK (Continued)**

**Presentation of assets and liabilities based on their outstanding 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 Years</b>	<b>5 Year and Over</b>	<b>Unallo- cated</b>	<b>Total</b>
<b>Assets</b>								
Cash (cash in vault, effectives, money in transit, cheques purchased) and Central Bank balances	8,517	305,426	-	-	-	-	-	313,943
Banks	14,813	584,023	533,304	148,017	-	-	-	1,280,157
Financial Assets at Fair Value through Profit or Loss	-	598	819	568	74,020	-	-	76,005
Money Market Placements	-	18,509	-	-	-	-	-	18,509
Financial assets available-for-sale	-	-	-	-	-	-	955	955
Loans	-	327,339	184,833	400,269	184,620	-	-	1,097,061
Investment securities held-to-maturity	-	1,196	14,896	44,776	65,246	36,441	-	162,555
Other assets <sup>1</sup>	-	926	-	-	-	-	92,444	93,370
<b>Total Assets</b>	<b>23,330</b>	<b>1,238,017</b>	<b>733,852</b>	<b>593,630</b>	<b>323,886</b>	<b>36,441</b>	<b>93,399</b>	<b>3,042,555</b>
<b>Liabilities</b>								
Interbank Deposits	244,193	395,327	193,067	57,871	-	-	-	890,458
Other Deposits	157,288	15,011	3,671	8,580	-	-	-	184,550
Funds provided from other financial institutions	-	331,008	705,898	443,340	893	-	-	1,481,139
Money market borrowings	-	-	-	-	-	-	-	-
Marketable securities issued	-	-	-	-	-	-	-	-
Miscellaneous payables	-	-	-	-	-	-	1,772	1,772
Other liabilities <sup>2</sup>	-	16,352	2,448	-	-	-	465,836	484,636
<b>Total Liabilities</b>	<b>401,481</b>	<b>757,698</b>	<b>905,084</b>	<b>509,791</b>	<b>893</b>	<b>-</b>	<b>467,608</b>	<b>3,042,555</b>
<b>Liquidity Gap</b>	<b>(378,151)</b>	<b>480,319</b>	<b>(171,232)</b>	<b>83,839</b>	<b>322,993</b>	<b>36,441</b>	<b>(374,209)</b>	<b>-</b>
<b>Prior Period</b>								
Total Assets	46,977	1,286,949	632,217	423,016	219,861	55,544	83,723	2,748,287
Total Liabilities	445,617	821,057	636,674	394,443	201	-	450,295	2,748,287
<b>Net Liquidity Gap</b>	<b>(398,640)</b>	<b>465,892</b>	<b>(4,457)</b>	<b>28,573</b>	<b>219,660</b>	<b>55,544</b>	<b>(366,572)</b>	<b>-</b>

1 Other assets amounting TL 92,444 at the undistributed part consists of Subsidiaries amounting TL 60,729, Tangible Assets amounting TL 21,729, Intangible Assets amounting TL 2,748, Deferred Tax Asset amounting TL 2,151, Asset Held For Sale amounting TL 11, Miscellaneous Receivables amounting to TL 1,021 and Other Assets amounting to TL 4,055.

2 Other liabilities amounting TL 465,836 at the undistributed part consists of Shareholders Equity amounting TL 435,885, Provisions amounting TL 26,090, and Other Foreign Resources TL 3,861.

**Explanations on securitization positions**

None.

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**V. INFORMATION ON LIQUIDITY RISK (Continued)**

**Information on Credit risk mitigation techniques**

Bank applies the Regulation on Credit risk mitigation techniques’ 34rd article that the standard volatility adjustments are taken into account regarding to portfolios in which comprehensive approach is used.

Cash collateral is used for credit risk mitigation.

Volatility adjustments on receivables, guarantees and collateral currency mismatches applied with the standard volatility adjustment approach with the Article 37 of the regulation.

In the case of the maturity mismatch that occurred because of the maturity of the collateral is less than the remaining maturity of the receivable, the collateral value considered as adjusted volatility.

Collaterals which are grouped according to asset type:

<b>Risk Types -Current Period</b>	<b>Amount <sup>(1)</sup></b>	<b>Financial Collaterals</b>	<b>Other/Physical Collaterals</b>	<b>Guarantees and credit derivatives</b>
Contingent and Non-Contingent Receivables from Central Governments and Central Banks	44,329	-	-	-
Contingent and Non-Contingent Receivables from Regional Governments and Local Authorities	-	-	-	-
Contingent and Non-Contingent Receivables from Administrative Units and Non-commercial Enterprises	-	-	-	-
Contingent and Non-Contingent Receivables from Multilateral Development Banks	-	-	-	-
Contingent and Non-Contingent Receivables from International Organizations	-	-	-	-
Contingent and Non-Contingent Receivables from Banks and Financial Intermediaries	1,036,192	312	-	-
Contingent and Non-Contingent Corporate Receivables	957,729	15,011	-	-
Contingent and Non-Contingent Retail Receivables	-	-	-	-
Contingent and Non-Contingent Receivables Secured by Residential Property <sup>(2)</sup>	38,395	39	-	-
Past Due Loans	176	-	-	-
Higher-Risk Receivables Defined by BRSA	542,216	293,406	-	-
Marketable Securities Collateralized Mortgages	-	-	-	-
Securitization Exposures	-	-	-	-
Short-Term Receivables from Banks and Corporate Undertakings for Collective Investments in Transferable Securities	-	-	-	-
Other Receivables	85,667	-	-	-
<b>Total</b>	<b>2,704,704</b>	<b>308,768</b>		

(1) Includes the total amount before taking into account the effects of credit risk mitigation.

