

FİBANKA A.Ş.

**LIMITED REVIEW REPORT,
UNCONSOLIDATED FINANCIAL
STATEMENTS AND FOOTNOTES
FOR THE INTERIM PERIOD OF
1 JANUARY – 30 JUNE 2013**

**(Convenience Translation of
Financial Statements and
Related Disclosures and Footnotes
Originally Issued in Turkish)**

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

FİBABANKA A.Ş.

**INDEPENDENT AUDITORS' LIMITED REVIEW REPORT
FOR THE INTERIM PERIOD OF 1 JANUARY – 30 JUNE 2013**

We have reviewed the accompanying unconsolidated balance sheet of Fibabanka A.Ş. ("the Bank") as at 30 June 2013 and the related statements of unconsolidated income, cash flows and changes in shareholders' equity for the period then ended. These financial statements are the responsibility of the Bank's management. As independent accountants our responsibility is to issue a report based on the review performed on these financial statements.


We conducted our review in accordance with the accounting rules and policies and the accounting and auditing standards, set out as per the Banking Act No: 5411. Those standards require that we plan and perform the review to obtain limited assurance as to whether the financial statements are free of material misstatement. A review is principally limited to reviewing financial statements by applying analytical procedures, inquiring as to the integrity of the financial statements and making inquiries of management to obtain information; it is substantially less in scope than an audit and therefore provides a lesser assurance. We have not performed an audit and accordingly we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements do not give a true and fair view of the financial position of Fibabanka A.Ş. as at 30 June 2013, the results of its operations and its cash flows for the period then ended in accordance with the prevailing accounting principles and standards set out as per the Article No: 37 of the Banking Act No: 5411, and other regulations, communiqués and circulars in respect of accounting and financial reporting and pronouncements made by Banking Regulation and Supervision Agency.

Additional paragraph for English translation:

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

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


Hasan Kılıç
Partner

İstanbul, 6 August 2013

THE UNCONSOLIDATED FINANCIAL REPORT OF FİBABANKA A.Ş. FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2013

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The unconsolidated financial report for the six months designed by the Banking Regulation and Supervision Agency in line with Communiqué on Financial Statements to be Publicly Announced and the Related Policies and Disclosures consists of the sections listed below:

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

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

 Hüsnü Mustafa Özyeğin	 Fevzi Bozer	 Mevlüt Hamdi Aydın	 Bekir Dildar	 Adem Aykın	 Ayşe Akdaş
Chairman of Board of Directors	Member of the Audit Committee	Member of the Audit Committee	General Manager	Assistant General Manager	Financial Control Department Head

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

Name-Surname/Title : **Ayşe Akdaş** / Financial Control Department Head
Telephone Number : (212) 381 84 88
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FİBABANKA A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 30 JUNE 2013

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

SECTION ONE

GENERAL INFORMATION

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

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

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

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

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

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

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

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

As of 30 June 2013, the Bank’s paid in capital is TL 550,000. With the decision of the Board of Directors dated 25 February 2013; paid in capital; which was TL 426,650 as of 31 March 2013; was decided to be increased to TL 550,000 by a total increase of TL 123,350; providing TL 17,416 of the increase from the inflation adjustment to share capital, TL 9,502 from the gain on sale of property, and TL 96,432 in cash payment by Fiba Holding A.Ş. The legal procedures were finalized as of 29 May 2013 and the capital increase was recognized in the financial statements.

FİBABANKA A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 30 JUNE 2013

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

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

<u>Name Surname</u>	<u>Title</u>	<u>Shares Owned</u>	<u>Date</u>
<i>Board of Directors</i>			
Hüsnü Mustafa Özyeğin	Chairman	--	27 December 2010
Fevzi Bozer	Deputy Chairman	--	27 December 2010
M. Erhan Polat	Member	--	27 December 2010
Mehmet Güleşçi	Member	--	27 December 2010
Bekir Dildar*	Member-General Manager	--	27 December 2010
Mevlüt Hamdi Aydın	Member	--	24 January 2013
İsmet Kaya Erdem	Member	--	11 February 2013
<i>Audit Committee</i>			
Fevzi Bozer	Member	--	27 December 2010
Mevlüt Hamdi Aydın	Member	--	24 January 2013
<i>Assistant General Managers</i>			
Ahmet İlerigelen	AGM-Corporate and Commercial Credits	--	7 January 2011
Ali Murat Dinç	AGM-Corporate and Commercial Banking	--	7 January 2011
Elif Alev Utku Özbey	AGM-Financial Control and Reporting	--	7 January 2011
Adem Aykın	AGM-Information Technologies	--	1 July 2011
Esra Osmanağaoğlu	AGM-Operations	--	29 February 2012
Emre Ergun	Coordinator-Retail, SME and Private Banking, Alternative Distribution Channels and Direct Sale	--	1 June 2012
Cengiz Sinanoğlu	Coordinator-Retail and SME Credits	--	7 February 2013

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

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

54,999,999,787 of 55,000,000,000 shares of the Bank are owned by Fiba Holding A.Ş., 213 shares are owned by other shareholders.

<u>Name Surname/ Commercial Title</u>	<u>Share Amount (Nominal)</u>	<u>Share Ratios</u>	<u>Paid in Capital (Nominal)</u>	<u>Unpaid Shares</u>
Fiba Holding A.Ş.	550,000	100%	550,000	--
Hüsnü Mustafa Özyeğin	509,685	92.7%	509,685	--

FİBABANKA A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 30 JUNE 2013

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

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

The Bank was incorporated as a foreign bank authorized for customer deposit acceptance and the Head Office of the Bank is located in Istanbul, Turkey. As of 30 June 2013, the Bank serves with 40 domestic branches and 878 employees.

VI. Other Information

The Bank's Commercial Title:	Fibabanka Anonim Şirketi
The Bank's General Directorate Address:	Emirhan Cad. Barbaros Plaza İş Merkezi No:113 Dikilitaş/Beşiktaş İstanbul
The Bank's Phone and Fax Numbers:	Telephone: (0212) 381 82 00 Fax : (0212) 258 37 78
The Bank's Web Site Address:	www.fibabanka.com.tr
The Bank's E-Mail Address:	malikontrol@fibabanka.com.tr
Reporting Period:	1 January 2013 – 30 June 2013

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

SECTION TWO
UNCONSOLIDATED FINANCIAL STATEMENTS

FIBABANKA A.Ş.
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF 30 JUNE 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

ASSETS	Note	CURRENT PERIOD (30/06/2013)			PRIOR PERIOD (31/12/2012)		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(5.1.1)	100,719	448,522	549,241	91,714	338,098	429,812
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(5.1.2)	40,629	3,119	43,748	39,647	4,062	43,709
2.1 Financial Assets Held for Trading		40,629	3,119	43,748	39,647	4,062	43,709
2.1.1 Government Debt Securities		13,532	2,635	16,167	21,010	2,636	23,646
2.1.2 Share Certificates		-	-	-	-	-	-
2.1.3 Derivative Financial Assets Held for Trading		27,097	414	27,511	18,637	1,380	20,017
2.1.4 Other Marketable Securities		-	70	70	-	46	46
2.2 Financial Assets Classified at Fair Value Through Profit and Loss		-	-	-	-	-	-
2.2.1 Government Debt Securities		-	-	-	-	-	-
2.2.2 Share Certificates		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other Marketable Securities		-	-	-	-	-	-
III. BANKS	(5.1.3)	53,150	105,938	159,088	35	25,012	25,047
IV. MONEY MARKET PLACEMENTS		-	65,529	65,529	-	30,304	30,304
4.1 Interbank Money Market Placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange Money Market Placements		-	65,529	65,529	-	30,304	30,304
4.3 Receivables from Reverse Repurchase Agreements		-	-	-	-	-	-
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(5.1.4)	18,133	222,967	241,100	506	108,227	108,733
5.1 Share Certificates		-	-	-	-	-	-
5.2 Government Debt Securities		17,628	6,804	24,432	-	-	-
5.3 Other Marketable Securities		505,00	216,163	216,668	506	108,227	108,733
VI. LOANS	(5.1.5)	2,757,330	1,174,674	3,932,004	2,207,546	1,013,158	3,220,704
6.1 Loans		2,736,739	1,174,674	3,911,413	2,191,904	1,013,158	3,205,062
6.1.1 Loans to the Bank's Risk Group		843	-	843	20,829	-	20,829
6.1.2 Government Debt Securities		-	-	-	-	-	-
6.1.3 Other		2,735,896	1,174,674	3,910,570	2,171,075	1,013,158	3,184,233
6.2 Non-Performing Loans		40,639	-	40,639	29,548	-	29,548
6.3 Specific Provisions (-)		20,048	-	20,048	13,906	-	13,906
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. INVESTMENTS HELD TO MATURITY (Net)	(5.1.6)	-	-	-	-	-	-
8.1 Government Debt Securities		-	-	-	-	-	-
8.2 Other Marketable Securities		-	-	-	-	-	-
IX. INVESTMENTS IN ASSOCIATES (Net)	(5.1.7)	-	-	-	-	-	-
9.1 Associates Accounted for Using the Equity Method		-	-	-	-	-	-
9.2 Unconsolidated Associates		-	-	-	-	-	-
9.2.1 Financial Associates		-	-	-	-	-	-
9.2.2 Non-Financial Associates		-	-	-	-	-	-
X. INVESTMENTS IN SUBSIDIARIES (Net)	(5.1.8)	-	-	-	-	-	-
10.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
XI. JOINTLY CONTROLLED ENTITIES (JOINT VENTURES) (Net)	(5.1.9)	-	-	-	-	-	-
11.1 Jointly Controlled Entities Accounted for Using the Equity Method		-	-	-	-	-	-
11.2 Unconsolidated Jointly Controlled Entities		-	-	-	-	-	-
11.2.1 Jointly Controlled Financial Entities		-	-	-	-	-	-
11.2.2 Jointly Controlled Non-Financial Entities		-	-	-	-	-	-
XII. LEASE RECEIVABLES	(5.1.10)	-	-	-	-	-	-
12.1 Finance Lease Receivables		-	-	-	-	-	-
12.2 Operating Lease Receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned Income (-)		-	-	-	-	-	-
XIII. DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES	(5.1.11)	-	-	-	-	-	-
13.1 Fair Value Hedge		-	-	-	-	-	-
13.2 Cash Flow Hedge		-	-	-	-	-	-
13.3 Net Foreign Investment Hedge		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)	(5.1.12)	20,003	-	20,003	15,846	-	15,846
XV. INTANGIBLE ASSETS (Net)	(5.1.13)	5,334	-	5,334	6,211	-	6,211
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		5,334	-	5,334	6,211	-	6,211
XVI. INVESTMENT PROPERTY (Net)	(5.1.14)	-	-	-	-	-	-
XVII. TAX ASSETS		7,910	-	7,910	5,369	-	5,369
17.1 Current Tax Asset		14	-	14	13	-	13
17.2 Deferred Tax Asset	(5.1.15)	7,896	-	7,896	5,356	-	5,356
XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(5.1.16)	3,204	-	3,204	6,393	-	6,393
18.1 Held for Sale		3,204	-	3,204	6,393	-	6,393
18.2 Discontinued Operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(5.1.17)	10,583	3,144	13,727	4,906	3,198	8,104
TOTAL ASSETS		3,016,995	2,023,893	5,040,888	2,378,173	1,522,059	3,900,232

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

FIBABANKA A.Ş.
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF 30 JUNE 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

