

TURKISH BANK A.Ş.

**INDEPENDENT AUDITOR'S
LIMITED REVIEW REPORT,
UNCONSOLIDATED FINANCIAL
STATEMENTS AND NOTES
FOR THE PERIOD
JANUARY 1- SEPTEMBER 30, 2012**

*Translated into English from the
Original Turkish Report*

To the Board of Directors of
Turkish Bank A.Ş.
İstanbul

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TURKISH BANK A.Ş.

INDEPENDENT AUDITORS' LIMITED REVIEW REPORT FOR THE INTERIM PERIOD JANUARY 1 – SEPTEMBER 30, 2012

We have reviewed the accompanying balance sheet of Turkish Bank A.Ş. (the "Bank") as at September 30, 2012, and the related statements of income, cash flows and changes in 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, the results of its operations and its cash flows, of the Bank for the period ended September 30, 2012 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**



Özlem Gören Güçdemir
Partner

İstanbul, November 12, 2012

TURKISH BANK

THE UNCONSOLIDATED FINANCIAL REPORT OF TURKISH BANK A.Ş. FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2012

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

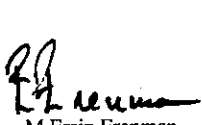
- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE CORRESPONDING ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE OF THE BANK
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS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

The unconsolidated financial statements and the explanatory footnotes and disclosures for the nine 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 audited and presented as attached.

November 12, 2012



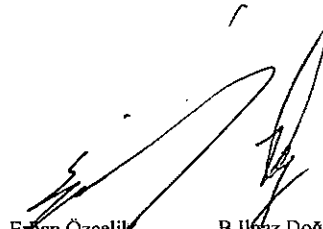
İ. Hakan Börteçene
Chairman of the
Board of Directors



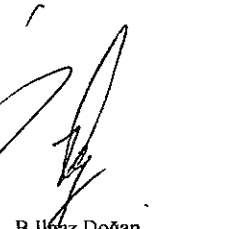
M. Ersin Erenman
Member of the
Audit Committee



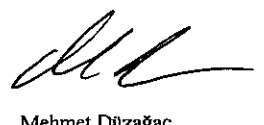
Mehmet Çınar
Member of the
Audit Committee



Emrah Özçelik
Executive Director
General Manager



B. İlgaz Doğan
Assistant General
Manager Responsible of
Financial Reporting



Mehmet Düzağaç
Manager Responsible of
General Accounting

Information related to responsible personnel for the questions can be raised about financial statements:

Name-Surname / Title : Mehmet DÜZAĞAÇ / Manager responsible of general accounting
Tel No : (0 212) 373 63 20
Fax No : (0 212) 230 08 44

Genel Müdürlük

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TURKISH BANK A.Ş.
NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD BETWEEN JANUARY 1 –SEPTEMBER 30, 2012
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION ONE

GENERAL INFORMATION

I. History of the Bank, Including its Incorporation Date, Initial Legal Status and Amendments to Legal Status, if any

Turkish Bank A.Ş. (“The Bank”) is a deposit bank incorporated upon the letter of Ministry of State and Vice-Prime Ministry, according to the articles 4 and 8 of Banking Law and within the framework of Council of Ministers' decision no: 91/2256 as of September 14, 1991. Turkish Bank began its' banking transactions and acceptance of deposits by the permission upon the letter of General Directorate of Banking and Foreign Exchange of T.C. Prime Ministry Undersecretariat of Treasury and Foreign Trade's decision no: 56527 as of December 25, 1991.

II. Explanation on the Bank's Capital Structure, Shareholders of the Bank who are in Charge of the Management and/or Auditing of the Bank Directly or Indirectly, Changes in These Matters (if any), and the Group the Bank Belongs to

As of September 30, 2012 and December 31, 2011 the shareholders' structure and their respective ownerships are summarized as follows:

Name of shareholder	Current Period		Prior Period	
	Paid in Capital	%	Paid in Capital	%
Özyol Holding A.Ş.	87,396	55.49	43,018	53.77
National Bank of Kuwait	60,000	38.10	32,000	40.00
Mehmet Tanju Özyol	8,400	5.33	4,135	5.17
Other	1,704	1.08	847	1.06
	157,500	100.00	80,000	100.00

As of September 30, 2012 the Bank's paid-in-capital consists of 15,750,000,000 shares of TL 0.01 (full TL) nominal each.

As per the Bank's Extraordinary General Assembly meeting held on May 25, 2012, the Assembly has decided by a majority of votes to increase the Bank's paid in capital from TL 80,000 to TL 175,000 through TL 70,000 of internal reserves consisting of TL 37,448 of share issue premiums, TL 19,032 of inflation differences and TL 25,000 TL of cash which will be paid in three installments (TL 7,500 in June 2012, TL 7,500 in April 2013 and TL 10,000 in April 2014) with reserving the right to early call for payment.

The procedures related to the Bank's TL 70,000 capital increase through internal resources, were completed and accounted in the financial statements relying on the approval letter of the Banking Regulation and Supervision Agency dated on 28 May 2012 and the Bank also accounted the first installment of cash injection amounting to TL 7,500 in the accompanying financial statements following the approval letter of Banking Regulation and Supervision Agency dated on 10 August 2012.

Since the Bank's one of the major shareholder National Bank of Kuwait did not contribute to the capital increase, as of 30 September 2012, the ownership of National Bank of Kuwait diminished to %38.10 (31 December 2011 - %40.00) and will diminish to %34.29 following the remaining capital increase of TL 17,500 by other shareholders. On the other hand, as of 30 September 2012, the other major shareholders', Özyol Holding A.Ş.'s and Mehmet Tanju Özyol's, ownership have increased to %55.49 (31 December 2011 - %53.77) and %5.33 (31 December 2011 - %5.17) and after the completion of the committed capital increase, their ownership will rise to %58.92 and %5.66.