(2) The real estate mortgages that used to determine the risk classes are taken into consideration regarding the “Regulation on Measurement and Assessment of Capital Adequacy of Banks”, Article 6

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**V. INFORMATION ON LIQUIDITY RISK (Continued)**

<b>Risk Types -Prior Period</b>	<b>Amount <sup>(1)</sup></b>	<b>Financial Collaterals</b>	<b>Other/Physical Collaterals</b>	<b>Guarantees and credit derivatives</b>
Contingent and Non-Contingent Receivables from Central Governments and Central Banks	323,864	-	-	-
Contingent and Non-Contingent Receivables from Regional Governments and Local Authorities	-	-	-	-
Contingent and Non-Contingent Receivables from Administrative Units and Non-commercial Enterprises	-	-	-	-
Contingent and Non-Contingent Receivables from Multilateral Development Banks	-	-	-	-
Contingent and Non-Contingent Receivables from International Organizations	-	-	-	-
Contingent and Non-Contingent Receivables from Banks and Financial Intermediaries	2,119,361	312	-	-
Contingent and Non-Contingent Corporate Receivables	700,103	3,930	-	-
Contingent and Non-Contingent Retail Receivables	-	-	-	-
Contingent and Non-Contingent Receivables Secured by Residential Property <sup>(2)</sup>	34,734	12	-	-
Past Due Loans	295	-	-	-
Higher-Risk Receivables Defined by BRSA	259,219	230,495	-	-
Marketable Securities Collateralized Mortgages	-	-	-	-
Securitization Exposures	-	-	-	-
Short-Term Receivables from Banks and Corporate Undertakings for Collective Investments in Transferable Securities	-	-	-	-
Other Receivables	81,112	-	-	-

(1) Includes the total amount before taking into account the effects of credit risk mitigation.

(2) The real estate mortgages that used to determine the risk classes are taken into consideration regarding the “Regulation on Measurement and Assessment of Capital Adequacy of Banks”, Article 6

**Risk management target and policies**

The Bank’s risk strategy, policy, and procedures are approved by board of directors in order to make policies that are determined, to be approved, to evaluate and manage the risk that bank is exposed to, and to make it in compliance with changing circumstances, necessary conditions are determined.

The Bank’s risk management principles are summarized below:

- Being selective about taken risks.
- Identifying risks effectively, measuring, analyzing and managing,
- Ensuring the risk-return balance,
- Taking robust guarantees level to meet the existing and potential risks and monitoring closely the adequacy of collateral,
- Having enough capital structure to provide present and future potential risks.
- Ensuring risks that are kept within defined limits,
- Controlling all activities compliance with approved policies and procedures,
- Provide activities in accordance with laws and regulations,
- Establish corporate risk culture within the Bank,
- Providing effective reporting channels which will help to inform management level to prevent delay about every type of inconsistencies.
- In order to follow and to manage risks, Bank and market data reviewed regularly. Within the scope of classifying risks besides of legal limits also bank internal limits are provided.

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VI. INFORMATION ON BUSINESS SEGMENTS

Information on operational segments on 30 June 2013 and 31 December 2012 are presented in the table below:

Current Period	Corporate and		Treasury	Unallocated	Total Operations
	Retail Banking	Commercial Banking			
Interest Income	53	23,463	22,652	-	46,168
Unallocated Income/Expenses (Net)	-	-	-	(22,324)	(22,324)
<b>Operating Income</b>	<b>53</b>	<b>23,463</b>	<b>22,652</b>	<b>(22,324)</b>	<b>23,844</b>
Income from Subsidiaries	-	-	-	-	4,785
Income before tax	-	-	-	-	28,629
<b>Tax Provision</b>	-	-	-	-	<b>(5,163)</b>
<b>Net Profit for the period</b>					<b>23,466</b>

Current Period	Corporate and		Treasury	Unallocated	Total Operations
	Retail Banking	Commercial Banking			
Segment Assets	702	1,096,359	1,617,897	-	2,714,958
Associates and Subsidiaries	-	-	-	60,729	60,729
Unallocated assets	-	-	-	266,868	266,868
<b>Total Assets</b>	<b>702</b>	<b>1,096,359</b>	<b>1,617,897</b>	<b>327,597</b>	<b>3,042,555</b>
Segment Liabilities	45,333	143,388	2,367,427	-	2,556,148
Unallocated Liabilities	-	-	-	50,522	50,522
Equity	-	-	-	435,885	435,885
<b>Total Liabilities</b>	<b>45,333</b>	<b>143,388</b>	<b>2,367,427</b>	<b>486,407</b>	<b>3,042,555</b>

Prior Period	Corporate and		Treasury	Unallocated	Total Operations
	Retail Banking	Commercial Banking			
Interest Income	14	28,865	34,620	-	63,499
Unallocated Income/Expenses (Net)	-	-	-	(15,846)	(15,846)
<b>Operating Income</b>	<b>14</b>	<b>28,865</b>	<b>34,620</b>	<b>(15,846)</b>	<b>47,653</b>
Income from Subsidiaries	-	-	-	-	2,000
Income before tax	-	-	-	-	49,653
<b>Tax Provision</b>	-	-	-	-	<b>(9,394)</b>
<b>Net Profit for the period</b>					<b>40,259</b>

Prior Period	Corporate and		Treasury	Unallocated	Total Operations
	Retail Banking	Commercial Banking			
Segment Assets	526	735,783	1,768,531	-	2,504,840
Associates and Subsidiaries	-	-	-	40,452	40,452
Unallocated assets	-	-	-	202,995	202,995
<b>Total Assets</b>	<b>526</b>	<b>735,783</b>	<b>1,768,531</b>	<b>243,447</b>	<b>2,748,287</b>
Segment Liabilities	34,483	148,606	2,103,510	-	2,286,599
Unallocated Liabilities	-	-	-	49,011	49,011
Equity	-	-	-	412,677	412,677
<b>Total Liabilities</b>	<b>34,483</b>	<b>148,606</b>	<b>2,103,510</b>	<b>461,688</b>	<b>2,748,287</b>

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**SECTION FIVE**

**INFORMATION ON DISCLOSURES AND FOOTNOTES OF  
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**I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS**

**1. Information on cash equivalents and Central Bank of Turkey**

**Information on cash equivalents**

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash/Effective	1,407	4,397	1,117	4,729
Central Bank of Turkey	2,714	305,425	35,183	166,446
Other	-	-	-	-
<b>Total</b>	<b>4,121</b>	<b>309,822</b>	<b>36,300</b>	<b>171,175</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	2,714	-	35,183	-
Unrestricted Time Deposits	-	70,403	-	36,142
Restricted Time Deposits	-	-	-	-
Reserve Deposits	-	235,022	-	130,304
<b>Total</b>	<b>2,714</b>	<b>305,425</b>	<b>35,183</b>	<b>166,446</b>

**Information on Reserve Deposits**

The banks operating in Turkey keep reserve deposits for Turkish currency and foreign currency at the rates of between 5% and 11.5% (31 December 2012: between 5% and 11%), and for USD or EUR at the rates of 6% and 13% respectively according to their maturities as per the Communique no.2005/1 “Reserve Deposits “ of the Central Bank of Turkey (31 December 2012: between 6% and 11%). Interest rates are not applied for reserve requirements by the Central Bank of Turkey.