LIABILITIES	Note	CURRENT PERIOD (30/06/2013)			PRIOR PERIOD (31/12/2012)		
		TL	FC	Total	TL	FC	Total
		I. DEPOSITS	(5.II.1)	2,358,592	1,202,038	3,560,630	1,532,161
1.1 Deposits from the Bank's Risk Group		51,193	5,383	56,576	87,168	35,468	122,636
1.2 Other		2,307,399	1,196,655	3,504,054	1,444,993	1,121,812	2,566,805
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(5.II.2)	36,205	343	36,548	11,707	1,989	13,696
III. FUNDS BORROWED	(5.II.3)	16,502	336,897	353,399	6,890	301,780	308,670
IV. MONEY MARKET FUNDS		12,368	180,555	192,923	10,441	86,806	97,247
4.1 Interbank Money Market Funds		-	-	-	-	-	-
4.2 Istanbul Stock Exchange Money Market Funds		-	-	-	-	-	-
4.3 Funds Provided Under Repurchase Agreements		12,368	180,555	192,923	10,441	86,806	97,247
V. MARKETABLE SECURITIES ISSUED (Net)	(5.II.4)	197,747	-	197,747	222,746	-	222,746
5.1 Bills		9,854	-	9,854	121,401	-	121,401
5.2 Asset-backed Securities		-	-	-	-	-	-
5.3 Bonds		187,893	-	187,893	101,345	-	101,345
VI. FUNDS		-	-	-	-	-	-
6.1 Borrower Funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
VII. SUNDRY CREDITORS	(5.II.5)	15,613	2,823	18,436	7,413	1,951	9,364
VIII. OTHER LIABILITIES	(5.II.5)	26,549	7,749	34,298	31,926	2,907	34,833
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. LEASE PAYABLES (Net)	(5.II.6)	-	-	-	-	-	-
10.1 Finance Lease Payables		-	-	-	-	-	-
10.2 Operating Lease Payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Finance Lease Expenses (-)		-	-	-	-	-	-
XI. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	(5.II.7)	-	-	-	-	-	-
11.1 Fair Value Hedge		-	-	-	-	-	-
11.2 Cash Flow Hedge		-	-	-	-	-	-
11.3 Net Foreign Investment Hedge		-	-	-	-	-	-
XII. PROVISIONS	(5.II.8)	55,724	-	55,724	41,820	-	41,820
12.1 General Loan Loss Provision		47,420	-	47,420	35,616	-	35,616
12.2 Provision for Restructuring		-	-	-	-	-	-
12.3 Reserves for Employee Benefits		5,760	-	5,760	4,533	-	4,533
12.4 Insurance Technical Reserves (Net)		-	-	-	-	-	-
12.5 Other Provisions		2,544	-	2,544	1,671	-	1,671
XIII. TAX LIABILITY	(5.II.9)	15,072	-	15,072	10,053	-	10,053
13.1 Current Tax Liability		15,072	-	15,072	10,053	-	10,053
13.2 Deferred Tax Liability		-	-	-	-	-	-
XIV. PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	(5.II.10)	-	-	-	-	-	-
14.1 Held for Sale		-	-	-	-	-	-
14.2 Discontinued Operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS	(5.II.11)	-	96,947	96,947	-	89,693	89,693
XVI. SHAREHOLDERS' EQUITY	(5.II.12)	496,394	(17,230)	479,164	382,341	328	382,669
16.1 Paid-in Capital		550,000	-	550,000	426,650	-	426,650
16.2 Capital Reserves		(449)	(17,230)	(17,679)	26,914	328	27,242
16.2.1 Share premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Marketable Securities Revaluation Reserve		(449)	(17,230)	(17,679)	(4)	328	324
16.2.4 Tangible Assets Revaluation Reserve		-	-	-	9,502	-	9,502
16.2.5 Intangible Assets Revaluation Reserve		-	-	-	-	-	-
16.2.6 Investment Property Revaluation Reserve		-	-	-	-	-	-
16.2.7 Bonus Shares Obtained from Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		-	-	-	-	-	-
16.2.8 Hedge Funds (Effective Portion)		-	-	-	-	-	-
16.2.9 Accumulated Revaluation Reserves on Assets Held for Sale and Discontinued Operations		-	-	-	-	-	-
16.2.10 Other Capital Reserves		-	-	-	17,416	-	17,416
16.3 Profit Reserves		-	-	-	-	-	-
16.3.1 Legal Reserves		-	-	-	-	-	-
16.3.2 Statutory Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		-	-	-	-	-	-
16.3.4 Other Profit Reserves		-	-	-	-	-	-
16.4 Profit or Loss		(53,157)	-	(53,157)	(71,223)	-	(71,223)
16.4.1 Prior Years' Profit/Loss		(72,569)	-	(72,569)	(116,938)	-	(116,938)
16.4.2 Current Year Profit/Loss		19,412	-	19,412	45,715	-	45,715
16.5 Minority Interest	(5.II.13)	-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY		3,230,766	1,810,122	5,040,888	2,257,498	1,642,734	3,900,232

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

FİBABANKA A.Ş.							
UNCONSOLIDATED OFF-BALANCE SHEET COMMITMENTS							
AS OF 30 JUNE 2013							
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)							
	Note	CURRENT PERIOD (30/06/2013)			PRIOR PERIOD (31/12/2012)		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)		14,651,525	4,787,155	19,438,680	10,051,787	3,315,052	13,366,839
I. GUARANTEES AND SURETYSHIPS	(5.III.2)	194,258	417,215	611,473	119,302	188,307	307,609
1.1. Letters of Guarantee		186,614	127,826	314,440	117,604	108,475	226,079
1.1.1. Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2. Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3. Other Letters of Guarantee		186,614	127,826	314,440	117,604	108,475	226,079
1.2. Bank Loans		7,644	91,078	98,722	1,698	24,218	25,916
1.2.1. Import Letters of Acceptance		-	-	-	-	-	-
1.2.2. Other Bank Acceptances		7,644	91,078	98,722	1,698	24,218	25,916
1.3. Letters of Credit		-	198,311	198,311	-	55,614	55,614
1.3.1. Documentary Letters of Credit		-	-	-	-	-	-
1.3.2. Other Letters of Credit		-	198,311	198,311	-	55,614	55,614
1.4. Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other Endorsements		-	-	-	-	-	-
1.6. Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7. Factoring Guarantees		-	-	-	-	-	-
1.8. Other Guarantees		-	-	-	-	-	-
1.9. Other Suretyships		-	-	-	-	-	-
II. COMMITMENTS		12,216,686	861,644	13,078,330	8,865,463	186,278	9,051,741
2.1. Irrevocable Commitments	(5.III.1)	734,560	633,271	1,367,831	306,984	116,013	422,997
2.1.1. Forward asset purchase commitments		331,481	633,271	964,752	49,256	116,013	165,269
2.1.2. Forward Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3. Share Capital Commitment to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4. Loan Granting Commitments		338,848	-	338,848	214,154	-	214,154
2.1.5. Securities Underwriting Commitments		-	-	-	-	-	-
2.1.6. Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7. Payment Commitment for Checks		56,694	-	56,694	37,693	-	37,693
2.1.8. Tax and Fund Liabilities from Export Commitments		1,996	-	1,996	1,640	-	1,640
2.1.9. Commitments for Credit Card Expenditure Limits		3,553	-	3,553	3,664	-	3,664
2.1.10. Commitments for Promotions Related with Credit Cards and Banking Activities		72	-	72	74	-	74
2.1.11. Receivables from Short Sale Commitments		-	-	-	-	-	-
2.1.12. Payables for Short Sale Commitments		-	-	-	-	-	-
2.1.13. Other Irrevocable Commitments		1,916	-	1,916	503	-	503
2.2. Revocable Commitments		11,482,126	228,373	11,710,499	8,558,479	70,265	8,628,744
2.2.1. Revocable Loan Granting Commitments		11,482,126	228,373	11,710,499	8,558,479	70,265	8,628,744
2.2.2. Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(5.III.5)	2,240,581	3,508,296	5,748,877	1,067,022	2,940,467	4,007,489
3.1. Derivative Financial Instruments for Hedging Purposes		-	-	-	-	-	-
3.1.1. Fair Value Hedge		-	-	-	-	-	-
3.1.2. Cash Flow Hedge		-	-	-	-	-	-
3.1.3. Hedge of Net Investment in Foreign Operations		-	-	-	-	-	-
3.2. Held for Trading Transactions		2,240,581	3,508,296	5,748,877	1,067,022	2,940,467	4,007,489
3.2.1. Forward Foreign Currency Buy/Sell Transactions		530,178	949,430	1,479,608	204,037	496,282	700,319
3.2.1.1. Forward Foreign Currency Transactions-Buy		277,703	462,099	739,802	116,603	232,700	349,303
3.2.1.2. Forward Foreign Currency Transactions-Sell		252,475	487,331	739,806	87,434	263,582	351,016
3.2.2. Swap Transactions Related to F.C. and Interest Rates		895,026	1,534,501	2,429,527	431,863	1,651,919	2,083,782
3.2.2.1. Foreign Currency Swap-Buy		817,523	396,140	1,213,663	386,781	659,936	1,046,717
3.2.2.2. Foreign Currency Swap-Sell		77,503	1,138,361	1,215,864	45,082	991,983	1,037,065
3.2.2.3. Interest Rate Swaps-Buy		-	-	-	-	-	-
3.2.2.4. Interest Rate Swaps-Sell		-	-	-	-	-	-
3.2.3. Foreign Currency, Interest Rate and Securities Options		815,377	1,024,365	1,839,742	431,122	792,266	1,223,388
3.2.3.1. Foreign Currency Options-Buy		211,864	700,472	912,336	150,286	455,563	605,849
3.2.3.2. Foreign Currency Options-Sell		603,513	323,893	927,406	280,836	336,703	617,539
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. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		27,408,726	16,406,019	43,814,745	18,501,619	10,973,711	29,475,330
IV. ITEMS HELD IN CUSTODY		269,264	79,524	348,788	210,940	63,714	274,654
4.1. Assets under Management		119,874	-	119,874	107,920	-	107,920
4.2. Investment Securities Held in Custody		5,314	23,171	28,485	14,902	20,493	35,395
4.3. Checks Received for Collection		132,916	52,387	185,303	82,932	41,071	124,003
4.4. Commercial Notes Received for Collection		11,160	3,966	15,126	5,186	2,150	7,336
4.5. Other Assets Received for Collection		-	-	-	-	-	-
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items under Custody		-	-	-	-	-	-
4.8. Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		27,139,462	16,326,495	43,465,957	18,290,679	10,909,997	29,200,676
5.1. Marketable Securities		20,695	423	21,118	19,189	3,918	23,107
5.2. Guarantee Notes		130,052	20,739	150,791	53,835	11,252	65,087
5.3. Commodity		185,850	-	185,850	160,042	19,696	179,738
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		2,462,111	2,207,790	4,669,901	1,912,052	2,113,958	4,026,010
5.6. Other Pledged Items		24,340,754	14,097,543	38,438,297	16,145,561	8,761,173	24,906,734
5.7. Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)		42,060,251	21,193,174	63,253,425	28,553,406	14,288,763	42,842,169

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

FİBANKKA A.Ş.
UNCONSOLIDATED INCOME STATEMENT
FOR THE INTERIM PERIOD OF 1 JANUARY - 30 JUNE 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

INCOME STATEMENT	Note	CURRENT PERIOD	PRIOR PERIOD	CURRENT PERIOD	PRIOR PERIOD
		(01/01/2013- 30/06/2013)	(01/01/2012- 30/06/2012)	(01/04/2013- 30/06/2013)	(01/04/2012- 30/06/2012)
I. INTEREST INCOME	(5.IV.1)	201,296	155,666	104,131	80,013
1.1 Interest Income on Loans		195,699	153,546	100,997	79,022
1.2 Interest Received from Statutory Reserves		-	-	-	-
1.3 Interest Received from Banks		767	273	544	46
1.4 Interest Received from Money Market Placements		372	14	262	8
1.5 Interest Received from Marketable Securities Portfolio		4,445	1,819	2,324	924
1.5.1 Financial Assets Held for Trading		453	954	197	301
1.5.2 Financial Assets at Fair Value Through Profit and Loss		-	-	-	-
1.5.3 Financial Assets Available for Sale		3,992	865	2,127	623
1.5.4 Investments Held to Maturity		-	-	-	-
1.6 Finance Lease Income		-	-	-	-
1.7 Other Interest Income		13	14	4	13
II. INTEREST EXPENSE		103,810	101,729	52,997	50,485
2.1 Interest on Deposits	(5.IV.2)	84,858	93,561	42,912	45,638
2.2 Interest on Funds Borrowed	(5.IV.2)	8,184	5,461	4,259	2,743
2.3 Interest on Money Market Funds		-	-	-	-
2.4 Interest on Securities Issued	(5.IV.2)	9,440	2,459	5,165	1,968
2.5 Other Interest Expense		1,328	248	661	136
III. NET INTEREST INCOME/EXPENSE (I - II)		97,486	53,937	51,134	29,528
IV. NET FEES AND COMMISSIONS INCOME/EXPENSE		5,372	3,030	3,417	1,403
4.1 Fees and Commissions Received		7,977	3,655	4,885	1,771
4.1.1 Non-cash Loans		2,385	1,345	1,235	343
4.1.2 Other	(5.IV.12)	5,592	2,310	3,650	1,428
4.2 Fees and Commissions Paid		2,605	625	1,468	368
4.2.1 Non-cash Loans		14	-	7	-
4.2.2 Other		2,591	625	1,461	368
V. DIVIDEND INCOME	(5.IV.3)	-	-	-	-
VI. TRADING INCOME (Net)	(5.IV.4)	9,604	20,951	4,539	9,281
6.1 Gains/Losses on Securities Trading		(350)	1,522	(707)	662
6.2 Derivative Financial Transactions Gains/Losses		5,799	20,016	3,807	7,519
6.3 Foreign Exchange Gains/Losses		4,155	(587)	1,439	1,100
VII. OTHER OPERATING INCOME	(5.IV.5)	2,224	2,110	1,037	1,242
VIII. TOTAL OPERATING INCOME/EXPENSE (III+IV+V+VI+VII)		114,686	80,028	60,127	41,454
IX. PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)	(5.IV.6)	22,087	9,707	11,248	3,419
X. OTHER OPERATING EXPENSES (-)	(5.IV.7)	65,261	44,104	35,678	22,395
XI. NET OPERATING INCOME (VIII-IX-X)		27,338	26,217	13,201	15,640
XII. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-	-	-
XIII. PROFIT/LOSS FROM ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD		-	-	-	-
XIV. NET MONETARY POSITION GAIN/LOSS		-	-	-	-
XV. PROFIT/LOSS ON CONTINUING OPERATIONS BEFORE TAX (XI+...+XIV)	(5.IV.8)	27,338	26,217	13,201	15,640
XVI. TAX PROVISION FOR CONTINUING OPERATIONS (±)	(5.IV.9)	(7,926)	(6,366)	(3,948)	(3,327)
16.1 Current Tax Charge		(5,629)	-	(5,629)	-
16.2 Deferred Tax Charge /(Benefit)		(2,297)	(6,366)	1,681	(3,327)
XVII. NET PERIOD PROFIT/LOSS FROM CONTINUING OPERATIONS (XV±XVI)	(5.IV.10)	19,412	19,851	9,253	12,313
XVIII. INCOME ON DISCONTINUED OPERATIONS		-	-	-	-
18.1 Income on Assets Held for Sale		-	-	-	-
18.2 Gain on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		-	-	-	-
18.3 Other Income on Discontinued Operations		-	-	-	-
XIX. EXPENSE ON DISCONTINUED OPERATIONS (-)		-	-	-	-
19.1 Expense on Assets Held for Sale		-	-	-	-
19.2 Loss on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		-	-	-	-
19.3 Other Expense on Discontinued Operations		-	-	-	-
XX. PROFIT/LOSS ON DISCONTINUED OPERATIONS BEFORE TAX (XVIII-XIX)		-	-	-	-
XXI. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-	-	-
21.1 Current Tax Charge		-	-	-	-
21.2 Deferred Tax Charge /(Benefit)		-	-	-	-
XXII. NET PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)		-	-	-	-
XXIII. NET PERIOD PROFIT/LOSS (XVII+XXII)	(5.IV.11)	19,412	19,851	9,253	12,313
23.1 Group's Profit/Loss		19,412	19,851	9,253	12,313
23.2 Minority Interest		-	-	-	-
Earnings per Share		0.00041	0.00044	0.00019	0.00027