TURKISH BANK A.Ş.
NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD BETWEEN JANUARY 1 –SEPTEMBER 30, 2012
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

GENERAL INFORMATION (continued)

III. Explanations Regarding the Chairman and the Members of Board of Directors, Audit Committee, General Manager and Assistants and Shares of the Bank They Possess

<u>Name-Surname</u>	<u>Title</u>
Board of Directors;	
İbrahim Hakan Börteçene	Chairman of the Board of Directors
İsam Jassim Alsager	Vice-chairman of the Board of Directors
Erhan Özçelik	Executive Director and General Manager
Abdullah Akbulak	Member of the Board of Directors
Fahrettin Ömer Gökay	Member of the Board of Directors
Mehmet Çınar	Member of the Board of Directors
Mustafa Ersin Erenman	Member of the Board of Directors
Omar Bouhadiba	Member of the Board of Directors
Shaikha Khaled Albahar	Member of the Board of Directors
Salah Al-Fulaij	Member of the Board of Directors
Assistant General Managers;	
Beyhan Kalafat	Assistant General Manager Responsible from Fund Management
B.İlgaz Doğan	Assistant General Manager Responsible from Financial Control
Mustafa Selçuk Canbaz	Assistant General Manager Responsible from Operations and Financial Institutions
Mithat Arıkan	Assistant General Manager Responsible from Loans
İsmet İsmail Şenalp	Assistant General Manager Responsible from Organization and Project Management
Group Heads;	
Mehmet Çınar	Audit Committee
Mustafa Ersin Erenman	Audit Committee
Inspection Committee and Statutory Auditors;	
Yasemin Doğan	Chairman of the Inspection Committee
Suat Ergen	Internal Audit Manager

(*) Akın Özgen Vezir - Assistant General Manager Responsible from Commercial Banking Management resigned on July 31 2012.

The number of shares of the Bank owned by the above stated Chairman and Members of Board of Directors, General Manager and Assistant General Managers are negligible.

IV. Information About the Persons and Institutions That Have Qualified Shares

<u>Name / Commercial Name</u>	<u>Share Amount</u>	<u>Share Ratio</u>	<u>Paid up Shares</u>	<u>Unpaid Shares</u>
Özyol Holding	8,740	% 55.49	87,396	15,718

The directly or indirectly authorized company that has the qualified shares in the Bank's capital is Özyol Holding A.Ş. 82% of the shares of Özyol Holding is controlled by Mehmet Tanju Özyol.

TURKISH BANK A.Ş.
NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD BETWEEN JANUARY 1 –SEPTEMBER 30, 2012
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

GENERAL INFORMATION (Cont'd)

V. Summary on the Bank's Functions and Areas of Activity

The Bank's operating areas include, corporate, retail and private banking as well as project finance, fund management and custody operations. Besides the ordinary banking operations, the Bank is handling agency functions through its branches on behalf of Turkish Yatırım Menkul Değerler A.Ş. As of September 30, 2012, Bank has 20 local branches (December 31, 2011: 20 local branches).

SECTION TWO
Unconsolidated Financial Statements

- I. Balance Sheet
- II. Statement of Off-Balance Sheet Contingencies and Commitments
- III. Statement of Income
- IV. Statement of Profit and Loss Accounted for under Equity
- V. Statement of Changes in Shareholders' Equity
- VI. Statement of Cash Flows

TURKISH BANK A.Ş
BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS OF SEPTEMBER 30,2012