**2. Information on financial assets at fair value through profit/loss**

Among financial assets at fair value through profit or loss; there is no subjected to repurchase transaction and there is 5,526 TL amount provided as collateral /blocked financial assets at fair value through profit or loss in the current period (31 December 2012: TL 24,205).

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**I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)**

Positive differences on derivative financial assets held for trading showed as below:

Derivative Financial Assets Held for Trading	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	-	-	-	-
Swap Transactions	-	317	17	-
Futures	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>-</b>	<b>317</b>	<b>17</b>	<b>-</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Banks</b>				
Domestic banks	10,082	1,253,432	60,116	730,942
Foreign banks	-	16,643	-	5,060
Foreign head offices and branches	-	-	-	-
<b>Total</b>	<b>10,082</b>	<b>1,270,075</b>	<b>60,116</b>	<b>736,002</b>

**4. Information on available for sale financial assets**

*Major types of available for sale financial assets*

Available for sale financial assets are composed shares that are not quoted in the stock market.

*Information on available for sale financial assets*

	Current period	Prior period
<b>Debt Securities</b>	-	-
Quoted in stock exchange	-	-
Not quoted in stock exchange	-	-
<b>Share Certificates</b>	<b>955</b>	<b>897</b>
Quoted in stock Exchange	-	-
Not quoted in stock Exchange	955	897
<b>Impairment provision (-)</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>955</b>	<b>897</b>



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I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)

5. Information on Loans

*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 Granted to Shareholders</b>	<b>3,681</b>	<b>11,812</b>	<b>-</b>	<b>14,852</b>
Corporate Shareholders	3,681	11,812	-	14,852
Individual Shareholders	-	-	-	-
<b>Indirect Loans Granted to Shareholders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Loans Granted to the Bank’s personnel</b>	<b>701</b>	<b>4</b>	<b>524</b>	<b>3</b>
<b>Total</b>	<b>4,382</b>	<b>11,816</b>	<b>524</b>	<b>14,855</b>

*Information about the first and second group loans and other receivables including loans that have been restructured or rescheduled*

	Standard loans and other receivables			Loans and other receivables under close monitoring		
	Loans and other receivables (Total)	Amendments on Conditions of Contract		Loans and other receivables (Total)	Amendments on Conditions of Contract	
		Amendments related to the extension of the payment plan	Other		Amendments related to the extension of the payment plan	Other
<b>Cash Loans</b>						
<b>Non-specialized loans</b>	<b>1,094,049</b>	-	-	<b>2,836</b>	-	-
Corporation loans	-	-	-	-	-	-
Export loans	178,496	-	-	-	-	-
Import loans	-	-	-	-	-	-
Loans given to financial sector	334,137	-	-	-	-	-
Consumer loans	702	-	-	-	-	-
Credit cards	-	-	-	-	-	-
Other	580,714	-	-	2,836	-	-
<b>Specialized 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>1,094,049</b>	<b>-</b>	<b>-</b>	<b>2,836</b>	<b>-</b>	<b>-</b>

*Number of amendments related to the plan extension of the payment plan*

None.

*The time extended via the amendment on payment plan*

None.

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I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)

*Information on Consumer Loans, Credit Cards and Loans given to employees*

	Short Term	Medium and Long Term	Total
<b>Consumer Loans-TL</b>	-	1	1
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	1	1
<b>Consumer Loans-Indexed to FC</b>	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Consumer Loans-Indexed to FC</b>	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Individual Credit Cards-TL</b>	-	-	-
Installment	-	-	-
Non-Installment	-	-	-
<b>Individual Credit Cards-FC</b>	-	-	-
Installment	-	-	-
Non-Installment	-	-	-
<b>Personnel Loans- TL</b>	4	697	701
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	4	697	701
<b>Personnel Loans- Indexed to FC</b>	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Personnel Loans-FC</b>	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Personnel Credit Cards-TL</b>	-	-	-
Installment	-	-	-
Non-Installment	-	-	-
<b>Personnel Credit Cards-FC</b>	-	-	-
Installment	-	-	-
Non-Installment	-	-	-
<b>Deposits with Credit Limit-TL (Individual)</b>	-	-	-
<b>Deposits with Credit Limit-FC (Individual)</b>	-	-	-
<b>Total</b>	<b>4</b>	<b>698</b>	<b>702</b>

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**I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)**

*Information on installment commercial loans and commercial credit cards*

None.

*Allocation of domestic and foreign loans*

	Current Period	Prior Period
Domestic loans	1,091,539	680,921
Foreign loans	5,346	55,093
<b>Total</b>	<b>1,096,885</b>	<b>736,014</b>

*Loans granted to subsidiaries and associates*

	Current Period	Prior Period
Loans to subsidiaries and associates	27,378	25,570
<b>Total</b>	<b>27,378</b>	<b>25,570</b>

*Specific provisions for loans*

Specific provisions	Current Period	Prior Period
Loans and receivables with limited collectibles	-	74
Loans and receivables with doubtful collectibles	180	-
Uncollectible loans and receivables	8,150	8,154
<b>Total</b>	<b>8,330</b>	<b>8,228</b>

*Information related to non-performing loans*

*Information on restructured loans of non-performing loans*

None.

*Information on movement of total non-performing loans*

	III. Group <i>Loans and receivables with limited collectibles</i>	IV. Group <i>Loans and receivables with doubtful collectibles</i>	V. Group <i>Uncollectible loans and receivables</i>
<b>Balances at Beginning of Period</b>	<b>369</b>	<b>-</b>	<b>8,154</b>
Additions (+)	-	-	-
Transfers from other categories of nonperforming loans (+)	-	359	-
Transfers to other categories of nonperforming loans (-)	359	-	-
Collections (-)	10	3	4
Write-offs (-)	-	-	-
Institutional and commercial credits	-	-	-
Individual credits	-	-	-
Credit cards	-	-	-
Others	-	-	-
<b>Balances at End of the Period</b>	<b>-</b>	<b>356</b>	<b>8,150</b>
Specific provisions (-)	-	180	8,150
<b>Net Balance on Balance Sheet</b>	<b>-</b>	<b>176</b>	<b>-</b>

*Information on foreign currency non-performing loans*

There are non-performing loan receivables in foreign currency amounting TL 2,032 which is followed in TL accounts.