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

FİBANKKA A.Ş.
UNCONSOLIDATED STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED FOR UNDER SHAREHOLDERS' EQUITY
FOR THE INTERIM PERIOD OF 1 JANUARY - 30 JUNE 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED FOR UNDER EQUITY		CURRENT PERIOD (01/01/2013- 30/06/2013)	PRIOR PERIOD (01/01/2012- 30/06/2012)
I.	ADDITIONS TO MARKETABLE SECURITIES REVALUATION RESERVES FROM FINANCIAL ASSETS AVAILABLE FOR SALE	(22,503)	1,942
II.	TANGIBLE ASSETS REVALUATION RESERVES	-	-
III.	INTANGIBLE ASSETS REVALUATION RESERVES	-	-
IV.	TRANSLATION ADJUSTMENT FOR FOREIGN CURRENCY TRANSACTIONS	-	-
V.	PROFIT/LOSS ON CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Portion of the Changes in Fair Value)	-	-
VI.	PROFIT/LOSS ON NET FOREIGN INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Portion of the Changes in Fair Value)	-	-
VII.	THE EFFECT OF CORRECTIONS OF THE ERRORS AND CHANGES IN THE ACCOUNTING POLICY	-	-
VIII.	OTHER INCOME AND EXPENSES RECOGNISED IN EQUITY IN ACCORDANCE WITH TAS	-	-
IX.	DEFERRED TAX EFFECT OF REVALUATION	4,500	(388)
X.	NET INCOME/EXPENSE DIRECTLY RECOGNISED IN EQUITY (I+II+...+IX)	(18,003)	1,554
XI.	PROFIT/LOSS FOR THE PERIOD	-	-
11.1	Net Changes in the Fair Values of Marketable Securities (Transfer to Profit/Loss)	-	-
11.2	The Portion of Cash-flow Hedge Derivative Financial Assets Reclassified in and Transferred to Income Statement	-	-
11.3	The Portion of Net Foreign Investment Hedge Derivative Financial Assets Reclassified in and Transferred to Income Statement	-	-
11.4	Other	-	-
XII.	TOTAL PROFIT/LOSS RECOGNISED FOR THE PERIOD (X±XI)	(18,003)	1,554

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

FBABANKA A.Ş.
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE INTERIM PERIOD OF 1 JANUARY - 30 JUNE 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

CHANGES IN SHAREHOLDERS' EQUITY	Note	Paid-in Capital	Paid-in Capital Inflation Adjustment	Share Premium	Share Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Profit/Loss	Prior Period Profit/Loss	Marketable Securities Revaluation Reserve	Tangible and Intangible Assets Revaluation Reserve	Bonus Shares from Equity Participations	Hedge Funds	Accumulated Rev. Reserve on Assets Held for Sale and Discontinued Oper.	Total Equity Excluding Minority Interest	Minority Interests	Total Equity
PRIOR PERIOD (01/01/2012-30/06/2012)																			
I. Beginning Balance		325,000	17,416	-	-	-	-	-	-	5,187	(122,125)	(1,727)	9,502	-	-	-	233,253	-	233,253
II. Corrections made according TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 The Effect of Correction of Errors (Note: L3)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 The Effect of Changes in Account Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Balance (I-II)		325,000	17,416	-	-	-	-	-	-	5,187	(122,125)	(1,727)	9,502	-	-	-	233,253	-	233,253
Changes during the Period																			
IV. Increase/Decrease Due to Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Marketable Securities Revaluation Reserve		-	-	-	-	-	-	-	-	-	-	1,554	-	-	-	-	1,554	-	1,554
VI. Hedge Funds (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1 Cash Flow Hedges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2 Net Foreign Investment Hedges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Tangible Assets Revaluation Reserve		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Intangible Assets Revaluation Reserve		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Bonus Shares from Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Foreign Exchange Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. The Effect of Disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. The Effect of Reclassification of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. The Effect of Changes in the Equity of Subsidiaries on the Equity of the Bank		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Capital Increase		101,650	-	-	-	-	-	-	-	-	-	-	-	-	-	-	101,650	-	101,650
14.1 Cash		101,650	-	-	-	-	-	-	-	-	-	-	-	-	-	-	101,650	-	101,650
14.2 Internal Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Share Issue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Share Cancellation Profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Paid-in-Capital Inflation Adjustment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII. Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX. Net Profit/Loss for the Period		-	-	-	-	-	-	-	-	19,851	-	-	-	-	-	-	19,851	-	19,851
XX. Profit Distribution		-	-	-	-	-	-	-	-	(5,187)	5,187	-	-	-	-	-	-	-	-
20.1 Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2 Transfer to Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.3 Other		-	-	-	-	-	-	-	-	(5,187)	5,187	-	-	-	-	-	-	-	-
Ending Balance (III+IV+V+.....+XVIII+XIX+XX)		426,650	17,416	-	-	-	-	-	-	19,851	(116,938)	(173)	9,502	-	-	-	356,308	-	356,308
CURRENT PERIOD (01/01/2013-30/06/2013)																			
I. Prior Period End Balance		426,650	17,416	-	-	-	-	-	-	45,715	(116,938)	324	9,502	-	-	-	382,669	-	382,669
Changes during the Period																			
II. Increase/Decrease Due to Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Marketable Securities Revaluation Reserve		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Hedge Funds (Effective Portion)		-	-	-	-	-	-	-	-	-	-	(18,003)	-	-	-	-	(18,003)	-	(18,003)
4.1 Cash Flow Hedges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Net Foreign Investment Hedges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Tangible Assets Revaluation Reserve		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Intangible Assets Revaluation Reserve		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus Shares from Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign Exchange Differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. The Effect of Disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. The Effect of Reclassification of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. The Effect of Changes in the Equity of Subsidiaries on the Equity of the Bank		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Capital Increase		123,350	(17,416)	-	-	-	-	-	-	-	-	-	(9,502)	-	-	-	96,432	-	96,432
12.1 Cash		96,432	-	-	-	-	-	-	-	-	-	-	-	-	-	-	96,432	-	96,432
12.2 Internal Sources		26,918	(17,416)	-	-	-	-	-	-	-	-	-	(9,502)	-	-	-	-	-	-
XIII. Share Issue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share Cancellation Profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Paid-in-Capital Inflation Adjustment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Net Profit/Loss for the Period		-	-	-	-	-	-	-	-	19,412	(1,346)	-	-	-	-	-	19,412	-	19,412
XVIII. Profit Distribution		-	-	-	-	-	-	-	-	(45,715)	45,715	-	-	-	-	-	-	-	-
18.1 Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfer to Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	(45,715)	45,715	-	-	-	-	-	-	-	-
Ending Balance (I+II+III+.....+XVI+XVII+XVIII)		550,000	-	-	-	-	-	-	-	19,412	(72,569)	(17,679)	-	-	-	-	479,164	-	479,164

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

FİBANKA A.Ş.
UNCONSOLIDATED CASH FLOW STATEMENT
FOR THE INTERIM PERIOD OF 1 JANUARY - 30 JUNE 2013
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

	Note	CURRENT PERIOD (01/01/2013- 30/06/2013)	PRIOR PERIOD (01/01/2012- 30/06/2012)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit/Loss before Changes in Operating Assets and Liabilities		89,412	34,110
1.1.1 Interest Received (+)		208,165	146,544
1.1.2 Interest Paid (-)		97,856	89,828
1.1.3 Dividend Received (+)		-	-
1.1.4 Fees and Commissions Received (+)		8,293	4,210
1.1.5 Other Income (+)		7,685	21,219
1.1.6 Collections from Previously Written Off Loans (+)		196	705
1.1.7 Cash Payments to Personnel and Service Suppliers (-)		55,432	39,059
1.1.8 Taxes Paid (-)		3,002	2,051
1.1.9 Other (+/-)		21,363	(7,630)
1.2 Changes in Banking Operations Assets and Liabilities		56,115	(179,728)
1.2.1 Net (Increase) Decrease in Financial Assets Held for Trading (+/-)		5,626	17,302
1.2.2 Net(Increase) Decrease in Financial Assets at Fair Value through Profit or Loss (+/-)		-	-
1.2.3 Net (Increase) Decrease in Due From Banks (+/-)		(41,091)	10,673
1.2.4 Net (Increase) Decrease in Loans (+/-)		(725,659)	(546,956)
1.2.5 Net (Increase) Decrease in Other Assets (+/-)		(4,517)	(4,806)
1.2.6 Net Increase (Decrease) in Bank Deposits (+/-)		66,524	30,501
1.2.7 Net Increase (Decrease) in Other Deposits (+/-)		804,067	7,545
1.2.8 Net Increase (Decrease) in Borrower Funds (+/-)		44,693	298,117
1.2.9 Net Increase (Decrease) in Matured Payables (+/-)		-	-
1.2.10 Net Increase (Decrease) in Other Liabilities (+/-)		(93,528)	7,896
I Net Cash Flow Provided from Banking Operations (+/-)		145,527	(145,618)
B. CASH FLOW FROM INVESTING ACTIVITIES			
II Net Cash Flow Provided from Investment Activities (+/-)		(162,296)	(4,925)
2.1 Cash Paid for Purchase of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures) (-)		-	-
2.2 Cash Obtained from Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures) (+)		-	-
2.3 Tangible Asset Purchases (-)		6,595	2,213
2.4 Tangible Asset Sales (+)		1,846	2,792
2.5 Cash Paid for Purchase of Financial Assets Available for Sale (-)		235,722	17,762
2.6 Cash Obtained from Sales of Financial Assets Available for Sale (+)		78,995	14,708
2.7 Cash Paid for Purchase of Investment Securities (-)		-	-
2.8 Cash Obtained from Sales of Investment Securities (+)		-	-
2.9 Other (+/-)		(820)	(2,450)
C. CASH FLOWS FROM FINANCIAL ACTIVITIES			
III Net Cash Provided from Financing Activities (+/-)		66,113	142,877
3.1 Cash Obtained from Funds Borrowed and Securities Issued (+)		94,681	142,877
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued (-)		125,000	-
3.3 Share Certificates Issued (+)		96,432	-
3.4 Dividends Paid (-)		-	-
3.5 Payments for Finance Leases (-)		-	-
3.6 Other (+/-)		-	-
IV Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-)		5,336	9,854
V Net Increase in Cash and Cash Equivalents (I+II+III+IV)		54,680	2,188
VI Cash and Cash Equivalents at the Beginning of the Period (+)		100,478	125,027
VII Cash and Cash Equivalents at the End of the Period (V+VI)		155,158	127,215

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
1 JANUARY – 30 JUNE 2013**

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

SECTION THREE

ACCOUNTING PRINCIPLES

I. Explanations on the basis of presentation

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

As per the Article 37 of “Accounting and Recording Rules” of the Turkish Banking Law No. 5411 published on the Official Gazette no.25983 dated 1 November 2005 and became effective, the Bank keeps its accounting records and prepares its unconsolidated financial statements and the related footnotes in accordance with the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published by the Banking Regulatory and Supervisory Agency (“BRSA”) and in effect since 1 November 2006, Turkish Accounting Standards (“TAS”), Turkish Financial Reporting Standards (“TFRS”) and the related statements and guidances.

As per the Decree Law no. 660 published in the Official Gazette and became effective on 2 November 2011, the Additional Clause 1 of the Law no. 2499 was abolished and the Public Oversight, Accounting and Auditing Standards Authority was established. The financial statements are prepared based on the TAS/TFRS and the related statements and guidances announced by the Public Oversight, Accounting and Auditing Standards Authority.

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

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

The accounting policies and valuation principles used in the preparation of the financial statements are selected and applied in accordance with the requirements set out in TAS, TFRS, the Communiqué “Principles and Procedures on the Accounting Procedures and Retention of Banking Documentation” published in the Official Gazette numbered 26333 on 1 November 2006, the Communiqué “Publicly Disclosed Financial Statements and the Accompanying Explanations and Footnotes by Banks” published in the Official Gazette numbered 26430 on 10 February 2007. The accounting policies and valuation principles applied in the preparation of the accompanying financial statements are explained in Notes II and XXIII below.