BALANCE SHEET - ASSETS (STATEMENT OF FINANCIAL POSITION)		Note Ref	Thousands of Turkish Lira					
			Reviewed Current Period (30/09/2012)			Audited Prior Period (31/12/2011)		
			TL	FC	Total	TL	FC	Total
I.	CASH AND BALANCES WITH THE CENTRAL BANK	(1)	6,778	49,962	56,740	26,338	35,876	62,214
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	-	273	273	-	573	573
2.1	Financial assets held for trading		-	273	273	-	573	573
2.1.1	Public sector debt securities		-	-	-	-	-	-
2.1.2	Share certificates		-	-	-	-	-	-
2.1.3	Derivative financial assets held for trading		-	273	273	-	573	573
2.1.4	Other marketable securities		-	-	-	-	-	-
2.2	Financial assets classified at fair value through profit and loss		-	-	-	-	-	-
2.2.1	Public sector debt securities		-	-	-	-	-	-
2.2.2	Share certificates		-	-	-	-	-	-
2.2.3	Loans		-	-	-	-	-	-
2.2.4	Other marketable securities		-	-	-	-	-	-
III.	BANKS	(3)	113,608	186,991	300,599	175,161	228,991	404,152
IV.	MONEY MARKET PLACEMENTS		32,275	-	32,275	31,179	-	31,179
4.1	Interbank money market placements		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money market placements		32,275	-	32,275	31,179	-	31,179
4.3	Receivables from reverse repurchase agreements		-	-	-	-	-	-
V.	FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(4)	75,090	-	75,090	72,363	7,179	79,542
5.1	Share certificates		-	-	-	-	-	-
5.2	Public sector debt securities		67,188	-	67,188	72,363	1,372	73,735
5.3	Other marketable securities		7,902	-	7,902	-	5,807	5,807
VI.	LOANS AND RECEIVABLES	(5)	249,384	73,731	323,115	155,510	107,526	263,036
6.1	Loans and receivables		244,677	73,731	318,408	149,046	107,526	256,572
6.1.1	Loans to Risk Group of the Bank		-	-	-	-	1,128	1,128
6.1.2	Public sector debt securities		-	-	-	-	-	-
6.1.3	Other		244,677	73,731	318,408	147,918	107,526	255,444
6.2	Non-performing loans		8,126	3,575	11,701	10,502	4,063	14,565
6.3	Specific provisions (-)		(3,419)	(3,575)	(6,994)	(4,038)	(4,063)	(8,101)
VII.	FACTORING RECEIVABLES		-	-	-	-	-	-
VIII.	HELD TO MATURITY INVESTMENTS (Net)	(6)	-	-	-	-	-	-
8.1	Public sector debt securities		-	-	-	-	-	-
8.2	Other marketable securities		-	-	-	-	-	-
IX.	INVESTMENTS IN ASSOCIATES (Net)	(7)	-	-	-	-	-	-
9.1	Accounted for under equity method		-	-	-	-	-	-
9.2	Unconsolidated associates		-	-	-	-	-	-
9.2.1	Financial investments		-	-	-	-	-	-
9.2.2	Non-financial investments		-	-	-	-	-	-
X.	INVESTMENTS IN SUBSIDIARIES (Net)	(8)	30,768	-	30,768	30,768	-	30,768
10.1	Unconsolidated financial subsidiaries		30,768	-	30,768	30,768	-	30,768
10.2	Unconsolidated non-financial subsidiaries		-	-	-	-	-	-
XI.	ENTITIES UNDER COMMON CONTROL (JOINT VENT.) (Net)	(9)	-	-	-	-	-	-
11.1	Consolidated under equity method		-	-	-	-	-	-
11.2	Unconsolidated		-	-	-	-	-	-
11.2.1	Financial subsidiaries		-	-	-	-	-	-
11.2.2	Non-financial subsidiaries		-	-	-	-	-	-
XII.	FINANCE LEASE RECEIVABLES (Net)	(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	(11)	-	-	-	-	-	-
13.1	Fair value hedge		-	-	-	-	-	-
13.2	Cash flow hedge		-	-	-	-	-	-
13.3	Hedge of net investment risks in foreign operations		-	-	-	-	-	-
XIV.	TANGIBLE ASSETS (Net)	(12)	9,245	-	9,245	9,922	-	9,922
XV.	INTANGIBLE ASSETS (Net)	(13)	906	-	906	903	-	903
15.1	Goodwill		-	-	-	-	-	-
15.2	Other		906	-	906	903	-	903
XVI.	INVESTMENT PROPERTIES (Net)	(14)	-	-	-	-	-	-
XVII.	TAX ASSET	(15)	476	-	476	1,164	254	1,418
17.1	Current tax asset		-	-	-	502	-	502
17.2	Deferred tax asset		476	-	476	662	254	916
XVIII.	ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(16)	-	-	-	-	-	-
18.1	Held for sale		-	-	-	-	-	-
18.2	Discontinued operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	(17)	7,087	801	7,888	11,591	467	12,058
	TOTAL ASSETS		525,617	311,758	837,375	514,899	380,666	895,765

TURKISH BANK A.Ş
BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS OF SEPTEMBER 30,2012