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**I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)**

*Information on gross and net loans under follow-up according to the borrowers*

	<b>III. Group Loans and receivables with limited</b>	<b>IV. Group Loans and receivables with doubtful</b>	<b>V. Group Non-performing loans and receivables</b>
<b>Current Period (Net)</b>	-	176	-
Loans granted to real persons and legal entities (Gross)	-	356	8,050
Specific provisions (-)	-	180	8,050
Loans granted to real persons and legal entities (Net)	-	176	-
Banks (Gross) <sup>1</sup>	-	-	100
Specific provisions (-)	-	-	100
Banks (Net)	-	-	-
Other Loans and receivables (Gross)	-	-	-
Specific provisions (-)	-	-	-
Other Loans and receivables (Net)	-	-	-
<b>Prior Period (Net)</b>	295	-	-
Loans granted to real persons and legal entities (Gross)	369	-	8,054
Specific provisions (-)	74	-	8,054
Loans granted to real persons and legal entities (Net)	295	-	-
Banks (Gross) <sup>1</sup>	-	-	100
Specific provisions (-)	-	-	100
Banks (Net)	-	-	-
Other Loans and receivables (Gross)	-	-	-
Specific provisions (-)	-	-	-
Other Loans and receivables (Net)	-	-	-

1 Foreign bank

*Collection policy on loans determined as loss and other receivables*

Loans determined as loans and other receivables are collected via legal follow-up and conversion of guarentees to cash.

*Information onwrite-off policy*

Loans under legal follow-up are classified and are made provision according to “Regulation on Procedures and Principles Concerning Loans and Other Receivable’s Nature Definition and Provisions”. These loans are collected in collaboration with Department of Loan Trace and Follow, Department of Law Services and Consultancy and other related departments. However if mentioned loans could not be collected in any way, write-off procedure is implemented. This procedure is implemented by getting the opinion of Department of Law Services and Consultancy and by obtaining approvals from Loan Trace and Follow Department and the Board of Directors.

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I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)

6. Information on held to maturity financial assets

*Information on transaction of repo and collateral/blocked financial assets (Net)*

None.

*Information on government held to maturity financial assets*

	Current Period		Prior Period	
	TL	FC	TL	FC
Government bonds	34,068	-	19,918	-
Treasury Bonds	-	-	-	-
Other Public Bonds	-	88,657	-	82,882
<b>Total</b>	<b>34,068</b>	<b>88,657</b>	<b>19,918</b>	<b>82,882</b>

*Information of investments held to maturity*

	Current Period	Prior Period
<b>Debt Instruments</b>	<b>163,191</b>	<b>135,611</b>
Quoted at stock exchange	95,850	103,262
Not-quoted at stock exchange	67,341	32,349
Impairment loss provision (-)	(636)	(462)
<b>Total</b>	<b>162,555</b>	<b>135,149</b>

*Movement of marketable securities held to maturity*

	Current Period	Prior Period
Balances at the Beginning of the Period	135,149	199,870
Foreign Currency Gains / Losses on Monetary assets	7,814	(3,337)
Purchases during the Period	58,362	83,489
Disposals through sales and redemptions <sup>1</sup>	(38,596)	(144,735)
Impairment loss provision <sup>2</sup>	(174)	(138)
<b>Period end balance</b>	<b>162,555</b>	<b>135,149</b>

1 In the current period redemption amounting to TL 38,596 (31 December 2012: TL 144,735) has been realized from the portfolio.

2 Represents provisions allocated for impairment in the current year.

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**I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)**

**7. Information on Associates**

The Bank does not have an associate.

**8. Information on subsidiaries (Net)**

*Information on unconsolidated subsidiaries*

The Bank does not have an unconsolidated subsidiary.

*Information on subsidiaries*

**Information on shareholder’s equity for A&T Finansal Kiralama A.Ş.**

	<b>30 June 2013</b>
<b>CORE CAPITAL</b>	
Paid in Capital	60,680
Effect of Inflation Adjustment on Paid in Capital	228
Legal Reserves – First Legal Reserve Turkish Commercial Code 466/1	1,787
Extraordinary Reserves – Legal Reserve per General Legislation	1
Profit / Loss	3,454
<i>Net Profit</i>	1,405
<i>Prior Period Profit/Loss</i>	2,049
Intangible Assets (-)	224
<b>Total Core Capital</b>	<b>65,927</b>
<b>SUPPLEMENTARY CAPITAL</b>	None.
<b>CAPITAL</b>	<b>65,927</b>
<b>DEDUCTION FROM CAPITAL</b>	None.
<b>NET AVAILABLE CAPITAL<sup>1</sup></b>	<b>65,927</b>

1 There is no restriction on shareholders' equity of subsidiary. After deduction from the capital, the total net available equity is TL 65,927.

There is no internal capital adequacy assessment approach for the subsidiary. There is no additional requirements in terms of the capital of the subsidiary.

Description	Address (City/Country)	Bank’s share percentage-If different voting percentage (%)	Bank’s risk group share percentage (%)
1 A&T Finansal Kiralama A.Ş.	İstanbul	99.98	99.98

Total Assets	Shareholders’ Equity	Total Fixed Assets	Interest Income	Income from marketable securities portfolio	Current Period Profit / Loss	Prior Period Profit / Loss	Fair value (*)
163,328	66,151	4,421	5,551	-	1,405	1,268	-

(\*) The related subsidiary has no fair value as of 30 June 2013.

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**I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)**

*Movement related to subsidiaries*

	<b>Current Period</b>	<b>Prior Period</b>
<b>Balance at the Beginning of the Period</b>	<b>40,452</b>	<b>38,452</b>
<b>Movements during the Period</b>	<b>20,277</b>	<b>2,000</b>
Purchases	15,492	-
Bonus Shares Received	4,785	2,000
Dividends from Current Year Profit	-	-
Sales	-	-
Revaluation Increase, Effect of Inflation and F/X Difference	-	-
Impairment Provision (+)	-	-
<b>Balance at the End of the Period</b>	<b>60,729</b>	<b>40,452</b>
<b>Capital Commitments</b>	<b>-</b>	<b>-</b>
<b>Share Percentage at the end of Period (%)</b>	<b>99,98</b>	<b>99,98</b>

*Sectoral Information on the subsidiaries*

<b>Subsidiaries</b>	<b>Current Period</b>	<b>Prior Period</b>
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	60,729	40,452
Finance Companies	-	-
Other Affiliates	-	-

*Quoted Subsidiaries*

There is no subsidiaries quoted at stock exchange of the bank. There is no additional requirement for capital.