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

1. Usage strategy of the financial instruments

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
1 JANUARY – 30 JUNE 2013**

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

2. Foreign currency transactions

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

The Bank recognizes the foreign currency transactions in accordance with TAS 21 “The Effects of Changes in Foreign Exchange Rates”. Foreign exchange gains and losses arising from the foreign currency transactions as of 30 June 2013 are translated into Turkish Lira by using the exchange rates at the date of the transaction and recognized in accounting records. At the end of the periods, foreign currency assets and liabilities are converted into Turkish Lira by using the spot foreign currency exchange rates of the Bank at the end of the period and the related currency translation differences are recognized as foreign exchange gains and losses.

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

	30 June 2013	31 December 2012
US Dollar	1.9272	1.7826
Euro	2.5109	2.3517

2.2 Foreign exchange gains and losses included in the income statement

As of 30 June 2013, net foreign exchange gain included in the income statement is TL 4,155 (30 June 2012: TL 587 loss).

III. Explanations on forward transactions, options and derivative instruments

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

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
1 JANUARY – 30 JUNE 2013**

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

IV. Explanations on interest income and expenses

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

V. Explanations on fee and commission income and expenses

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

VI. Explanations on financial assets

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

1. Financial assets at fair value through profit or loss

1.1 *Financial assets held for trading*

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

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

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

2. Available for sale financial assets

Financial assets available-for-sale are financial assets other than assets held for trading purposes, investments held-to-maturity and originated loans and receivables.

Financial assets available-for-sale are measured at their fair values subsequently.

Interest on investments securities available-for-sale calculated using the effective interest method are included in interest income in the income statement. Unrecognized gain/losses derived from the difference between their fair value and the discounted values are recorded in “Marketable Securities Revaluation Reserve” under the shareholders’ equity. In case of sales, gain/losses recognized under equity are realized and recognized directly in the income statement.

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

3. Held to maturity investments

The Bank does not have any held to maturity investments as of 30 June 2013.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
1 JANUARY – 30 JUNE 2013**

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

4. Loans and receivables

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

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

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

VII. Explanations on impairment of financial assets

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

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

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

VIII. Explanations on offsetting financial instruments

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
1 JANUARY – 30 JUNE 2013**

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

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

A tangible asset (or a disposal group) classified as “asset held for sale” is measured at the lower of the carrying value or fair value less costs to sell. Assets held for sale are not depreciated and presented in the financial statements separately. An asset (or a disposal group) is regarded as “asset held for sale” only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. For a highly probable sale, there must be a valid plan prepared by the management for the sale of asset including identification of possible buyers and completion of sale process. Furthermore, the asset should be actively marketed at a price consistent with its fair value.

Events or circumstances may extend the period to complete the sale beyond one year. An extension of the period required to complete a sale does not preclude an asset (or disposal group) from being classified as held for sale if the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset (or disposal group).

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

XI. Explanations on goodwill and other intangible assets

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

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

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

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

XII. Explanations on tangible assets

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

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

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
1 JANUARY – 30 JUNE 2013**

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

XII. Explanations on tangible assets (continued)

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

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

XIII. Explanations on leasing transactions

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

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

XIV. Explanations on provisions and contingent liabilities

Provisions and contingent liabilities other than specific and generic provisions for loan and other receivable losses are accounted in accordance with TAS 37 "Provisions, Contingent Liabilities and Contingent Assets". When there is a present obligation that arises from past events, provision is recognized by the estimated amount of the obligation. If the amount of the obligation cannot be estimated reliably, it has been considered as “contingent liability”. If the probability of the occurrence of one or more uncertain future events confirming the existence of the obligation is higher than its non-occurrence and the amount of the obligation can be measured with sufficient reliability, provision is recognized. If not, the obligation is disclosed as contingent liability.

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

XV. Explanations on contingent assets

The contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the Bank. If an inflow of economic benefits has become probable, then the contingent asset is disclosed in the notes to the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs.

XVI. Explanations on liabilities for employee benefits

As per the existing labor law in Turkey, the banks are required to pay 30 days’ salary for each working year to the employees retired or fired except for resignations or misbehaviors specified in the Turkish Labor Law. The Bank recognizes its obligations relating to the rights of by using actuarial method and discounts with the valid average rate of return on government bonds valid as at the balance sheet date in accordance with TAS 19 “Employee Benefits”. The amendments to TAS 19 change the accounting for defined benefit plans and termination benefits. The amendments require all actuarial gains and losses to be recognized immediately through other comprehensive income in order for the net pension asset or liability recognized in the statement of financial position to reflect the full value of the plan deficit or surplus. The amendments to TAS 19 require retrospective application. Accordingly the Bank management has evaluated the effect of changes in accounting policies to the prior period financial statements and decided that restatement of prior period financial statements is not necessary as the calculated post tax effects are not material.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
1 JANUARY – 30 JUNE 2013**

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

XVI. Explanations on liabilities for employee benefits (continued)

Effect of TL 1,346 is recognised in “Other” line of changes in shareholders’ equity table. As of 30 June 2013 employee termination benefit is calculated as TL 346 by an independent actuary and six month interest and service cost has been recognized in the current period income statement.

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

- Calculation is based on discount rate is as 7.64%, inflation rate as 5.00% and real rate of rise in salary as 0.00%.
- Calculation is based on pay ceiling of (full TL) 3,034 as of 31 December 2012.
- Age of retirement is based on the earliest retiring age possible.
- CSO 1980 mortality rates are used for death probabilities of men and women.

There is no employee foundation, fund or similar institutions.

XVII. Explanations on taxation

1. Current Tax

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

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

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

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

As of 30 June 2013, The Bank’s corporate tax payable is TL 5,629.

2. Deferred Tax

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

The Bank recognized TL 7,896 of deferred tax asset on its balance sheet as of 30 June 2013 (31 December 2012: TL 5,356). This amount represents the net balance of taxable and deductible temporary differences.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
1 JANUARY – 30 JUNE 2013**

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

2. Deferred Tax (continued)

Deferred tax benefit/ (charge) is recognized within “Deferred tax benefit/(charge)” in the income statement and the charge for the period is TL 2,297 (30 June 2012: TL 6,366). Deferred tax effects of the transactions and events recognized directly in the shareholders’ equity are also recognized directly in the shareholders’ equity which is TL 4,419 income (30 June 2012: TL 43 income).

3. Transfer pricing

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

According to this Communiqué, if the taxpayers conduct transactions like purchase and sale of goods or services with the related parties where the prices are not determined according to the arm’s length principle, then it will be concluded that there is a disguised profit distribution by way of transfer pricing. Such disguised profit distributions will not be deducted from the corporate tax base for tax purposes.

As stated in the “7.1 Annual Documentation” section of this communiqué, the taxpayers are required to fill out the “Transfer Pricing, Controlled Foreign Entities and Thin Capitalization” form for the purchase and sale of goods or services conducted with their related parties in a taxation period, attach these forms to their corporate tax returns and submit to the tax offices.

XVIII. Additional explanations on borrowings

The Bank provides resources from domestic and foreign foundations. Additionally, in current period, The Bank started to raise borrowing funds by issuing bill.

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

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

XIX. Explanations on share certificates issued

None.

XX. Explanations on bank acceptances and bills of guarantee

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

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

XXI. Explanation on government incentives

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
1 JANUARY – 30 JUNE 2013**

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

XXII. Explanations on segment reporting

Explanations on segment reporting is disclosed in Note VI of section four,

XXIII. Other matters

None.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
1 JANUARY – 30 JUNE 2013**

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

SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE

I. Explanations on capital adequacy ratio

As of 30 June 2013, the unconsolidated capital adequacy ratio is 12.83%.

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

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

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

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

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

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

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

An assessment method for internal capital adequacy utilising the concentration risks identified based on current risk profile and stress tests approved by the Risk Committee has been completed and approved by the Risk Committee.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
1 JANUARY – 30 JUNE 2013**

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

2. Information on the unconsolidated capital adequacy ratio

	0%	10%	20%	50%	75%	100%	150%	200%
Credit Risk Related Amount								
Exposure Categories	758,832	--	161,378	1,025,017	360,277	3,360,432	46,643	69,309
Conditional and unconditional receivables from central governments or central banks	535,307	--	--	24,433	--	--	--	--
Conditional and unconditional receivables from regional or local governments	--	--	--	--	--	--	--	--
Conditional and unconditional receivables from administrative units and non-commercial enterprises	--	--	--	--	--	3	--	--
Conditional and unconditional receivables from multilateral development banks	--	--	--	--	--	--	--	--
Conditional and unconditional receivables from international organisations	--	--	--	--	--	--	--	--
Conditional and unconditional receivables from banks and brokerage houses	187,358	--	161,378	313,373	--	64	--	--
Conditional and unconditional corporate receivables	11,937	--	--	6,558	--	3,062,419	--	--
Conditional and unconditional retail Receivables	--	--	--	--	360,277	--	--	--
Conditional and unconditional receivables secured by mortgages	2,400	--	--	678,931	--	175,438	--	--
Past due receivables	--	--	--	1,441	--	13,966	393	--
Receivables defined in high risk category by BRSA	--	--	--	281	--	243	46,250	69,309
Securities collateralised by mortgages	--	--	--	--	--	--	--	--
Securitisation positions	--	--	--	--	--	--	--	--
Short-term receivables from banks, brokerage houses and corporates	--	--	--	--	--	--	--	--
Investments similar to collective investment funds	--	--	--	--	--	--	--	--
Other receivables	21,830	--	--	--	--	108,299	--	--
Total Risk Weighted Assets	758,832	--	161,378	1,025,017	360,277	3,360,432	46,643	69,309

3. Summary information related to the unconsolidated capital adequacy ratio

	Current Period	Prior Period
Capital Requirement for Credit Risk (Value at Credit Risk*0.08) (CRCR)	350,721	258,376
Capital Requirement for Market Risk (MRCR)	6,244	3,083
Capital Requirement for Operational Risk (ORCR)	14,660	7,300
Shareholders' Equity	596,050	481,160
Shareholders' Equity/((CRCR+MRCR+ORCR) * 12.5) * 100	12.83%	14.32%

**NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
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4. Information related to the components of shareholders' equity

	Current Period	Prior Period
CORE CAPITAL		
Paid-in capital	550,000	426,650
Nominal capital	550,000	426,650
Capital commitments (-)	--	--
Inflation adjustment to share capital	--	17,416
Share premium	--	--
Share cancellation profits	--	--
Legal reserves	--	--
Inflation adjustment to legal reserves, status reserves and extraordinary reserves	--	--
Profit	70,314	50,902
Net income for the period	19,412	45,715
Prior years' income	50,902	5,187
Provision for possible risks up to 25% of the Core Capital	--	--
Profit on disposal of associates, subsidiaries and immovables to be transferred to share capital	--	9,502
Primary subordinated loans	--	--
Uncovered portion of loss with reserves (-)	123,478	122,125
Net current period loss	--	--
Prior years' loss	123,478	122,125
Leasehold improvements (-)	11,289	8,848
Intangible assets (-)	5,334	6,211
Deferred tax asset amount exceeding 10% of the Core Capital (-)	--	--
Limit Exceeding Amount Regarding the Third Clause of the Article 56 of the Law (-)	--	--
Total Core Capital	480,213	367,286
SUPPLEMENTARY CAPITAL		
General loan loss provisions	47,420	35,616
45% of the revaluation reserve for movable fixed assets	--	--
45% of the of revaluation reserve for properties	--	--
Bonus shares obtained from associates, subsidiaries and entities under common control	--	--
Primary subordinated loans that are not considered in the calculation of Core Capital	--	--
Secondary subordinated loans	86,096	78,114
45% of available-for-sale financial assets and investments in associates and subsidiaries' valuation funds	(17,679)	144
Inflation adjustment to capital reserve, profit reserve and prior years' income or loss (Except inflation adjustment to legal reserves, status reserves and extraordinary reserves)	--	--
Total Supplementary Capital	115,837	113,874
CAPITAL	596,050	481,160
DEDUCTIONS FROM THE CAPITAL	--	--
Unconsolidated investments in Entities (domestic/foreign) operating in Banking and Financial Sectors	--	--
The secondary subordinated loans extended to banks, financial Institutions (domestic or foreign) or significant shareholders of the Bank and the debt instruments that have primary or secondary subordinated loan nature purchased from them	--	--
Investments in Entities operating in Banking and Financial Sectors whose assets and liabilities were not subject to line by line consolidation but subject to equity pick up	--	--
Loans extended as contradictory to the articles 50 And 51 of the law	--	--
Excess of 50% of the Bank's immovables' total net book value and net book value of immovables obtained against Bank's receivables that must be disposed according to article 57 of the Banking Act which could not be disposed although five years have passed since the acquisition date	--	--
Securitization Positions to be Deducted from Equity	--	--
Other	--	--
Total Shareholders' Equity	596,050	481,160

**NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

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

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

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

Market risk arising from trading transactions is measured by using developed internal model with the BRSA’s value at risk (VaR) methodology . Additionally Financial Control Department reports the market value of daily purchases and sales and realized profit. The Bank measures the market risk with variance-covariance model, parametrically. Measurements can be done with online connection with treasury front office in real time. Market risk occurred between mismatches of asset-liability maturity is also monitored through GAP report.

Such results are also supported by periodic stress tests and scenario analysis performed and traditional risk measurement methods such as cash flow projection and GAP analysis are also applied.