BALANCE SHEET - LIABILITIES (STATEMENT OF FINANCIAL POSITION)		Note Ref	Thousands of Turkish Lira					
			Reviewed Current Period (30/09/2012)			Audited Prior Period (31/12/2011)		
			TL	FC	Total	TL	FC	Total
I.	DEPOSITS	(1)	276,482	246,629	523,111	255,131	293,765	548,896
1.1	Deposits from Risk Group of the Bank		17,311	4,684	21,995	17,472	4,449	21,921
1.2	Other		259,171	241,945	501,116	237,659	389,316	526,975
II.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	-	173	173	-	23	23
III.	FUNDS BORROWED	(3)	19,827	71,541	91,368	5,664	140,152	145,816
IV.	MONEY MARKET BALANCES	(4)	44,405	-	44,405	29,350	-	29,350
4.1	Interbank money market takings		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money market takings		-	-	-	-	-	-
4.3	Funds provided under repurchase agreements		44,405	-	44,405	29,350	-	29,350
V.	MARKETABLE SECURITIES ISSUED (Net)		-	-	-	-	-	-
5.1	Bills		-	-	-	-	-	-
5.2	Asset backed securities		-	-	-	-	-	-
5.3	Bonds		-	-	-	-	-	-
VI.	FUNDS		-	-	-	-	-	-
6.1	Borrower funds		-	-	-	-	-	-
6.2	Other		-	-	-	-	-	-
VII.	SUNDRY CREDITORS		1,785	1,169	2,954	1,529	499	2,028
VIII.	OTHER LIABILITIES	(5)	5,070	788	5,858	10,470	669	11,139
IX.	FACTORING PAYABLES		-	-	-	-	-	-
X.	FINANCE LEASE PAYABLES	(6)	-	272	272	-	349	349
10.1	Finance lease payables		-	291	291	-	381	381
10.2	Operating lease payables		-	-	-	-	-	-
10.3	Other		-	-	-	-	-	-
10.4	Deferred finance lease expenses (-)		-	(19)	(19)	-	(32)	(32)
XI.	DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	(7)	-	-	-	-	-	-
11.1	Fair value hedge		-	-	-	-	-	-
11.2	Cash flow hedge		-	-	-	-	-	-
11.3	Hedge of net investment in foreign operations		-	-	-	-	-	-
XII.	PROVISIONS	(8)	4,457	-	4,457	3,517	-	3,517
12.1	General loan loss provisions		2,764	-	2,764	2,109	-	2,109
12.2	Restructuring provisions		-	-	-	-	-	-
12.3	Reserve for employee benefits		745	-	745	470	-	470
12.4	Insurance technical reserves (Net)		-	-	-	-	-	-
12.5	Other provisions		948	-	948	938	-	938
XIII.	TAX LIABILITY	(9)	1,316	-	1,316	1,456	-	1,456
13.1	Current tax liability		1,316	-	1,316	1,456	-	1,456
13.2	Deferred tax liability		-	-	-	-	-	-
XIV.	PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS		-	-	-	-	-	-
14.1	Held for sale		-	-	-	-	-	-
14.2	Discontinued operations		-	-	-	-	-	-
XV.	SUBORDINATED LOANS		-	-	-	-	-	-
XVI.	SHAREHOLDERS' EQUITY	(12)	163,461	-	163,461	154,671	(1,480)	153,191
16.1	Paid-in capital		157,500	-	157,500	80,000	-	80,000
16.2	Supplementary capital		(779)	-	(779)	55,344	(1,480)	53,864
16.2.1	Share premium		-	-	-	37,448	-	37,448
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Marketable securities value increase fund		(779)	-	(779)	(1,136)	(1,480)	(2,616)
16.2.4	Tangible assets revaluation differences		-	-	-	-	-	-
16.2.5	Intangible assets revaluation differences		-	-	-	-	-	-
16.2.6	Investment property revaluation differences		-	-	-	-	-	-
16.2.7	Bonus shares obtained from associates, subsidiaries and jointly controlled entities (Joint Vent.)		-	-	-	-	-	-
16.2.8	Hedging funds (Effective portion)		-	-	-	-	-	-
16.2.9	Accumulated valuation differences from assets held for sale and from discontinued operations		-	-	-	-	-	-
16.2.10	Other capital reserves		-	-	-	19,032	-	19,032
16.3	Profit reserves		5,807	-	5,807	2,979	-	2,979
16.3.1	Legal reserves		2,535	-	2,535	2,500	-	2,500
16.3.2	Status reserves		-	-	-	-	-	-
16.3.3	Extraordinary reserves		3,272	-	3,272	479	-	479
16.3.4	Other profit reserves		-	-	-	-	-	-
16.4	Profit or loss		933	-	933	16,348	-	16,348
16.4.1	Prior years' income / (losses)		-	-	-	15,657	-	15,657
16.4.2	Current year income / (loss)		933	-	933	691	-	691
16.5	Minority shares		-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY			516,803	320,572	837,375	461,788	433,977	895,765