**9. Information on jointly ventures**

The Bank does not have joint ventures.

**10. Information on Financial Lease Receivables (Net)**

The Bank does not have any financial lease receivable

**11. Information on financial derivatives for hedging**

The Bank does not have any financial derivatives for hedging .

**12. Information on investment property**

The bank does not have any investment property.

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**I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS (Continued)**

**13. Information on tax assets**

As of 30 June 2013, there is no tax receivable under current tax asset after the deduction of tax liability.

The Bank has calculated TL 2,261 deferred tax asset and TL 110 deferred tax liability over taxable temporary differences as of 30 June 2013 and recorded the net amount of asset and liability to the financial statement (31 December 2012: TL 2,825 deferred tax asset and TL 337 deferred tax liability).

The detail of deferred tax asset and liability is as follows:

	30 June 2013		31 December 2012	
	Accumulated temporary differences	Deferred tax asset/(liability)	Accumulated temporary differences	Deferred tax asset/(liability)
Provisions for employee rights	7,131	1,426	7,232	1,446
Unearned Income	2,401	480	2,397	479
Interest accruals	512	102	-	-
Depreciation difference for tangible and intangible assets	901	180	357	71
Derivative financial instruments	365	73	3,537	707
Other	-	-	601	122
<b>Deferred tax asset</b>	<b>11,310</b>	<b>2,261</b>	<b>14,124</b>	<b>2,825</b>
Interest accruals	-	-	1,520	304
Other	548	110	166	33
<b>Deferred tax liability</b>	<b>548</b>	<b>110</b>	<b>1,686</b>	<b>337</b>
<b>Deferred tax asset / (liability), net</b>		<b>2,151</b>		<b>2,488</b>

**14. Information about fixed assets held for sale**

	Current Period	Prior Period
	30 June 2013	31 December 2012
Cost	412	416
Impairment (-)	5	4
Accumulated Depreciation (-)	119	104
<b>Prior Period Net Book Value</b>	<b>288</b>	<b>308</b>
Opening Balance	412	416
Additions	-	-
Disposals (-).net	395	4
Accumulated Impairment (-)	6	4
Impairment (-)	-	1
Accumulated Depreciation (-)	119	104
Depreciation	127	-
Depreciation Expenses (-)	8	15
<b>Closing Net Book Value</b>	<b>11</b>	<b>288</b>

**15. Information on other assets**

As of 30 June 2013 other assets is amounting to TL 6,002 (31 December 2012: TL 15,429) and does not exceed 10% of total assets of balance sheet except off balance sheet commitments.



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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES

1. Information on maturity profile of deposits

Current Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6 Months -1 Year	1 Year and over	Accumu- lating Deposit Accounts	Total
Saving Deposits	2,422	-	567	978	1,571	-	-	-	5,537
Foreign Currency Deposits	148,762	-	38	10,467	3,696	569	1,796	-	165,328
Residents in Turkey	83,863	-	38	1,855	671	19	84	-	86,530
Residents Abroad	64,899	-	-	8,612	3,025	550	1,712	-	78,798
Public Sector Deposits	-	-	-	-	-	-	-	-	-
Commercial Deposits	5,306	-	10	157	92	-	7,312	-	12,879
Other Ins. Deposits	798	-	-	9	-	-	-	-	807
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	244,193	-	58,005	462,873	86,790	38,597	-	-	890,458
Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	244,193	-	58,005	462,873	86,790	38,597	-	-	890,458
Special Financial Inst.	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>401,481</b>	<b>-</b>	<b>58,620</b>	<b>474,484</b>	<b>92,149</b>	<b>39,166</b>	<b>9,108</b>	<b>-</b>	<b>1,075,008</b>
Prior Period									
	Demand	7 Days Notice	Up to 1 Months	1-3 Months	3-6 Months	6 Months -1 Year	1 Year and over	Accumu- lating Deposit Accounts	Total
Saving Deposits	926	-	217	859	1,534	41	27	-	3,604
Foreign Currency Deposits	145,376	-	94	9,167	1,972	1,203	1,392	-	159,204
Residents in Turkey	103,947	-	-	1,012	676	113	89	-	105,837
Residents Abroad	41,429	-	94	8,155	1,296	1,090	1,303	-	53,367
Public Sector Deposits	-	-	-	-	-	-	-	-	-
Commercial Deposits	6,409	-	7,671	119	90	107	-	-	14,396
Other Ins. Deposits	7,153	-	-	10	-	-	-	-	7,163
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	285,753	-	536,095	11,761	-	11,762	-	-	845,371
Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	285,753	-	536,095	11,761	-	11,762	-	-	845,371
Special Financial Inst.	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>445,617</b>	<b>-</b>	<b>544,077</b>	<b>21,916</b>	<b>3,596</b>	<b>13,113</b>	<b>1,419</b>	<b>-</b>	<b>1,029,738</b>

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

*Information on savings deposits insured by Saving Deposit Insurance Fund and the total amount of the deposits exceeding the insurance coverage limit*

	Covered by Deposit Insurance Fund		Not covered by Deposit Insurance Fund	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	3,592	1,981	1,945	1,623
Foreign Currency Saving Deposits	16,976	9,721	22,838	21,205
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
<b>Total</b>	<b>20,568</b>	<b>11,702</b>	<b>24,783</b>	<b>22,828</b>

**Individual deposits not covered by deposit insurance**

	Current Period	Prior Period
Deposits and Other Accounts held at Foreign Branches	-	-
Deposits and Other Accounts held by Shareholders and their Relatives	-	-
Deposits and Other Accounts of the Chairman and Members of Board of Directors, Chief Executive Officer, Senior Executive Officers and their Relatives	1,083	486
Deposits and Other Accounts held as Assets subject to the Crime defined in the Article 282 of the Turkish Criminal Code no. 5237 dated 26 September 2004	-	-
Deposits at Depositary Banks established for Off-Shore Banking Activities in Turkey	-	-
<b>Total</b>	<b>1,083</b>	<b>486</b>