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

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

1. Information related to market risk

	Amount
(I) Capital Requirement to be Employed For General Market Risk - Standard Method	2,798
(II) Capital Requirement to be Employed For Specific Risk - Standard Method	42
Capital Requirement against Specific Risks of Securitisation Positions – Standard Method	--
(III) Capital Requirement to be Employed For Currency Risk - Standard Method	461
(IV) Capital Requirement to be Employed For Commodity Risk – Standard Method	--
(V) Capital Requirement to be Employed For Settlement Risk - Standard Method	--
(VI) Total Capital Requirement to be Employed For Market Risk Resulting From Options - Standard Method	283
(VII) Capital Requirement against Counterparty Credit Risks – Standard Method	2,660
(VIII) Total Capital Requirement to be Employed For Market Risk in Banks Using Risk Measurement Model	--
(IX) Total Capital Requirement to be Employed For Market Risk (I+II+III+IV+V+VI+VII+VIII)	6,244
(X) Amount Subject to Market Risk (12.5 x VIII) or (12.5 x IX)	78,050

**NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
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2. Average market risk table calculated at the end of the period

Not prepared in compliance with the Article 25 of the communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

3. Quantitative information on counterparty risk

Not prepared in compliance with the Article 25 of the communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

III. Explanations on currency risk

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

Position limit on currency risk is determined in line with net general position standard ratio on foreign currency. As of 30 June 2013, the Bank's net short position is TL 23,644 (31 December 2012: TL 51 long position) resulting from long position on the balance sheet amounting to TL 787,173 (31 December 2012: TL 325,147 long position) and short position on the off-balance amounting to TL 810,817 (31 December 2012: TL 325, 096 short position). The Bank uses “Standard Method” used in legal reporting to measure the foreign exchange risk.

The announced current foreign exchange buying rates of the Bank as at the balance sheet date and the previous five working days in full TL are as follows:

US Dollar purchase rate as at the balance sheet date	TL 1.9272
Euro purchase rate as at the balance sheet date	TL 2.5109

Date	USD	EUR
24 June 2013	1.9312	2.5508
25 June 2013	1.9407	2.5426
26 June 2013	1.9339	2.5380
27 June 2013	1.9320	2.5192
28 June 2013	1.9272	2.5109

The simple arithmetic average US Dollar and Euro purchase rates for June 2013 are TL 1.8914 and TL 2.4935 (full TL), respectively.

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III. Explanations on currency risk (continued)

Current Period	EUR	USD	Other	Total
Assets				
Cash and Balances with the Central Bank of Turkey	6,947	438,979	2,596	448,522
Banks	28,137	61,912	15,889	105,938
Financial Assets at Fair Value through Profit/Loss	955	1,750	--	2,705
Money Market Placements	--	65,529	--	65,529
Financial Assets Available for Sale	--	222,967	--	222,967
Loans (*)	734,799	928,197	104,163	1,767,159
Subsidiaries, Associates and Entities Under Common Control (Joint Vent.)	--	--	--	--
Investments Held to Maturity	--	--	--	--
Derivative Financial Assets Held for Hedging Purposes	--	--	--	--
Tangible Assets	--	--	--	--
Intangible Assets	--	--	--	--
Other Assets (**)	578	780	4	1,362
Total Assets	771,416	1,720,114	122,652	2,614,182
Liabilities				
Banks Deposits	66,396	44,695	603	111,694
Foreign Currency Deposits	279,948	782,025	28,371	1,090,344
Money Market Funds	--	180,555	--	180,555
Funds Provided from Other Financial Institutions	168,198	168,699	--	336,897
Sundry Creditors	523	2,300	--	2,823
Marketable Securities Issued	--	--	--	--
Derivative Financial Liabilities Held for Hedging Purposes	--	--	--	--
Other Liabilities	1,111	103,522	63	104,696
Total Liabilities	516,176	1,281,796	29,037	1,827,009
Net Balance Sheet Position	255,240	438,318	93,615	787,173
Net Off-Balance Sheet Position	(279,628)	(437,872)	(93,317)	(810,817)
Financial Derivative Assets(***)	496,053	930,280	239,042	1,665,375
Financial Derivative Liabilities(***)	775,681	1,368,152	332,359	2,476,192
Non-Cash Loans (****)	118,537	296,358	2,320	417,215
Prior Period				
Total Assets	728,426	1,088,135	149,003	1,965,564
Total Liabilities	490,936	1,123,873	25,608	1,640,417
Net Balance Sheet Position	237,490	(35,738)	123,395	325,147
Net Off-Balance Sheet Position	(235,573)	41,881	(131,404)	(325,096)
Financial Derivative Assets(***)	327,607	881,663	156,422	1,365,692
Financial Derivative Liabilities(***)	563,180	839,782	287,826	1,690,788
Non-Cash Loans (****)	70,152	117,700	455	188,307

(*) The balance includes foreign currency indexed loans and accruals amounting to TL592,485.

(**) The balance does not include TL 1,782 of prepaid expenses.

(***) In current period, the derivative financial assets include exchange purchase commitments of TL307,574 (31 December 2012: TL 76,452), and the derivative financial liabilities include exchange sale commitments of TL 325,697 (31 December 2012: TL 39,562).

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

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IV. Explanations on interest rate risk

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

Standard method, value at risk (VaR) and Asset-Liability risk measurement methods are used to measure the bank's interest rate risk.

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

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

Current Period End	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non- interest Bearing	Total
Assets							
Cash (Cash, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	--	--	--	--	--	549,241	549,241
Banks	79,833	--	--	--	--	79,255	159,088
Financial Assets at Fair Value Through Profit or Loss	20,445	11,787	8,903	1,178	1,435	--	43,748
Money Market Placements	65,529	--	--	--	--	--	65,529
Financial Assets Available-for- Sale	505	--	--	132,043	108,552	--	241,100
Loans	361,284	1,248,176	813,667	1,151,829	336,457	20,591	3,932,004
Investment Securities Held-to- Maturity	--	--	--	--	--	--	--
Other Assets (*)	--	--	--	--	--	50,178	50,178
Total Assets	527,596	1,259,963	822,570	1,285,050	446,444	699,265	5,040,888
Liabilities							
Bank Deposits	113,679	--	--	--	--	4,411	118,090
Other Deposits	2,082,208	819,539	327,060	12,106	--	201,627	3,442,540
Money Market Funds	192,923	--	--	--	--	--	192,923
Sundry Creditors	--	--	--	--	--	18,436	18,436
Marketable Securities Issued Funds Borrowed from Other Financial Institutions	--	197,747	--	--	--	--	197,747
Other Liabilities (**)	18,621	157,948	168,715	8,115	--	--	353,399
Other Liabilities (**)	11,946	15,980	105,569	--	--	584,258	717,753
Total Liabilities	2,419,377	1,191,214	601,344	20,221	--	808,732	5,040,888
Balance Sheet Long Position	--	68,749	221,226	1,264,829	446,444	--	2,001,248
Balance Sheet Short Position	(1,891,781)	--	--	--	--	(109,467)	(2,001,248)
Off-Balance Sheet Long Position	--	--	--	--	--	3,347,835	3,347,835
Off-Balance Sheet Short Position	--	--	--	--	--	(3,365,794)	(3,365,794)
Total Position	(1,891,781)	68,749	221,226	1,264,829	446,444	(127,426)	(17,959)

(*) Non-interest bearing column includes TL 20,003 tangible assets, TL 5,334 intangible assets, TL 7,910 tax assets, TL 3,204 non-current assets held for sale and TL 13,727 other assets.

(**) Non-interest bearing column includes TL 479,164 shareholders' equity, TL 34,298 other liabilities, TL 55,724 provisions and TL 15,072 tax liabilities.

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IV. Explanations on interest rate risk (continued)

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

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

(*) Shareholders equity under "Other Liabilities" is presented in the "Non interest Bearing" column.

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

Current Period End	EUR	USD	JPY	TL
	%	%	%	%
Assets				
Cash (Cash, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	--	--	--	--
Banks	0.60	0.60	--	6.49
Financial Assets at Fair Value Through Profit/ Loss	4.42	4.39	--	11.41
Money Market Placements	--	0.68	--	--
Financial Assets Available-for-Sale	--	4.12	--	5.71
Loans	6.78	6.30	--	11.82
Investment Securities Held-to-Maturity	--	--	--	--
Liabilities				
Bank Deposits	0.57	0.78	--	7.25
Other Deposits	2.88	2.96	--	7.50
Money Market Funds	--	1.59	--	4.50
Sundry Creditors	--	--	--	--
Marketable Securities Issued	--	--	--	7.27
Funds Borrowed from Other Financial Institutions	2.12	2.59	--	6.63
<hr/>				
Prior Period End	EUR	USD	JPY	TL
	%	%	%	%
Assets				
Cash (Cash, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	--	--	--	--
Banks	--	--	--	--
Financial Assets at Fair Value Through Profit/Loss	4.53	5.06	--	10.37
Money Market Placements	--	0.55	--	--
Financial Assets Available-for-Sale	--	4.52	--	12.19
Loans	7.63	7.13	--	13.68
Investment Securities Held-to-Maturity	--	--	--	--
Liabilities				
Bank Deposits	--	2.25	--	--
Other Deposits	3.11	3.54	--	8.82
Money Market Funds	--	1.63	--	5.50
Sundry Creditors	--	--	--	--
Marketable Securities Issued	--	--	--	7.88
Funds Borrowed from Other Financial Institutions	2.44	3.18	--	8.23

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

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

	Shock Applied (+ / - x bps)	Gains/ Losses	Gains / Equity - Losses / Equity
TRY	500	-52.954	-8.88%
TRY	-400	48.102	8.07%
USD Dollar	200	-18.013	-3.02%
USD Dollar	-200	10.834	1.82%
EURO	200	-26,853	-4.51%
EURO	-200	6,526	1.09%
Total (For Negative Shocks)		-97,820	-16.41%
Total (For Positive Shocks)		65,462	10.98%

V. Explanations on liquidity risk

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

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

	First Maturity Slice (Weekly)		Second Maturity Slice (Monthly)	
	FC	FC + TL	FC	FC+TL
Average (%)	116.41	164.43	93.66	123.63
Max. (%)	134.47	191.57	102.26	130.48
Min. (%)	103.56	138.56	85.92	112.93

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V. Explanation related to the liquidity risk (continued)

1. Presentation of assets and liabilities according to their remaining maturities:

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Years and Over	Unallocated	Total
Assets								
Cash (Cash, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	169,859	379,382	--	--	--	--	--	549,241
Banks	79,255	79,833	--	--	--	--	--	159,088
Financial Assets at Fair Value Through Profit or Loss	--	7,848	11,578	8,756	1,623	13,943	--	43,748
Money Market Placements	--	65,529	--	--	--	--	--	65,529
Financial Assets Available-for- Sale	--	505	--	--	132,043	108,552	--	241,100
Loans	--	485,951	406,467	1,834,050	1,022,340	162,605	20,591	3,932,004
Investment Securities Held-to- Maturity	--	--	--	--	--	--	--	--
Other Assets (*)	--	--	--	--	--	--	50,178	50,178
Total Assets	249,114	1,019,048	418,045	1,842,806	1,156,006	285,100	70,769	5,040,888
Liabilities								
Bank Deposits	4,411	113,679	--	--	--	--	--	118,090
Other Deposits	201,627	2,082,208	819,539	327,060	12,106	--	--	3,442,540
Funds Borrowed from Other Financial Institutions	--	18,621	6,413	238,410	89,955	--	--	353,399
Money Market Funds	--	192,923	--	--	--	--	--	192,923
Marketable Securities Issued	--	--	12,747	--	185,000	--	--	197,747
Sundry Creditors	--	18,436	--	--	--	--	--	18,436
Other Liabilities (**)	--	43,283	17,528	13,100	4,109	98,389	541,344	717,753
Total Liabilities	206,038	2,469,150	856,227	578,570	291,170	98,389	541,344	5,040,888
Net Liquidity Gap	43,076	(1,450,102)	(438,182)	1,264,236	864,836	186,711	(470,575)	--
Prior Period								
Total Assets	171,319	721,333	464,771	1,502,268	832,822	150,154	57,565	3,900,232
Total Liabilities	192,622	1,476,916	940,172	580,759	193,837	91,407	424,519	3,900,232
Net Liquidity Gap	(21,303)	(755,583)	(475,401)	921,509	638,985	58,747	(366,954)	--

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

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

2. Explanations on Securitisation Positions

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
1 JANUARY – 30 JUNE 2013**

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

V. Explanation related to the liquidity risk (continued)

3. Information on credit risk mitigation techniques

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

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

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

Exposure Categories *	Amount	Financial Collaterals	Other/Physical Collaterals **	Guarantees and Credit Derivatives
Receivables from central governments	559,740	--	--	--
Receivables, coins, purchased cheques from regional or local governments and CBT Banks	--	--	--	--
Receivables from administrative units and non-commercial enterprises	3	--	--	--
Receivables from multilateral development banks	--	--	--	--
Receivables from international organisations	--	--	--	--
Receivables from banks and brokerage houses	662,173	187,358	--	--
Corporate Receivables	3,080,914	11,937	--	--
Retail Receivables	360,277	--	--	--
Receivables that are Collateralized by Residential	856,769	2,400	1,379,168	--
Past due receivables	15,800	--	13,700	--
Receivables defined in high risk category by BRSA	116,083	--	20,808	--
Securities collateralised by mortgages	--	--	--	--
Short-term receivables from banks, brokerage houses and corporates	--	--	--	--
Investments similar to collective investment funds	--	--	--	--
Other receivables	130,129	--	--	--
Total	5,781,888	201,695	1,413,676	--

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

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

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V. Explanation related to the liquidity risk (continued)

4. Information on risk management objectives and policies

The Bank does not apply any netting on balance sheet and off-balance sheet. Guarantees and derivatives are not used as credit mitigation technique; but only financial collaterals consisting of cash blokages are used. Risk Management System refers to the Board of Directors, the Audit Committee, the Risk Management Committee, Asset-Liability Committee and the Risk Management Department which have been composed in order to manage systemic risks that the Bank is exposed to. The Board of Directors is the owner of the Bank's Risk Management System and ensures the establishment of an effective, sufficient and appropriate risk management system as well as the continuity of the system. The main objective of the Bank's Risk Management System is to identify, measure, monitor and control the risks that the Bank is exposed to, by determining the policies, limits and procedures to control, to monitor, and if necessary to change the risk-return structure of the Bank's future cash flows and the level & the quality of related activities.