TURKISH BANK A.Ş STATEMENT OF OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES AS OF SEPTEMBER 30,2012		Thousands of Turkish Lira						
		Note Ref	Reviewed Current Period (30/09/2012)			Audited Prior Period (31/12/2011)		
			TL	FC	Total	TL	FC	Total
A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)			709,997	276,573	986,570	109,851	147,991	257,842
I. GUARANTEES	(1) (3)	28,403	78,468	106,871	31,152	82,733	113,885	
1.1. Letters of guarantee		28,403	70,621	99,024	31,152	80,636	111,788	
1.1.1. Guarantees subject to State Tender Law		25,361	33,691	59,052	29,372	33,119	62,491	
1.1.2. Guarantees given for foreign trade operations		758	-	758	613	-	613	
1.1.3. Other letters of guarantee		2,284	36,930	39,214	1,167	47,517	48,684	
1.2. Bank loans		-	-	-	-	-	-	
1.2.1. Import letter of acceptance		-	-	-	-	-	-	
1.2.2. Other bank acceptances		-	-	-	-	-	-	
1.3. Letters of credit		-	7,847	7,847	-	-	-	
1.3.1. Documentary letters of credit		-	-	-	-	-	-	
1.3.2. Other letters of credit		-	7,847	7,847	-	-	-	
1.4. Prefinancing given as guarantee		-	-	-	-	-	-	
1.5. Endorsements		-	-	-	-	-	-	
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-	
1.5.2. Other endorsements		-	-	-	-	-	-	
1.6. Securities issue purchase guarantees		-	-	-	-	-	-	
1.7. Factoring guarantees		-	-	-	-	-	-	
1.8. Other guarantees		-	-	-	-	2,097	2,097	
1.9. Other collaterals		-	-	-	-	-	-	
II. COMMITMENTS	(1) (2)	674,014	145,549	819,563	57,571	44,019	101,590	
2.1. Irrevocable commitments		24,735	15,138	39,873	57,571	44,019	101,590	
2.1.1. Forward asset purchase commitments		1,149	9,021	10,170	34,293	37,426	71,719	
2.1.2. Forward deposit purchase and sales commitments		-	-	-	48	-	48	
2.1.3. Share capital commitment to associates and subsidiaries		-	-	-	-	-	-	
2.1.4. Loan granting commitments		4,261	-	4,261	5,522	-	5,522	
2.1.5. Securities underwriting commitments		-	-	-	-	-	-	
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-	
2.1.7. Payment commitment for checks		8,801	-	8,801	7,382	-	7,382	
2.1.8. Tax and fund liabilities from export commitments		4	-	4	-	-	-	
2.1.9. Commitments for credit card expenditure limits		10,485	6,117	16,602	10,303	6,593	16,896	
2.1.10. Commitments for promotions related with credit cards and banking activities		35	-	35	23	-	23	
2.1.11. Receivables from short sale commitments		-	-	-	-	-	-	
2.1.12. Payables for short sale commitments		-	-	-	-	-	-	
2.1.13. Other irrevocable commitments		-	-	-	-	-	-	
2.2. Revocable commitments		649,279	130,411	779,690	-	-	-	
2.2.1. Revocable loan granting commitments		649,279	130,411	779,690	-	-	-	
2.2.2. Other revocable commitments		-	-	-	-	-	-	
III. DERIVATIVE FINANCIAL INSTRUMENTS	(2)	7,580	52,556	60,136	21,128	21,239	42,367	
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		7,580	52,556	60,136	21,128	21,239	42,367	
3.2.1. Forward foreign currency buy/sell transactions		-	-	-	-	-	-	
3.2.1.1. Forward foreign currency transactions-buy		-	-	-	-	-	-	
3.2.1.2. Forward foreign currency transactions-sell		-	-	-	-	-	-	
3.2.2. Swap transactions related to f.c. and interest rates		-	45,320	45,320	21,128	21,239	42,367	
3.2.2.1. Foreign currency swap-buy		-	22,719	22,719	-	21,239	21,239	
3.2.2.2. Foreign currency swap-sell		-	22,601	22,601	21,128	-	21,128	
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		7,580	7,236	14,816	-	-	-	
3.2.3.1. Foreign currency options-buy		3,790	3,618	7,408	-	-	-	
3.2.3.2. Foreign currency options-sell		3,790	3,618	7,408	-	-	-	
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)		535,735	767,091	1,302,826	475,865	753,446	1,229,311	
IV. ITEMS HELD IN CUSTODY		39,113	158,768	197,881	114,149	145,711	259,860	
4.1. Assets under management		-	-	-	-	-	-	
4.2. Investment securities held in custody		13,293	32,280	45,573	74,484	35,669	110,153	
4.3. Checks received for collection		21,693	848	22,541	37,367	1,803	39,170	
4.4. Commercial notes received for collection		3,453	36,065	39,518	1,765	108,239	110,004	
4.5. Other assets received for collection		-	-	-	-	-	-	
4.6. Assets received for public offering		-	-	-	-	-	-	
4.7. Other items under custody		674	89,575	90,249	533	-	533	
4.8. Custodians		-	-	-	-	-	-	
V. PLEDGED ITEMS		496,622	608,323	1,104,945	361,716	607,735	969,451	
5.1. Marketable securities		172	-	172	-	-	-	
5.2. Guarantee notes		120,327	99,596	219,923	23,954	57,803	81,757	
5.3. Commodity		-	586	586	-	-	-	
5.4. Warranty		-	-	-	-	-	-	
5.5. Properties		164,743	481,026	645,769	183,043	537,379	720,422	
5.6. Other pledged items		211,380	27,115	238,495	154,719	12,553	167,272	
5.7. Pledged items-depository		-	-	-	-	-	-	
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-	
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		1,245,732	1,043,664	2,289,396	585,716	901,437	1,487,153	