2. Information on financial derivatives through profit or loss

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward transactions	-	-	-	-
Swap transactions	-	-	3,554	-
Futures transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3,554</b>	<b>-</b>

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**II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)**

**3. Information on Funds Borrowed**

*Information on banks and other financial institutions*

	Current Period		Prior Period	
	TL	FC	TL	FC
Borrowing from Central Bank	-	-	-	-
From Domestic Banks and Institutions	5,057	126	2,815	1,277
From Foreign Banks, Institutions and Funds	-	1,475,956	-	1,252,769
<b>Total</b>	<b>5,057</b>	<b>1,476,082</b>	<b>2,815</b>	<b>1,254,046</b>

*Presentation of funds borrowed based on maturity profile*

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	3,996	1,087,057	2,546	896,846
Long-Term	1,061	389,025	269	357,200
<b>Total</b>	<b>5,057</b>	<b>1,476,082</b>	<b>2,815</b>	<b>1,254,046</b>

**4. Information on other foreign resources**

The other external resources is amounting to TL 19,553 (31 December 2012: TL 15,996); and this amount does not exceed 10% of the total balance sheet.

**5. Information on financial lease obligations**

In the financial lease contracts the installments are determined by considering the market interest rates, cost of the leasing asset and maturity of the financing. There are no significant obligations imposed on the Bank as a result of the lease agreements.

**6. Information on liabilities arised from financial derivative transactions for hedging purposes**

The Bank does not have financial derivative instruments for hedging purposes.

**7. Information on provisions**

*Information on general provisions*

	Current Period	Prior Period
Provisions for Loans and Receivables in Group I	14,384	8,741
Additional provisions for the loans with extended payment plan	-	-
Provisions for Loans and Receivables in Group II	66	12
Additional provisions for the loans with extended payment plan	-	-
Provisions for Non-Cash Loans	3,787	3,058
Other	-	-
<b>Total</b>	<b>18,237</b>	<b>11,811</b>

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**II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)**

*Provisions for currency exchange gain/loss on foreign currency indexed loans*

	<b>Current Period</b>	<b>Prior Period</b>
Foreign Exchange Provisions for Foreign Currency Indexed Loans (*)	39	509

(\*) Foreign exchange differences of foreign currency indexed loans are netted off with loans.

*Information on other provisions*

The provisions for probable risks are below:

	<b>Current Period</b>	<b>Prior Period</b>
The provisions for probable risks	-	5,000

*In the case of the other provisions, exceeds the 10% of the total provisions, those accounts and balances.*

*None.*

**8. Information on tax payables**

*Information on corporate tax liability*

As of 30 June 2013, corporate tax payable after deducting the prepaid tax is TL 1,686 (31 December 2012: TL 911)

*Information on tax payables*

	<b>Current Period</b>	<b>Prior Period</b>
Corporate Tax	1,686	911
Banking Insurance Transaction Tax (BITT)	299	344
Taxation of Securities	11	663
Value added taxes payable	6	43
Corporate tax payable-limited	-	1
Foreign Exchange Legislation Tax	-	-
Property tax	38	14
Other	599	651
<b>Total</b>	<b>2,639</b>	<b>2,627</b>

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II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

*Information on premiums*

	Current Period	Prior Period
Social Security Premiums - Employee	178	169
Social Security Premiums - Employer	253	242
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 share	13	12
Unemployment Insurance - Employer share	25	24
Other	-	-
<b>Total</b>	<b>469</b>	<b>447</b>

*Information on deferred tax liability*

The net amount of assets and liabilities that is calculated over the temporary differences between the applied accounting policies and tax regulation is recorded as net deferred tax asset with an amount of TL 2,151. Detailed information on net deferred tax is presented in footnote I-13 in Section Five.

9. *Information on Shareholder’s Equity*

*Presentation of Paid-in Capital*

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

Registered share capital system is not implemented in the Bank.

*Information on share capital increases and their sources; other information on any increase in capital shares during the current period*

No capital increase has been made during the current period.

*Information on share capital increases from capital reserves*

No transfer from capital reserves has been made to share capital in the current period.

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**II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)**

***Capital commitments for current financial year and following period, general purpose of these commitments and estimated resources necessary for these commitments***

No capital commitments have been made to current financial year and following period.

***The impacts of the foresights, which are prophesied according to Bank’s prior periods income, profitability, and liquidity indicators and uncertainty, to shareholders’ equity***

None.

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

The share capital can be increased or decreased one or more times. Such an increase may be accomplished through the transfer of monies from the reserves to the capital account and the issuance of “bonus” shares in consequence thereof.

Every shareholder shall have the preferential (pre-emptive) right to subscribe for a proportion of new shares corresponding to the number of shares held by him and such right may be exercised within a period of thirty days from the date of receipt by each shareholder of an invitation to the shareholders to that effect. Such invitation shall be made by registered mail to the address contained in the share register.

These preferential (pre-emptive) rights may only be assigned by approval of the Board of Directors upon the favourable vote of 80% of the members, present or represented.

	<b>Current Period</b>	<b>Prior Period</b>
Common Stock	240,000	240,000
Preferred Stock	-	-

New shares may not be issued at a price less than the nominal value of the original shares issued.

Fractional shares shall be allocated by the Board of Directors.

The Bank may not finance the acquisition of its own shares whether dire

Arabian shareholders are treated under the same legislation with Turkish citizens. This includes the transfer of distributed other revenues, guarantees, shares, dividends. And in a similar manner Arabian shareholders are benefited and protected by law No.6224, Foreign Capital Incentive Law.

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

The Bank does not have marketable securities value increase fund.

***Information on legal reserve***

As decided in the annual general meeting which is held on 29 June 2013, in the current period, amount of TL 2,916 have been transferred to legal reserves from profits of previous years according to 519<sup>th</sup> amendment of Turkish Commercial Code no 6102. (31 December 2012: TL 2,373).

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**III. INFORMATION AND DISCLOSURES RELATED TO OFF-BALANCE SHEETS**

**1. Information on contingent liabilities in the off-balance sheets**

*Type and amount of irrevocable commitments*

The Bank has TL 51,932 (31 December 2012: TL 5,779) as irrevocable commitments.