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

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
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VI. Explanations on segment reporting

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

	Retail	SME	Commercial	Treasury &	Total
	Banking	Banking	Banking	Head Office	Operations
Current Period					of the Bank
1 January - 30 June 2013					
Operating Income	19,506	21,255	61,873	12,052	114,686
Operating Profit	578	5,037	28,567	(6,844)	27,338
Tax Expense					(7,926)
Net Profit/(Loss) for the Period					19,412
Current Period- 30 June 2013					
Segment Assets	292,495	765,511	2,853,407	1,129,475	5,040,888
Unallocated Assets					--
Total Assets					5,040,888
Segment Liabilities	2,016,803	436,166	989,571	1,119,184	4,561,724
Unallocated Liabilities					--
Shareholders' Equity					479,164
Total Liabilities					5,040,888
	Retail	Commercial	Treasury	Other	Total
	Banking	Banking *			Operations
Prior Period					of the Bank
1 January - 30 June 2012					
Operating Income	8,736	44,406	4,663	22,223	80,028
Operating Profit	805	23,425	3,928	(1,941)	26,217
Tax Expense					(6,366)
Net Profit/(Loss) for the Period					19,851
Prior Period - 31 December 2013					
Segment Assets	266,393	2,938,669	354,065	299,180	3,858,309
Unallocated Assets					41,923
Total Assets					3,900,232
Segment Liabilities	1,571,841	1,065,029	549,628	270,625	3,457,123
Unallocated Liabilities					60,440
Shareholders' Equity					382,669
Total Liabilities					3,900,232

(*) For the period of 1 January-30 June 2012 and as of 31 December 2012, the operations of "SME Banking" segment were presented within the "Commercial Banking" segment.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
1 JANUARY – 30 JUNE 2013**

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SECTION FIVE

EXPLANATIONS AND NOTES TO THE FINANCIAL STATEMENTS

I. Explanations and disclosures related to the assets

1. Information on cash and balances with the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL /Foreign Currency	8,090	13,739	6,151	14,304
Balances with the Central Bank of Turkey	92,629	434,783	85,563	323,794
Other	--	--	--	--
Total	100,719	448,522	91,714	338,098

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	92,629	55,401	85,563	40,254
Unrestricted Time Deposits	--	--	--	--
Restricted Time Deposits	--	379,382	--	283,540
Total	92,629	434,783	85,563	323,794

According to The Central Bank's communiqué No: 2005/1 on "Reserve Deposits", the banks operating in Turkey are required to keep reserve deposit at the rates varying from 5% - 11.50% and denominated in TL for TL liabilities depending on maturities of liabilities and at the rate 6% - 13% and denominated mainly in EUR and USD for FC liabilities. Reserve deposits do not earn interest.

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	6,846	--	7,505	--
Other	--	--	--	--
Total	6,846	--	7,505	--

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	5,477	--	10,407	--
Total	5,477	--	10,407	--

**NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	6,298	113	1,739	97
Swap Transactions	10,450	--	15,433	253
Futures Transactions	--	--	--	--
Options	10,349	301	1,465	1,030
Other	--	--	--	--
Total	27,097	414	18,637	1,380

3. Information on banks

3.1 Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	53,150	105,938	35	25,012
Domestic	53,130	26,809	13	5
Foreign	20	79,129	22	25,007
Foreign head-offices and branches	--	--	--	--
Total	53,150	105,938	35	25,012

3.2 Due from foreign banks

Not prepared in compliance with the Article 25 of the communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

4. Information on financial assets available-for-sale

4.1 Financial assets subject to repurchase agreements and provided as collateral/blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	9,182	216,913	--	100,845
Other	--	--	--	--
Total	9,182	216,913	--	100,845

4.2 Details of financial assets available-for-sale

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt instruments		241,100		108,733
Quoted on Stock Exchange		240,595		108,227
Unquoted on Stock Exchange		505		506
Share certificates		--		--
Quoted on Stock Exchange		--		--
Unquoted on Stock Exchange		--		--
Impairment provision (-)		--		--
Total		241,100		108,733

**NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
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5. Information on loans

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

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct loans granted to shareholders	--	--	--	--
Corporate Shareholders	--	--	--	--
Individual Shareholders	--	--	--	--
Indirect Loans Granted to Shareholders	--	--	--	--
Loans Granted to Employees	477	--	542	--
Total	477	--	542	--

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

	Performing Loans and Other Receivables			Loans and Other Receivables under Close Monitoring		
	Loans and Other Receivables (Total)	Loan and Receivables with Revised Contract Terms		Other Receivables and Loans (Total)	Loan and Receivables with Revised Contract Terms	
		Extension of Repayment Plan	Other		Extension of Repayment Plan	Other
Cash Loans						
Loans	3,775,001	16,914	--	72,773	35,091	11,634
Working Capital Loans	--	--	--	--	--	--
Export Loans	210,739	--	--	--	--	--
Import Loans	--	--	--	--	--	--
Loans to Financial Sector	115,591	--	--	--	--	--
Consumer Loans	275,583	52	--	18,940	569	2,858
Credit Cards	416	--	--	--	--	--
Others	3,172,672	16,862	--	53,833	34,522	8,776
Specialization Loans	--	--	--	--	--	--
Other Receivables	--	--	--	--	--	--
Total	3,775,001	16,914	--	72,773	35,091	11,634

**NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
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5.2 Information on the first and second group loans and other receivables including restructured or rescheduled loans (continued)

	Performing Loans and Other Receivables	Loans and Other Receivables Under Close Monitoring
Number of Extensions	16,914	35,091
1 or 2 times	1,322	35,091
3, 4 or 5 times	15,592	--
Over 5 times	--	--
	Performing Loans and Other Receivables	Loans and Other Receivables Under Close Monitoring
Extension Periods	16,914	35,091
0-6 Months	--	271
6 -12 Months	1,001	427
1 – 2 Years	15,894	8,366
2 – 5 Years	4	26,027
5 Years and over	15	--

Maturity analysis of cash loans

Not prepared in compliance with the Article 25 of the communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

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

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

	Short Term	Medium or Long Term	Total
Consumer Loans-TL	10,934	147,651	158,585
Real Estate Loans	--	19,428	19,428
Vehicle Loans	148	5,993	6,141
General Purpose Loans	10,786	122,230	133,016
Other	--	--	--
Consumer Loans-Indexed to FC	--	137,393	137,393
Real Estate Loans	--	132,027	132,027
Vehicle Loans	--	--	--
General Purpose Loans	--	5,366	5,366
Other	--	--	--
Consumer Loans-FC	--	--	--
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Individual Credit Cards-TL	334	--	334
With Installment	--	--	--
Without Installment	334	--	334
Individual Credit Cards-FC	25	--	25
With Installment	--	--	--
Without Installment	25	--	25
Loans Given to Employees-TL	66	354	420
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	66	354	420
Other	--	--	--
Loans Given to Employees - Indexed to FC	--	--	--
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Loans Given to Employees - FC	--	--	--
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Personnel Credit Cards - TL	57	--	57
With Installment	--	--	--
Without Installment	57	--	57
Personnel Credit Cards - FC	--	--	--
With Installment	--	--	--
Without Installment	--	--	--
Overdraft Loans-TL (Real Persons)	1,604	--	1,604
Overdraft Loans-FC (Real Persons)	--	--	--
Total	13,020	285,398	298,418

**NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

5.4 Information on commercial loans with installments and corporate credit cards

	Short Term	Medium or Long Term	Total
Installment Commercial Loans - TL	70,651	518,705	589,356
Real Estate Loans	--	2,551	2,551
Vehicle Loans	3,085	11,692	14,777
General Purpose Loans	67,566	504,462	572,028
Other	--	--	--
Installment Commercial Loans – Indexed to FC	15,899	108,548	124,447
Real Estate Loans	--	3,794	3,794
Vehicle Loans	326	9,464	9,790
General Purpose Loans	15,573	95,290	110,863
Other	--	--	--
Installment Commercial Loans - FC	--	--	--
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Corporate Credit Cards - TL	--	--	--
With Installment	--	--	--
Without Installment	--	--	--
Corporate Credit Cards - FC	--	--	--
With Installment	--	--	--
Without Installment	--	--	--
Overdraft Loans-TL (Legal Entities)	19,941	--	19,941
Overdraft Loans-FC (Legal Entities)	--	--	--
Total	106,491	627,253	733,744

5.5 Allocation of loans by customers

Not prepared in compliance with the Article 25 of the communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.6 Allocation of domestic and foreign loans

	Current Period	Prior Period
Domestic Loans	3,895,426	3,127,999
Foreign Loans	15,987	77,063
Total	3,911,413	3,205,062

5.7 Loans granted to subsidiaries and associates

The Bank does not have any loans granted to subsidiaries or associates as of 30 June 2013.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
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5.8 Specific provisions provided against loans

Specific Provisions	Current Period	Prior Period
Loans and Receivables with Limited Collectability	609	1,737
Loans and Receivables with Doubtful Collectability	9,569	3,401
Uncollectible Loans and Receivables	9,870	8,768
Total	20,048	13,906

5.9 Information on non-performing loans (Net)

5.9.1 Information on loans and other receivables included in non-performing loans which are restructured or rescheduled

	Group III	Group IV	Group V
	Loans and Receivables with Limited Collectability	Loans and Receivables with Doubtful Collectability	Uncollectible Loans and Receivables
Current Period	29	295	71
(Gross Amounts before Specific Provisions)			
Restructured Loans and Other Receivables	29	295	71
Rescheduled Loans and Other Receivables	--	--	--
Prior Period	--	188	13
(Gross Amounts before Specific Provisions)			
Restructured Loans and Other Receivables	--	188	13
Rescheduled Loans and Other Receivables	--	--	--

5.9.2 Movement on non-performing loans

	Group III	Group IV	Group V
	Loans and Receivables with Limited Collectability	Loans and Receivables with Doubtful Collectability	Uncollectible Loans and Receivables
Balances at Beginning of Period	9,986	8,743	10,819
Additions (+)	20,978	153	76
Transfers from Other Categories of Non-Performing Loans (+)	--	21,950	8,098
Transfers to Other Categories of Non-Performing Loans (-)	21,950	8,098	--
Collections (-)	4,202	1,367	806
Write-off (*) (-)	--	--	3,741
Corporate and Commercial Loans	--	--	3,339
Retail Loans	--	--	370
Credit Cards	--	--	32
Other	--	--	--
Balances at End of the Period	4,812	21,381	14,446
Specific Provisions (-)	609	9,569	9,870
Net Balance on Balance Sheet	4,203	11,812	4,576

(*) Fully provisioned non-performing loans amounting to TL 3,741 was sold on 29 March 2013.

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

	Group III	Group IV	Group V
	Loans and Receivables with Limited Collectability	Loans and Receivables with Doubtful Collectability	Uncollectible Loans and Receivables
Current Period			
Balance as of the Period End	213	1,658	5,847
Specific Provisions (-)	43	790	2,719
Net Balance on Balance Sheet (*)	170	868	3,128
Prior Period			
Balance as of the Period End	504	2,688	4,001
Specific Provisions (-)	25	344	2,884
Net Balance on Balance Sheet	479	2,344	1,117

(*) Loans indexed to FC are included.

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

	Group III	Group IV	Group V
	Loans and Receivables with Limited Collectability	Loans and Receivables with Doubtful Collectability	Uncollectible Loans and Receivables
Current Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	4,812	21,381	14,446
Specific provisions (-)	609	9,569	9,870
Loans Granted to Real Persons and Legal Entities (Net)	4,203	11,812	4,576
Banks (Gross)	--	--	--
Specific provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	--	--	--
Specific provisions (-)	--	--	--
Other Loan and Receivables (Net)	--	--	--
Prior Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	9,986	8,743	10,819
Specific provisions (-)	1,737	3,401	8,768
Loans to Real Persons and Legal Entities (Net)	8,249	5,342	2,051
Banks (Gross)	--	--	--
Specific provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	--	--	--
Specific provisions (-)	--	--	--
Other Loan and Receivables (Net)	--	--	--

**NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

5.10 *Liquidation policy for uncollectible loans and other receivables*

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

5.11 *Explanations related to write-off policy*

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

6. Information on held-to-maturity investments

The Bank does not have any held to maturity investments as of 30 June 2013.

7. Information on associates

The Bank does not have any associates as of 30 June 2013.

8. Information on subsidiaries

The Bank does not have any subsidiaries as of 30 June 2013.

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

The Bank does not have any entities under common control as of 30 June 2013.

10. Information on lease receivables

The Bank does not have any lease receivables as of 30 June 2013.