TURKISH BANK A.Ş

INCOME STATEMENT TABLE FOR THE PERIOD BETWEEN JANUARY 1-SEPTEMBER 30,2012

STATEMENT OF INCOME		Note Ref	Thousands of Turkish Lira			
			Reviewed	Reviewed	Reviewed	Reviewed
			Current Period (01 01 2012 - 30 09 2012)	Prior Period (01 01 2011 - 30 09 2011)	Current Period (01 07 2012 - 30 09 2012)	Prior Period (01 07 2011 - 30 09 2011)
I.	INTEREST INCOME	(1)	45,786	36,063	14,500	13,200
1.1	Interest on loans		34,799	23,472	11,571	9,201
1.2	Interest received from reserve deposits		-	-	-	-
1.3	Interest received from banks		4,685	8,030	1,596	2,498
1.4	Interest received from money market placements		135	20	53	15
1.5	Interest received from marketable securities portfolio		6,158	4,540	1,279	1,486
1.5.1	Held-for-trading financial assets		-	-	-	-
1.5.2	Financial assets at fair value through profit and loss		-	-	-	-
1.5.3	Available-for-sale financial assets		6,158	4,540	1,279	1,486
1.5.4	Investments held-to-maturity		-	-	-	-
1.6	Finance lease income		-	-	-	-
1.7	Other interest income		9	1	1	-
II.	INTEREST EXPENSE	(2)	(25,383)	(19,426)	(7,787)	(7,832)
2.1	Interest on deposits		(23,321)	(17,233)	(7,047)	(7,150)
2.2	Interest on funds borrowed		(418)	(569)	(116)	(116)
2.3	Interest on money market borrowings		(1,602)	(1,611)	(613)	(559)
2.4	Interest on securities issued		-	-	-	-
2.5	Other interest expense		(42)	(13)	(11)	(7)
III.	NET INTEREST INCOME EXPENSE (I - II)		20,403	16,637	6,713	5,368
IV.	NET FEES AND COMMISSIONS INCOME EXPENSE		1,475	1,263	554	370
4.1	Fees and commissions received		2,275	1,898	797	610
4.1.1	Non-cash loans		1,235	1,008	411	360
4.1.2	Other		1,040	890	386	250
4.2	Fees and commissions paid		(800)	(635)	(243)	(240)
4.2.1	Non-cash loans		(25)	(19)	(9)	(8)
4.2.2	Other		(775)	(616)	(234)	(232)
V.	DIVIDEND INCOME	(3)	1,899	2,025	-	-
VI.	NET TRADING INCOME	(4)	5,447	2,546	380	1,829
6.1	Securities trading gains/ (losses)		210	1,094	111	542
6.2	Gains/ (losses) from derivative financial instruments		9,679	(9,332)	(226)	(8,134)
6.3	Foreign exchange gains/ (losses)		(6,642)	10,784	495	9,421
VII.	OTHER OPERATING INCOME	(5)	2,640	1,819	496	455
VIII.	NET OPERATING INCOME (III+IV+V+VI+VII)		29,774	24,290	8,143	8,020
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(7)	(2,977)	(2,563)	(535)	(356)
X.	OTHER OPERATING EXPENSES (-)	(8)	(25,876)	(21,693)	(8,455)	(7,671)
XI.	NET OPERATING INCOME (LOSS) (VIII-IX-X)		921	34	(845)	(7)
XII.	AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-	-	-
XIII.	GAIN (LOSS) ON EQUITY METHOD		-	-	-	-
XIV.	GAIN (LOSS) ON NET MONETARY POSITION		-	-	-	-
XV.	PROFIT (LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)	(9)	921	34	(845)	(7)
XVI.	TAX PROVISION FOR CONTINUED OPERATIONS (4)	(10)	12	102	101	(64)
16.1	Current income tax (charge)/benefit		-	(343)	-	159
16.2	Deferred tax (charge)/benefit		12	445	101	(223)
XVII.	NET PROFIT (LOSS) FROM CONTINUED OPERATIONS (XV+XVI)	(11)	933	136	(744)	(71)
XVIII.	INCOME ON DISCONTINUED OPERATIONS		-	-	-	-
18.1	Income on assets held for sale		-	-	-	-
18.2	Income on sale of associates, subsidiaries and entities under common control (Joint vent.)		-	-	-	-
18.3	Income on other discontinued operations		-	-	-	-
XIX.	LOSS FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
19.1	Loss from assets held for sale		-	-	-	-
19.2	Loss on sale of associates, subsidiaries and jointly controlled entities (Joint vent.)		-	-	-	-
19.3	Loss from other discontinued operations		-	-	-	-
XX.	PROFIT (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)		-	-	-	-
XXI.	TAX PROVISION FOR DISCONTINUED OPERATIONS (4)		-	-	-	-
21.1	Current income tax (charge)/benefit		-	-	-	-
21.2	Deferred tax (charge)/benefit		-	-	-	-
XXII.	NET PROFIT LOSS FROM DISCONTINUED OPERATIONS (XX+XXI)	(11)	-	-	-	-
XXIII.	NET PROFIT LOSS (XVII+XXII)	(12)	933	136	(744)	(71)
23.1	Group's profit/loss		933	136	(744)	(71)
23.2	Minority shares		-	-	-	-
	Earnings per share		0.006	0.001	(0.005)	(0.002)

TURKISHBANK A.Ş

STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY TABLE
FOR THE PERIOD BETWEEN JANUARY 1-SEPTEMBER 30,2012

STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY	Thousands of Turkish Lira	
	Reviewed	Reviewed
	Current Period	Prior Period
	(01/01/2012 - 30/09/2012)	(01/01/2011 - 30/09/2011)
I. Additions to marketable securities revaluation differences for available for sale financial assets	3,752	(1,503)
II. Tangible assets revaluation differences	-	-
III. Intangible assets revaluation differences	-	-
IV. Foreign exchange differences for foreign currency transactions	-	-
V. Profit/Loss from derivative financial instruments for cash flow hedge purposes (Effective portion of fair value differences)	-	-
VI. Profit/Loss from derivative financial instruments for hedge of net investment in foreign operations (Effective portion of fair value differences)	-	-
VII. The effect of correction of errors and changes in accounting policies	-	-
VIII. Other profit loss items accounted for under equity due to TAS	-	-
IX. Deferred tax of valuation differences	459	591
X. Total Net Profit/Loss accounted for under equity (I+II+...+IX)	4,211	(912)
XI. Profit/Loss	(2,374)	(1,450)
1.1 Change in fair value of marketable securities (Transfer to Profit Loss)	(2,374)	(1,450)
1.2 Reclassification and transfer of derivatives accounted for cash flow hedge purposes to Income Statement	-	-
1.3 Transfer of hedge of net investments in foreign operations to Income Statement	-	-
1.4 Other	-	-
XII. Total Profit/Loss accounted for the period (X±XI)	1,837	(2,362)