*Type and amount of possible losses from off-balance sheet items*

As of 30 June 2013, the Bank has allocated the provision amounting TL 4,376 over total non-cash loans (31 December 2012: TL 3,627).

*Guarantees, bills of exchange and acceptances and other letters of credit which can be counted as financial collateral*

The total amount of non-cash loans including guarantees, bills of exchange and acceptances and sureties on letters of credits and other guarantees is TL 404,381 (31 December 2012: TL 325,191).

*Final guarantees, temporary guarantees, commitments and similar transactions*

The total amount of the Bank’s guarantee letters is TL 1,427,185 (31 December 2012: TL 1,247,340).

**2. Total amount of Non-cash loans**

	<b>Current Period</b>	<b>Prior Period</b>
Non-Cash Loans granted for Cash Loan Assurance	83,124	26,341
Less Than or Equal to One Year with Original Maturity	42,800	315
More Than One Year with Original Maturity	40,324	26,026
Other Non-Cash Loans	1,748,442	1,546,190
<b>Total</b>	<b>1,831,566</b>	<b>1,572,531</b>

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**IV. INFORMATION AND FOOTNOTES RELATED TO STATEMENT OF INCOME**

**1. Information on interest income**

*Information on interest income received from loans*

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Received from Loans (*)				
Short- Term Loans	10,032	3,354	19,503	3,640
Medium and Long- Term Loans	792	9,136	500	5,336
Interest Received From Non Performing Loans	322	-	-	-
Premiums Received From Resource Utilization Support Fund	-	-	-	-
<b>Total</b>	<b>11,146</b>	<b>12,490</b>	<b>20,003</b>	<b>8,976</b>

(\*) It contains fee and commission income related to cash loans.

*Information on interest income received from banks*

	Current Period		Prior Period	
	TL	FC	TL	FC
From Central Bank	-	-	-	-
From Domestic Banks	413	12,064	4,492	7,006
From Foreign Banks	2	8	-	72
From Foreign Headquarter and Branches	-	-	-	-
<b>Total</b>	<b>415</b>	<b>12,072</b>	<b>4,492</b>	<b>7,078</b>

*Information on interest income on marketable securities*

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial assets held for trading	1,873	235	4,384	1,265
Financial assets where fair value change is reflected to income statement	-	-	-	-
Financial assets available for sale	-	-	-	-
Investments held to maturity	1,127	3,358	3,549	3,826
<b>Total</b>	<b>3,000</b>	<b>3,593</b>	<b>7,933</b>	<b>5,091</b>

*Information on interest income received from associates and subsidiaries*

	Current Period	Prior Period
Interest income received from associates and subsidiaries	576	271



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IV. INFORMATION AND FOOTNOTES RELATED TO STATEMENT OF INCOME  
(Continued)

2. Interest Expense

*Information on interest paid for funds borrowed*

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Banks</b>	<b>131</b>	<b>8,874</b>	<b>70</b>	<b>2,569</b>
Central Bank	-	-	-	-
Domestic Banks	131	14	70	54
Foreign Banks	-	8,860	-	2,515
<b>Other Institutions</b>	-	-	-	-
<b>Total</b>	<b>131</b>	<b>8,874</b>	<b>70</b>	<b>2,569</b>

*Information on interest expense paid to subsidiaries and associates*

None.

*Information on interest expense given on securities issued*

None.

*Maturity structure of the interest expense on deposits*

Current Period	Time Deposit						Cumulative Deposit	Total
	Demand Deposit	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year		
<b>Turkish Lira</b>								
Interbank deposits	-	465	-	-	-	-	-	465
Saving deposits	-	13	31	52	-	-	-	96
Public sector deposits	-	-	-	-	-	-	-	-
Commercial deposits	-	17	5	2	3	244	-	271
Other deposits	-	-	-	-	-	-	-	-
Deposits with 7 days notification	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>495</b>	<b>36</b>	<b>54</b>	<b>3</b>	<b>244</b>	-	<b>832</b>
<b>Foreign Currency</b>								
Foreign currency deposits	-	7	18	16	4	13	-	58
Interbank deposits	324	33	264	50	22	-	-	693
Deposits with 7 days notification	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
<b>Total</b>	<b>324</b>	<b>40</b>	<b>282</b>	<b>66</b>	<b>26</b>	<b>13</b>	-	<b>751</b>
<b>Grand Total</b>	<b>324</b>	<b>535</b>	<b>318</b>	<b>120</b>	<b>29</b>	<b>257</b>	-	<b>1,583</b>

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**IV. INFORMATION AND FOOTNOTES RELATED TO STATEMENT OF INCOME  
(Continued)**

**3. Information on trading gain/loss**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Gain</b>	<b>1,722,806</b>	<b>862,845</b>
Gain from money market transactions	-	9
Gain from financial derivative transactions	14,383	10,716
Gain from exchange transactions	1,708,423	852,120
<b>Loss (-)</b>	<b>(1,724,471)</b>	<b>(862,448)</b>
Loss from money market transactions	-	-
Loss from financial derivative transactions	(16,270)	(12,075)
Loss from exchange transactions	(1,708,201)	(850,373)
<b>Net Trading Gain/Loss</b>	<b>(1,665)</b>	<b>397</b>

**4. Information on income from other operations**

	<b>Current Period</b>	<b>Prior Period</b>
From Reversal of Provisions of Prior Year	5,078	478
From Communication Income	577	18
Gain on sales of assets	252	1,620
Other Income	66	110
<b>Total</b>	<b>5,973</b>	<b>2,226</b>

**5. Information on impairment in loans and other receivables**

	<b>Current Period</b>	<b>Prior Period</b>
Specific Provisions on Loans and Other Receivables	110	601
<i>Loans and Receivables in Group III</i>	-	601
<i>Loans and Receivables in Group IV</i>	107	-
<i>Loans and Receivables in Group V</i>	3	-
<i>Doubtful Receivables</i>	-	-
General Provision Expenses	6,426	176
Provision for Possible Losses	-	-
Foreign Exchange Losses on Foreign Currency Indexed Loans	-	-
Impairment Losses on Securities	304	-
<i>Financial Assets through Profit or Loss</i>	304	-
<i>Investment Securities Available-for-Sale</i>	-	-
Other Impairment Losses	174	38
<i>Associates</i>	-	-
<i>Subsidiaries</i>	-	-
<i>Joint Ventures</i>	-	-
<i>Investment Securities Held-to-Maturity</i>	174	38
Other	-	-
<b>Total</b>	<b>7,014</b>	<b>815</b>