11. Information on derivative financial assets held for hedging purposes

11.1 *Positive differences table of derivative financial assets held for hedging purposes*

The Bank does not have any derivative financial assets held for hedging purposes as of 30 June 2013.

12. Information on tangible assets

Not prepared in compliance with the Article 25 of the communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

13. Information on intangible assets

Not prepared in compliance with the Article 25 of the communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

14. Information on investment properties

None.

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

15. Information on deferred tax asset

As of 30 June 2013, the deferred tax asset amounting to TL 7,896 is calculated by netting off deductible temporary differences and taxable temporary differences (31 December 2012: TL 5,356)

Deferred tax asset is the net of the deferred tax assets and deferred tax liabilities calculated based on the differences between the book value of assets or liabilities on the balance sheet as of 30 June 2013 and their taxable values in accordance with tax legislation which will be considered in the calculation of the subsequent periods profit and losses. The deferred tax assets and liabilities are presented as net in the accompanying financial statements.

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

As of 30 June 2013, the Bank has TL 3,204 of assets held for sale (31 December 2012: TL 6,393).

17. Information on other assets

Not prepared in compliance with the Article 25 of the communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

17.1 Information on prepaid expenses, tax and similar items

As of 30 June 2013, total prepaid expenses and taxes amount to TL 6,894 (31 December 2012: TL 5,069).

NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
1 JANUARY – 30 JUNE 2013

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

II. Explanations and disclosures related to liabilities

1. Information on deposits

1.1 Information on maturity structure of deposits

Current Period

	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Months -1 Year	1 Year and Over	Cumulative Deposit	Total
Saving Deposits	15,749	--	25,303	784,642	291,805	204,696	11,342	--	1,333,537
Foreign Currency Deposits	83,190	--	36,706	781,256	107,938	27,417	40,348	--	1,076,855
Residents in Turkey	78,021	--	36,407	768,531	104,515	26,157	695	--	1,014,326
Residents Abroad	5,169	--	299	12,725	3,423	1,260	39,653	--	62,529
Public Sector Deposits	63	--	--	5,123	--	--	--	--	5,186
Commercial Deposits	89,076	--	68,621	413,107	132,435	104,186	45,091	--	852,516
Other Ins. Deposits	60	--	4,123	123,669	32,611	62	432	--	160,957
Precious Metal Deposits	13,489	--	--	--	--	--	--	--	13,489
Interbank Deposits	4,411	--	94,371	19,308	--	--	--	--	118,090
Central Bank of Turkey	--	--	--	--	--	--	--	--	--
Domestic Banks	5	--	94,371	5,018	--	--	--	--	99,394
Foreign Banks	4,244	--	--	14,290	--	--	--	--	18,534
Special Finan.Inst.	162	--	--	--	--	--	--	--	162
Other	--	--	--	--	--	--	--	--	--
Total	206,038	--	229,124	2,127,105	564,789	336,361	97,213	--	3,560,630

Prior Period

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
1 JANUARY – 30 JUNE 2013**

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

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

	Under the Guarantee of Deposit Insurance		Exceeding the Limit of Deposit Insurance	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	363,697	171,627	961,338	747,983
Foreign Currency Saving Deposits	85,118	53,519	527,424	599,297
Other Deposits in the Form of Saving Deposits	--	--	--	--
Foreign Branches' Deposits Under Insurance of Foreign Authorities	--	--	--	--
Off-shore Banking Regions' Deposits Under Foreign Authorities' Insurance	--	--	--	--
Total	448,815	225,146	1,488,762	1,347,280

1.3 Saving deposits in Turkey are not covered by any insurance in any other countries since the Bank's headquarter is not located abroad.

1.4 Saving deposits that are not under the guarantee of deposit insurance fund

	Current Period	Prior Period
Deposits and accounts in branches abroad	--	--
Deposits of ultimate shareholders and their close families	1,472	3
Deposits of chairman and members of the Board of Directors and their close families	7,292	5,221
Deposits obtained through illegal acts defined in the 282nd Article of the 5237 numbered Turkish Criminal Code dated 26 September 2004.	--	--
Saving deposits in banks established in Turkey exclusively for off shore banking activities	--	--

2. Information on derivative financial liabilities held for trading

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

Trading Purpose Derivative Financial Liabilities	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	7,061	18	4,071	57
Swap Transactions	18,353	--	6,079	910
Futures Transactions	--	--	--	--
Options	10,791	325	1,557	1,022
Other	--	--	--	--
Total	36,205	343	11,707	1,989

**NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
1 JANUARY – 30 JUNE 2013**

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

3. Information on banks and other financial institutions

3.1 Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
Loans from the Central Bank of Turkey	--	--	--	--
From Domestic Banks and Institutions	16,502	20,520	6,890	9,211
From Foreign Banks, Institutions and Funds	--	316,377	--	292,569
Total	16,502	336,897	6,890	301,780

The Bank has provided borrowing in the amount of USD 30 million from International Finance Corporation (IFC) and EUR 15 million from European Fund for Southeast Europe (EFSE) with a maturity of five years for the financing of commercial / small and medium sized entities and woman entrepreneurs in 2012 .

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

3.2 Maturity analysis of borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
Short Term	8,861	239,403	5,689	210,933
Medium and Long Term	7,641	97,494	1,201	90,847
Total	16,502	336,897	6,890	301,780

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

In the scope of normal banking operations, the Bank provide funds mainly through deposits, bank debts and bond issuance.

4. Informations related to issued instruments

In the first six months of 2013, the Bank has issued bills with a nominal value of TL 10,000 with 179 days to maturity, and bonds with a nominal value of TL 85,000 with 6 monthly coupon payments and 718 days to maturity. The Bank also has bonds issued in the prior periods with a nominal value of TL 100,000 with 720 days to maturity.

	TL		FC	
	Short Term	Medium and Long Term	Short Term	Medium and Long Term
Nominal	10,000	185,000	--	--
Cost	9,681	185,000	--	--
Carrying Amount	9,854	187,893	--	--

5. Sundry creditors and other liabilities

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
1 JANUARY – 30 JUNE 2013**

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

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

As of 30 June 2013, the Bank has no finance lease agreements (31 December 2012: None).

6.1 Changes in agreements and further commitments arising

None.

6.2 Information on obligations under financial lease

None.

6.3 Information on operational leases

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

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

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

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

7. Information on derivative financial liabilities for hedging purposes

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

8. Information on provisions

8.1 Information on general provisions

	Current Period	Prior Period
Loans and Receivables in Group 1	41,476	32,260
- Additional Provision for Loan and Receivables with Extended Maturities	653	576
Loans and Receivables in Group 2	3,443	1,901
- Additional Provision for Loan and Receivables with Extended Maturities	1,755	700
Non-Cash Loans	2,501	1,455
Others	--	--
Total	47,420	35,616

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

The foreign exchange losses on the foreign currency indexed loans as of 30 June 2013, amounting to TL 44 (31 December 2012: TL 759) are netted off from the foreign currency indexed loans included in the assets on the financial statements.

8.3 The specific provisions provided for unindemnified non cash loans

As of 30 June 2013, the specific provision provided for unindemnified non cash loans is TL 1,619 (31 December 2012: TL 47).

**NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

8.4 Explanation on other provisions

8.4.1 Provisions for possible losses

None.

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

None.

8.4.3 Explanations on reserves for employee benefits

As of 30 June 2013, reserves for employee benefits amounted to TL 5,760 (31 December 2012: TL 4,533) and comprise of TL 2,438 of reserve for employee termination benefits (31 December 2012: TL 410), TL 2,322 of unused vacation accrual (31 December 2012: TL 1,623) and TL 1,000 of personnel premium accrual (31 December 2012: TL 2,500).

9. Explanations on tax liabilities

9.1 Explanations on current tax liability

9.1.1 Explanations on tax provision

As of 30 June 2013, The Bank's current tax liability is TL 15,072. The Bank's corporate tax liability as of 30 June 2013 is TL 5,629 (31 December 2012: None)

9.1.2 Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	5,629	--
Taxation on securities	2,637	4,090
Property tax	177	176
Banking and Insurance Transaction Tax (BITT)	2,786	2,528
Taxes on foreign exchange transactions	--	--
Value added taxes payable	28	111
Income tax ceased from wages	1,330	1,049
Other	151	94
Total	12,738	8,048

9.1.3 Information on premiums

	Current Period	Prior Period
Social security premiums- employee	1,024	762
Social security premiums- employer	1,095	1,084
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	72	53
Unemployment insurance- employer	143	106
Other	--	--
Total	2,334	2,005

9.2 Explanations on deferred tax liabilities

None.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

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

Not prepared in compliance with the Article 25 of the communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

11. Explanations on subordinated loans

Not prepared in compliance with the Article 25 of the communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

12. Information on shareholders’ equity

12.1 Paid-in capital

	Current Period	Prior Period
Common Stock	550,000	426,650
Preferred Stock	--	--

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

Registered share capital system is not applied.

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

With the decision of the Board of Directors dated 25 February 2013; paid in capital of TL 426,650 was decided to be increased to TL 550,000 by a total increase of TL 123,350; providing TL 17,416 of the increase from the inflation adjustment to share capital, TL 9,502 from the gain on sale of property, and TL 96,432 in cash payment by Fiba Holding A.Ş. The legal procedures were finalized as of 29 May 2013 and the capital increase was recognized in the financial statements.

12.4 Information on share capital increases from revaluation funds

With the decision of the Board of Directors dated 25 February 2013; inflation adjustment to share capital amounting to TL 17,416 and gain on sale of property amounting to TL 9,502; which were included in the capital reserves; were transferred to the paid in capital after the completion of the legal procedures as of 29 May 2013.

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

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

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

None.

12.7 Information on privileges given to stocks representing the capital

The Bank does not have any preferred shares.

12.8 Common stock issue premiums, shares and equity instruments

None.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

12.9 Information on marketable securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
From Subsidiaries, Associates, and Entities Under Common Control (Joint Ventures)	--	--	--	--
Security Valuation Difference	(449)	(17,230)	(4)	328
Exchange Difference	--	--	--	--
Total	(449)	(17,230)	(4)	328

12.10 Information on revaluation reserve

TL 12,669 gain on sale of the head office building in the year 2008 had been recognized as income in accordance with Turkish Accounting Standards. With decision of the General Assembly dated 16 March 2009, 75% of the gain, which corresponds to TL 9,502 were decided to be transferred to a special funds account at the stage of distribution of profit for the year 2008 and it will not be transferred to any other account except for share capital for a 5-year period in order to benefit from the tax exemptions stated in Corporate Tax Law No: 5520, article 5/e. The Bank has transferred this amount to "Fixed Assets Revaluation Reserve" account. This reserve was decided to be utilized in the capital increase with the decision of the Board of Directors dated 25 February 2013 and it was transferred to capital upon the completion of the legal procedures as of 29 May 2013.

12.11 Bonus shares of Subsidiaries, Associates and Joint Ventures

None.

12.12 Information on legal reserves

None.

12.13 Information on extraordinary reserves

None.

13. Information on minority shares

None.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
1 JANUARY – 30 JUNE 2013**

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

III. Explanations and disclosures related to off-balance sheet contingencies and commitments

1. Information on off-balance sheet commitments

1.1 Nature and amount of irrevocable loan commitments

	Current Period	Prior Period
Asset sale and purchase commitments	964,752	165,269
Credit card limit commitments	3,553	3,664
Commitments for promotion on credit cards and banking services	72	74
Commitments for Credit allocation with the guarantee of usage	338,848	214,154
Commitment for import	1,996	1,640
Commitment for cheques	56,694	37,693
Other irrevocable commitments	1,916	503
Total	1,367,831	422,997

1.2 Possible losses and commitments related to off-balance sheet items, including the ones listed below

1.2.1 Non-cash loans including guarantees, acceptances, financial guarantee and other letters of credits

	Current Period	Prior Period
Letters of Guarantee TL	186,614	117,604
Letters of Guarantee FC	127,826	108,475
Letters of Credit	198,311	55,614
Bills of Exchange and Acceptances	98,722	25,916
Total	611,473	307,609

1.2.2 Revocable, irrevocable guarantees and other similar commitments and contingencies

	Current Period	Prior Period
Revocable Letters of Guarantee	31,375	12,396
Irrevocable Letters of Guarantee	238,748	169,402
Letters of Guarantee Given in Advance	17,723	21,706
Letters of Guarantee Given to Customs	1,655	971
Other Letters of Guarantee	24,939	21,604
Total	314,440	226,079

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans Given against Cash Loans	4,910	5,347
With Original Maturity of 1 Year or Less Than 1 Year	--	--
With Original Maturity of More Than 1 Year	4,910	5,347
Other Non-Cash Loans	606,563	302,262
Total	611,473	307,609

**NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
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3. Information related to sector based risk exposure

Not prepared in compliance with the Article 25 of the communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

4. Information on the first and second group of non-cash loans

Not prepared in compliance with the Article 25 of the communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5. Information related to derivative financial instruments

Not prepared in compliance with the Article 25 of the communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

6. Credit derivatives and risk exposures on credit derivatives

None.

7. Explanations on contingent liabilities and assets

None.