TURKISH BANK A.Ş
NON-CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD BETWEEN JANUARY 1-SEPTEMBER 30,2012

		Thousands of Turkish Lira	
		Reviewed	Reviewed
		Current Period	Prior Period
		(01/01/2012 - 30/09/2012)	(01/01/2011 - 30/09/2011)
A.	CASH FLOWS FROM BANKING OPERATIONS		
1.1	Operating profit before changes in operating assets and liabilities	24,007	(18,738)
1.1.1	Interest received	44,090	34,109
1.1.2	Interest paid	(25,276)	(17,266)
1.1.3	Dividend received	1,809	2,025
1.1.4	Fees and commissions received	2,153	1,898
1.1.5	Other income	13,179	13,427
1.1.6	Collections from previously written off loans	4,179	5,683
1.1.7	Payments to personnel and service suppliers	(14,180)	(11,766)
1.1.8	Taxes paid	-	(1,254)
1.1.9	Others	(1,947)	(45,594)
1.2	Changes in operating assets and liabilities	(121,862)	(67,882)
1.2.1	Net (increase) decrease in financial assets held for trading	-	-
1.2.2	Net (increase) decrease in financial assets at fair value through profit or loss	-	-
1.2.3	Net (increase) decrease in due from banks and other financial institutions	-	-
1.2.4	Net (increase) decrease in loans	(64,632)	105,034
1.2.5	Net (increase) decrease in other assets	12,803	(47,263)
1.2.6	Net increase (decrease) in bank deposits	18,871	16,462
1.2.7	Net increase (decrease) in other deposits	(29,676)	(55,967)
1.2.8	Net increase (decrease) in funds borrowed	(54,438)	(94,354)
1.2.9	Net increase (decrease) in matured payables	-	-
1.2.10	Net increase (decrease) in other liabilities	(4,790)	8,206
I.	Net cash provided from / (used in) banking operations	(97,855)	(86,620)
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
II.	Net cash provided from/ (used in) investing activities	5,876	(12,644)
2.1	Cash paid for purchase of entities under common control, associates and subsidiaries	-	-
2.2	Cash obtained from sale of entities under common control, associates and subsidiaries	-	-
2.3	Fixed asset purchases	(214)	(254)
2.4	Fixed asset sales	62	-
2.5	Cash paid for purchase of financial assets available for sale	(141,932)	(97,183)
2.6	Cash obtained from sale of financial assets available for sale	148,243	84,799
2.7	Cash paid for purchase of investment securities	-	-
2.8	Cash obtained from sale of investment securities	-	-
2.9	Others	(283)	(6)
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
III.	Net cash provided from/ (used in) financing activities	7,156	(79)
3.1	Cash obtained from funds borrowed and securities issued	-	-
3.2	Cash used for repayment of funds borrowed and securities issued	-	-
3.3	Capital increase	7,500	-
3.4	Dividends paid	-	-
3.5	Payments for finance leases	(344)	(79)
3.6	Other	-	-
IV.	Effect of change in foreign exchange rate on cash and cash equivalents	(15,188)	31,002
V.	Net increase / (decrease) in cash and cash equivalents	(100,011)	(68,341)
VI.	Cash and cash equivalents at beginning of the period	472,648	437,372
VII.	Cash and cash equivalents at end of the period	372,637	369,031

TURKISH BANK A.Ş.
NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD BETWEEN JANUARY 1 – SEPTEMBER 30, 2012
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION THREE

ACCOUNTING PRINCIPLES

I. Basis of Presentation

The Bank prepares financial statements and notes according to Communiqué on Banks' Accounting Practice and Maintaining Documents, Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRS), other regulations, communiqués and circulars in respect of accounting and financial reporting and pronouncements made by Banking Regulation and Supervision Agency (BRSA), Turkish Commercial Code and Tax Legislation.

II. Explanations on Usage Strategy of Financial Assets and Foreign Currency Transactions

The Bank aims to develop and promote products for the financial needs of each customer such as SMEs, multinational companies and small individual investors in line with Banking Legislation. The primary objective of the Bank is to increase profitability with optimum liquidity and minimum risk while fulfilling customer needs. Thus, the Bank uses 58% on average of its resources on liquid assets, as well as intending for the highest possible yield with effective maturity management.

The Bank aims at creating an optimum maturity risk and working with a positive margin between cost of resource and product yield in the process of asset and liability management.

As a component of risk management strategy of the Bank, risk bearing short positions of currency, interest or price movements is performed only by the Treasury Asset-Liability Management using the limits defined by the Board of Directors. The Asset-Liability Committee manages the maturity mismatches while deciding the short, medium and long term strategies as well as adopting the principle of positive balance sheet margin as a pricing policy.

The foreign currency gains and losses are recorded in the period the transaction is made. The foreign currency assets and liabilities are translated to Turkish Lira with the Bank's period end exchange rates and the increases/decreases resulting from the differences in the foreign exchange rates are recorded as expense/income in the relevant period. The Bank uses TRCB buying rates as its own exchange rate.

III. Explanations on Forward and Option Contracts and Derivative Instruments

Fair values of foreign currency forward and swap transactions are determined by comparing the period end Bank foreign exchange rates with the contractual forward rates discounted to the balance sheet date with the prevailing current market rates. The resulting gain or loss is reflected to the income statement.

There are not any derivatives created by the separation of the main contract or for the hedge purposes.

IV. Explanations on Interest Income and Expenses

Interest income and expense are recognized in the income statement for all interest bearing instruments whose cash inflows and outflows are known on an accrual basis using the effective interest method. In accordance with the related regulation, realized and unrealized interest accruals of the non-performing loans are reversed and interest income related to these loans are recorded as interest income only when collected.

V. Explanations on Fees and Commission Income and Expenses

Fees and commission income and expenses and the fees and commissions paid to other credit institutions are accounted through the types of fees and commission for on an accrual basis or by using effective interest rate method, income generated through agreements or through the purchases of assets on behalf of third parties or corporate parties is recorded in income when occurred.

TURKISH BANK A.Ş.
NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD BETWEEN JANUARY 1 - SEPTEMBER 30, 2012
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

VI. Explanations on Financial Assets

Financial instruments comprise financial assets, financial liabilities and derivative instruments. Risks related to these activities form a significant part among total risks the Bank undertakes. Financial instruments affect liquidity, market, and credit risks on the Bank's balance sheet in all respects. The Bank trades these instruments on behalf of its customers and on its own behalf.

Basically, financial assets create the majority of the commercial activities of the Bank. These instruments expose, affect and diminish the liquidity, credit and interest risks in the financial statements.