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(Continued)**

**6. Information on other operating expense**

	<b>Current Period</b>	<b>Prior Period</b>
Personnel Expenses	18,322	15,958
Employee Termination Benefits Expense	902	1,095
Tangible Fixed Asset Impairment Expense	-	-
Amortization Expenses of Tangible Assets	1,328	1,188
Intangible Fixed Asset Impairment Expense	-	-
Goodwill Impairment Expense	-	-
Amortization Expenses of Intangible Assets	440	352
Shareholders Equity Procedure Applied Equity Interest Impairment Expense	-	-
Disposable Fixed Asset Impairment Expense	1	-
Amortization Expense of Assets Held for Resale	8	8
Impairment Expense related to Fixed Assets held for sale and discontinued operations	-	-
Other Operating Expenses	3,854	3,621
<i>Operating Lease Expenses</i>	599	559
<i>Maintenance Expenses</i>	80	156
<i>Advertisement Expenses</i>	218	190
<i>Other Expenses</i>	2,957	2,716
Losses from sales of Assets	-	-
Other	1,531	2,185
<b>Total</b>	<b>26,386</b>	<b>24,407</b>

**7. Information on tax provision related to continued operations and discontinued operations**

***Current period taxation benefit or charge and deferred tax benefit or charge***

As of 30 June 2013, taxation charge is TL 4,762 (30 June 2012: TL 9,383) and deferred tax expense is TL 401 (30 June 2012: TL 11 as deferred tax income).

***Deferred tax charge arising from origination or reversal of temporary differences***

The Bank has TL 401 as deferred tax expense arising from origination of temporary differences (30 June 2012: TL 11 deferred tax income).

***Deferred tax charge/income represented in the income statement within the context of temporary difference, financial loss and tax reduction.***

The Bank has TL 401 as deferred tax expense reflected in the income statement computed over temporary difference and tax deductions and exemptions (30 June 2012: TL 11 deferred tax income).

**8. Information on net profit or loss of the period including profit/loss from continued and discontinued operations:**

Current period profit from continued operations is TL 23,466 (30 June 2012: TL 40,259 profit).

**9. Information on 20% of other accounts in income statement, if other accounts exceed 10% of total income statement.**

There is no other accounts which exceed the 10% of the income statement other than other operating income and other operating loss that are explained above.

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**V. INFORMATION ON THE BANK’S RISK GROUP**

**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**

*Information on the loans of the Bank’s risk group*

**Current Period**

<b>Bank’s Risk Group (*)</b>	<b>Associates, Subsidiaries and Joint Ventures</b>		<b>Bank’s Direct and Indirect Shareholders</b>		<b>Other Components in Risk Group</b>	
	<b>Cash</b>	<b>Non-cash</b>	<b>Cash</b>	<b>Non-Cash</b>	<b>Cash</b>	<b>Non-cash</b>
<b>Loans and Other Receivables</b>						
Balance at the beginning of the period	25,570	329	-	14,852	10,522	116,416
Balance at the end of the period	23,378	-	3,681	11,812	54,928	104,179
Interest and Commission Income received	576	-	-	-	16	-

(\*) Stated at the 2nd clause of the 49 nth article of the Law No. 5411 of Bank’s Act.

Loans given to the Bank’s direct and indirect shareholders are composed of forfeiting and letter of credit transactions which the interest and commission income are obtained not from the risk group but from the exporting firms.

**Prior Period**

<b>Bank’s Risk Group (*)</b>	<b>Associates, Subsidiaries and Joint Ventures</b>		<b>Bank’s Direct and Indirect Shareholders</b>		<b>Other Components in Risk Group</b>	
	<b>Cash</b>	<b>Non-cash</b>	<b>Cash</b>	<b>Non-Cash</b>	<b>Cash</b>	<b>Non-cash</b>
<b>Loans and Other Receivables</b>						
Balance at the beginning of the period	9,683	833	180,004	18,396	19,102	149,230
Balance at the end of the period	25,570	329	-	14,852	10,522	116,416
Interest and Commission Income received	271	1	-	-	-	-

(\*) Stated at the 2nd clause of the 49 nth article of the Law No. 5411 of Bank’s Act.

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**V. INFORMATION ON THE BANK’S RISK GROUP (Continued)**

*Information on deposits of the Bank’s risk group*

<b>Bank’s Risk Group (*)</b>	<b>Associates, Subsidiaries and Joint Ventures</b>		<b>Bank’s Direct and Indirect Shareholders</b>		<b>Other Components in Risk Group</b>	
	<b>Current Period</b>	<b>Prior Period</b>	<b>Current Period</b>	<b>Prior Period</b>	<b>Current Period</b>	<b>Prior Period</b>
Deposits						
Balance at the beginning of the period	98	157	637,403	78	26,355	26,951
Balance at the end of the period	103	98	378,034	637,403	237,810	26,355
Interest expense on deposits	-	-	1,066	7,270	-	-

(\*) Stated at the 2nd clause of the 49 nth article of the Law No. 5411 of Bank’s Act..

*Information on forward transactions, options and other contracts related to Bank’s risk group*

None.

*Information on benefits provided for top level management:*

For the period then ended 30 June 2013, TL 1,287 (30 June 2012: TL 1,278) has been paid to the top level management of the Bank as salaries and fringe benefit.

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**SECTION SIX**

**OTHER DISCLOSURES AND FOOTNOTES**

**I. OTHER INFORMATION ON BANK’S OPERATIONS**

None.

**II. INFORMATION ON EVENTS AFTER THE BALANCE SHEET DATE**

None.

**SECTION SEVEN**

**REVIEW INDEPENDENT AUDITOR’S REPORT**

**I. INFORMATION ON REVIEW INDEPENDENT AUDITOR’S REPORT**

As of 30 June 2013, unconsolidated financial statements and explanatory notes of the Bank disclosed herein were reviewed by Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of PricewaterhouseCoopers) and Review Independent Auditor’s Review Report dated 31 July 2013 is presented preceding the financial statements

**II. INFORMATION AND FOOTNOTES PREPARED BY INDEPENDENT AUDITOR**

None.