8. Custodian and intermediary services

The Bank provides trading and safe keeping services in the name and account of third parties, which are presented in the statement of contingencies and commitments.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
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IV. Explanations and disclosures related to the income statement
1. Interest income
1.1 Information on interest on loans (*)

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on loans	152,774	42,729	124,208	28,633
Short Term Loans	100,968	11,665	93,940	7,941
Medium and Long Term Loans	51,806	31,064	30,268	20,692
Interest on Non-Performing Loans	196	--	705	--
Premiums received from Resource Utilization Support Fund	--	--	--	--
Total	152,970	42,729	124,913	28,633

*Includes fees and commissions obtained from cash loans.

1.2 Information on interest income received from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of Turkey	82	--	--	--
Domestic Banks	583	97	258	11
Foreign Banks	--	5	2	2
Branches and Head Office Abroad	--	--	--	--
Total	665	102	260	13

1.3 Interest received from marketable securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Held for Trading	390	63	618	336
Financial Assets at Fair Value Through Profit or Loss	--	--	--	--
Financial Assets Available-for-sale	139	3,853	73	792
Investment Securities Held-to-maturity	--	--	--	--
Total	529	3,916	691	1,128

1.4 Information on interest income received from associates and subsidiaries

None.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
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2. Interest expense

2.1 Information on interest on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	409	1,819	63	5,187
The Central Bank of Turkey	--	--	--	--
Domestic Banks	409	272	63	48
Foreign Banks	--	1,547	--	5,139
Branches and Head Office Abroad	--	--	--	--
Other Financial Institutions	--	5,956	--	211
Total	409	7,775	63	5,398

2.2 Information on interest expenses to associates and subsidiaries

None.

2.5 Information on interest expenses to securities issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Paid to Securities Issued	9,440	--	2,459	--

2.6 Distribution of interest expense on deposits based on maturity of deposits:

Account Description	Demand Deposits	Time Deposits					Cumulative Deposit	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over		
Turkish Lira								
Bank Deposits	--	79	--	--	--	--	--	79
Saving Deposits	--	595	19,663	12,550	4,975	185	--	37,968
Public Sector Deposits	--	17	195	16	--	--	--	228
Commercial Deposits	--	1,452	12,833	5,930	3,981	895	--	25,091
Other	--	24	3,025	390	1	3	--	3,443
7 Days Notice Deposits	--	--	--	--	--	--	--	--
Total	--	2,167	35,716	18,886	8,957	1,083	--	66,809
Foreign Currency								
Foreign Currency Deposits	--	791	12,925	1,485	547	1,624	--	17,372
Bank Deposits	--	677	--	--	--	--	--	677
7 Days Notice Deposits	--	--	--	--	--	--	--	--
Precious Metal Deposits	--	--	--	--	--	--	--	--
Total	--	1,468	12,925	1,485	547	1,624	--	18,049
Grand Total	--	3,635	48,641	20,371	9,504	2,707	--	84,858

3. Information on dividend income

None.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
1 JANUARY – 30 JUNE 2013**

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

4. Information on net trading income / loss

	Current Period	Prior Period
Gains	210,833	201,829
Gains on capital market operations	1,821	2,059
Gains on derivative financial instruments	53,222	64,820
Foreign exchange gains	155,790	134,950
Losses (-)	201,229	180,878
Losses on capital market operations	2,171	537
Losses on derivative financial instruments	47,423	44,804
Foreign exchange losses	151,635	135,537
Net Trading Income / (Loss)	9,604	20,951

5. Information on other operating income

Other operating income of current period consists of TL 164 profit on sale of property, TL 51 profit on sale of other assets, TL 395 reversal of specific provision and TL 1,614 income arising from various banking services. Other operating income for the period ended as of 30 June 2012 consists of TL 443 profit on sale of property, TL 32 profit on sale of assets, TL 641 reversal of specific provision and TL 994 other income.

6. Impairment on loans and other receivables

	Current Period	Prior Period
Specific Provisions on Loans and Other Receivables:	10,283	4,024
<i>III. Group Loans and Receivables</i>	609	380
<i>IV. Group Loans and Receivables</i>	7,998	2,851
<i>V. Group Loans and Receivables</i>	1,676	793
General Loan Loss Provisions	11,804	5,683
Free Provision for Probable Risks	--	--
Impairment Losses on Securities:	--	--
<i>Financial Assets at Fair Value Through Profit or Loss</i>	--	--
<i>Financial Assets Available-for-Sale</i>	--	--
Impairment Losses on Associates, Subsidiaries, Joint Ventures and		
Investment Securities Held to Maturity:	--	--
<i>Associates</i>	--	--
<i>Subsidiaries</i>	--	--
<i>Joint Ventures</i>	--	--
<i>Investments held to maturity</i>	--	--
Other	--	--
Total	22,087	9,707

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7. Information related to other operational expenses

	Current Period	Prior Period
Personnel Expenses	37,077	25,455
Provision for Employee Termination Benefits	346	44
Provision for Bank's Social Aid Fund Deficit	--	--
Impairment Losses on Tangible Assets	--	--
Depreciation Charges of Tangible Assets	2,468	1,644
Impairment Losses on Intangible Assets	--	--
Amortization Charges of Intangible Assets	1,671	1,527
Impairment Losses on Investment Accounted for under Equity Method	--	--
Impairment of Assets to be Disposed	--	--
Depreciation of Assets to be Disposed	36	44
Impairment of Assets Held for Sale	--	--
Other Operating Expenses	13,966	10,095
<i>Operational Leases Expenses</i>	7,069	4,879
<i>Repair and Maintenance Expenses</i>	251	119
<i>Advertisement Expenses</i>	226	109
<i>Other Expenses</i>	6,420	4,988
Losses on Sale of Assets	65	--
Other	9,632	5,295
Total	65,261	44,104

8. Information on profit/loss before tax from continuing and discontinued operations

Not prepared in compliance with the Article 25 of the communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

9. Information on tax provision from continuing and discontinued operations

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

For the period ended as of 30 June 2013, the current tax expense is TL 5,629 and the deferred tax charge of the Bank is TL 2,297 (30 June 2012: There is no current tax expense and the deferred tax charge is TL 6,366).

**NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
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9.2 Deferred tax benefit / (charge) arising from origination or reversal of temporary differences

<i>Deferred tax benefit / (charge) arising from origination or reversal of temporary differences</i>	Current Period	Prior Period
Arising from Origination of Deductible Temporary Differences (+)	1,215	572
Arising from Reversal of Deductible Temporary Differences (-)	(311)	(510)
Arising from Origination of Taxable Temporary Differences (-)	(192)	(15)
Arising from Reversal of Taxable Temporary Differences (+)	3,027	392
Arising from Origination of Financial Losses (+)	--	--
Arising from Reversal of Financial Losses (-)	(6,036)	(6,805)
Arising from Origination of Tax Deductions and Exemptions (+)	--	--
Arising from Reversal of Tax Deductions and Exemptions (-)	--	--
Total	(2,297)	(6,366)

9.3 Deferred tax benefit / (charge) arising from temporary differences, tax losses or unused tax credits

Sources of deferred tax benefit/charge	Current Period	Prior Period
Arising from Origination (+)/ Reversal (-) of Deductible Temporary Differences	904	62
Arising from Origination (-)/ Reversal (+) of Taxable Temporary Differences	2,835	377
Arising from Origination (+)/ Reversal (-) of Tax Losses	(6,036)	(6,805)
Arising from Origination (+)/ Reversal (-) of Unused Tax Credits	--	--
Total	(2,297)	(6,366)

10. Information on profit/loss from continued and discontinued operations

Not prepared in compliance with the Article 25 of the communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

11. Information on net profit/loss for the period

11.1 The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the complete understanding of the Bank's performance for the period

In the current and prior periods, the Bank's income from ordinary banking transactions is interest income from loans and marketable securities and other banking service income. Main expenses are interest expense on deposits and similar debt items which are funding resources of loans and marketable securities. The size and frequency of those items do not require making additional explanations.

11.2 Changes in estimations made by the Bank with respect to the financial statement items do not have a material effect on profit/loss.

11.3 As there is no minority share in shareholders' equity, there is no profit or loss attributable to the minority shares.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise indicated.)

12. If “other” lines of the income statement exceeds 10% of the period profit/loss, information on components making up at least 20% of “other” items

Current year “net fees and commissions income-other” figure of TL 5,592 mainly comprises limit allocation and revision commission of TL 1,618, insurance commissions of TL 871, investment fund commissions of TL 860, account maintenance fees of TL 673, EFT/money order commissions of TL 446, import commission of TL 298 and other fees and commissions of TL 826. Previous year, “net fees and commissions income-other” figure of TL 2,310 mainly comprises insurance commissions of TL 541, EFT/money order commissions of TL 342, account maintenance fees of TL 330, investment fund commissions of TL 279 and other fees and commissions of TL 818.

V. Explanations and disclosures on the risk group of the Bank

1. Information on the volume of transactions with the Bank’s risk group, lending and deposits outstanding at period end and income and expenses in the current period

1.1 Current Period

Bank’s Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank’s Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
	Loans and Other Receivables (**)					
Balance at the Beginning of the Period	--	--	--	--	31,845	4,959
Balance at the End of the Period	--	--	--	--	7,171	14,930
Interest and Commission Income Received	--	--	--	--	610	23

(*) Described in article 49 of the Banking Act No: 5411.

(**) Includes all transactions accepted as loans in article 48 of the Banking Act No: 5411.

Prior Period

Bank’s Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank’s Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
	Loans and Other Receivables					
Balance at the Beginning of the Period	--	--	6,161	9,702	3,696	1,817
Balance at the End of the Period	--	--	--	--	31,845	4,959
Interest and Commission Income Received	--	--	18	2	20	5

(*) Described in article 49 of the Banking Act No: 5411.

1.2 Information on deposits of the Bank’s risk group

Bank’s Risk Group (*)	Associates and Subsidiaries		Bank’s Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
	Deposits					
Balance at the Beginning of the Period	--	--	2,644	2	119,992	95,201
Balance at the End of the Period	--	--	6,272	2,644	50,304	119,992
Deposit Interest Expense	--	--	379	--	3,256	667

(*) Described in article 49 of the Banking Act No: 5411.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
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1.3 Information on forward and option agreements and similar agreements made with Bank's risk group

Subordinated loans obtained from Bank's direct and indirect shareholders amount to TL 96,947 (31 December 2012: TL 89,693). Interest expense on subordinated loans obtained from Bank's direct and indirect shareholders amount to TL 3,971 (30 June 2012: None). Funds obtained from other real persons and legal entities in Bank's risk group via repo transactions amount to TL 104,714 (31 December 2012: TL 69,177). There are no other funds obtained from other real persons and legal entities in risk group (31 December 2012: TL 59,197).

1.4 Information on forward and option agreements and similar agreements made with DFS Group's risk group

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
	Financial Assets at Fair Value Through Profit and Loss:					
Balance at the Beginning of the Period	--	--	--	3,401,356	165,714	--
Balance at the End of the Period	--	--	--	--	70,410	165,714
Total Income/Loss	--	--	--	19,027	1,928	--
Transactions for Hedging Purposes:						
Balance at the Beginning of the Period	--	--	--	--	--	--
Balance at the End of the Period	--	--	--	--	--	--
Total Income/Loss	--	--	--	--	--	--

(*) As described in the Article 49 of Banking Act no.5411.

2. Information on transactions with the Bank's risk group

2.1 Relations with entities in the risk group of / or controlled by the Bank regardless of the nature of relationship among the parties

The terms of related party transactions are equivalent to those that prevail in arm's length transactions only if such terms can be substantiated regarding the limits exposed by the Banking Act. Adopted Bank policy is that assets and liabilities will not be dominated by the risk group and the balances with the risk group will have a reasonable share in the total balance sheet.

2.2 In addition to the structure of the relationship, type of transaction, amount, and share in total transaction volume, amount of significant items, and share in all items, pricing policy and other

As of 30 June 2013, the ratio of the loans and other receivables used by the entities included in the risk group to total loans and receivables is 0.18% and the ratio of the deposits of entities included in the risk group to total deposits is 1.59 %. Ratio of funds obtained from entities included in the risk group to total funds borrowed is 21.5 %.

In current period benefits provided to the key management is TL 2,886 (30 June 2012: TL 1,763).

2.3 Total of similar type of transactions together, unless a separate disclosure is required to present the effect of the transactions on financial statements

None.

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

2.4 Transactions accounted for under equity method

None.

2.5 Explanations on purchase and sale of real estate and other assets, sales and purchases of services, agency contracts, finance lease agreements, transfer of data obtained from research and development, licensing agreements, financing (including loans and cash and in-kind capital support), guarantees and promissory notes, and management contracts

None.

VI. Explanations on the Bank’s domestic, foreign, off-shore branches or investments in associates and foreign representative offices

1. Information related to the Bank’s domestic and foreign branch and representatives

	Number	Number of Employees			
Domestic Branch	40	878			
			Country of Incorporations		
Foreign Representation Office			1-		
			2-		
			3-		
				Total Assets	Statutory Share Capital
Foreign Branch			1-		
			2-		
			3-		
Off-shore Banking Region Branches			1-		
			2-		
			3-		

VII. Events after balance sheet

None.

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

SECTION SIX

OTHER EXPLANATIONS ON THE OPERATIONS OF THE BANK

None.

SECTION SEVEN

EXPLANATIONS ON AUDITORS' LIMITED REVIEW REPORT

I. Explanations on the auditors' limited review report

The Bank's publicly available financial statements and footnotes have been reviewed by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu Limited) and the independent auditors' limited review report is presented in front of the financial statements.

II. Other footnotes and explanations prepared by the independent auditors

None.