All regular way purchases and sales of financial assets are recognized on the settlement date i.e. the date that the asset is delivered to or by the Bank. Settlement date accounting requires (a) accounting of the asset when acquired by the institution and (b) disposing of the asset out of the balance sheet on the date settled by the institution; and accounting of gain or loss on disposal. In case of application of settlement date accounting, the institution accounts for the changes that occur in the fair value of the asset in the period between commercial transaction date and settlement date as in the assets that the institution settles.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Changes in fair value of assets to be received during the period between the trade date and the settlement date are accounted for in the same way as the acquired assets. The changes in the fair values of assets that are presented at their cost or amortized cost are not accounted for. The gain/loss arising from an asset classified as fair value through profit or loss is accounted for under income statement and the gain/ loss arising from an asset classified as available for sale is accounted for under equity.

The methods and assumptions used in determining the reasonable estimated values of all of the financial instruments are described below.

Cash, Banks, and Other Financial Institutions

Cash and cash equivalents comprise cash on hand, demand deposits, and highly liquid short-term investments with maturity of 3 months or less following the purchase date, not bearing risk of significant value change, and that are readily convertible to a known amount of cash. The book value of these assets approximates their fair values.

Financial Assets at Fair Value Through Profit and Loss

Trading securities are securities which were either acquired for generating a profit from short-term fluctuations in price or dealer's margin, or are securities included in a portfolio with a pattern of short-term profit taking.

Trading securities are initially recognized at cost. Transaction costs of the related securities are included in the initial cost. The positive difference between the cost and fair value of such securities is accounted for as interest and income accrual, and the negative difference is accounted for as "Impairment Provision on Marketable Securities".

Held to Maturity Investments and Financial Assets Available for Sale

Investments held to maturity include securities with fixed or determinable payments and fixed maturity where there is an intention of holding till maturity and the relevant conditions for fulfillment of such intention, including the funding ability other than loans and receivables.

Available for sale financial assets include all securities other than loans and receivables, securities held to maturity and securities held for trading.

Marketable securities are initially recognized at cost including the transaction costs.

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VI. Explanations on Financial Assets (continued)

After the initial recognition, available for sale securities are measured at fair value and the unrealized gain/loss originating from the difference between the amortized cost and the fair value is recorded in "Marketable Securities Valuation Differences" under the equity. Fair values of debt securities that are traded in an active market are determined based on quoted prices or current market prices. In the absence of prices formed in an active market, fair value of these securities is determined using the prices declared in the Official Gazette or other valuation methods stated in TAS.

After initial recognition, held to maturity investments are measured at amortized cost by using effective interest rate less impairment losses, if any.

The interests received from held to maturity investments are recorded as interest income.

There are no financial assets that have been previously classified as held to maturity investments but cannot be currently classified as held to maturity for two years due to "tainting" rule.

The Bank classifies its securities as referred to above at the acquisition date of related assets.

The sale and purchase transactions of the held to maturity investments are recorded on a settlement date basis.

Loans

Loans are financial assets generated by lending money, providing goods or services.

Loans are financial assets with fixed or determinable payments that are not traded in an active market.

The Bank initially records loans and receivables at cost. In subsequent periods loans are measured at amortized cost using effective interest rate method. The fees and transaction expenses paid for the assets taken as collateral for the loans are considered as part of the transaction cost and charged to the customers.

VII. Explanations on Impairment of Financial Assets

At each balance sheet date, the Bank evaluates the carrying amounts of its financial asset or a group of financial assets to determine whether there is an objective indication that those assets have suffered an impairment loss or not. If any such indication exists, the Bank determines the related impairment.

A financial asset or a financial asset group incurs impairment loss only if there is an objective indicator related to the occurrence (or nonoccurrence) of one or more than one event ("loss event") after the first journalization of that asset; and such loss event (or events) causes, an impairment as a result of the effect on the reliable estimate of the expected future cash flows of the related financial asset and asset group. Irrespective of high probability the expected losses caused by the future events are not journalized.

VIII. Explanations on Offsetting of Financial Assets and Liabilities

Financial assets and liabilities are offset when the Bank has a legally enforceable right to set off, and the intention of collecting or paying the net amount of related assets and liabilities or the right to offset the assets and liabilities simultaneously.

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IX. Explanations on Sales and Repurchase Agreements and Lending of Securities

The sales and repurchase of securities under repurchase agreements (“repo”) are recorded in balance sheet accounts in accordance with the Uniform Chart of Accounts. Accordingly in the financial statements, the government bonds and treasury bills sold to customers under repurchase agreements are classified as “securities under repo” and measured at fair value or amortized cost depending on the purpose of the Bank portfolio. Funds obtained from repurchase agreements are classified as a separate sub-account under liabilities and the interest expense is journalized accordingly.

Purchases of securities under agreements of resale (“reverse repos”) are separately disclosed under assets as “money markets” and interest income on such transactions is accounted for on an accrual basis over the period of transactions.

X. Explanations on Assets Held for Sale, Discontinued Operations and Liabilities Related to Those Assets

A tangible asset classified as “asset held for sale” is measured at lower of carrying value or fair value less costs to sell, depreciation calculation is stopped related to this asset and it is presented separately on the face of the balance sheet. An asset (or a disposal group) is regarded as “asset held for sale” only when the sale is highly probable and the asset (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. On the other hand, the sale is expected to be journalized as a completed sale within one year after the classification date; and the necessary transactions and procedures to complete the plan should demonstrate the fact that the possibility of making significant changes or canceling the plan is low. 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).

The Bank does not have any assets held for sale.

A discontinued operation is a division of a bank that is either disposed or held for sale. Results of discontinued operations are included in the income statement separately. The Bank does not have any discontinued operation.

XI. Explanations on Goodwill and Other Intangible Assets

Intangible assets are accounted for at restated cost until December 31, 2004 in accordance with inflation accounting and are amortized with straight-line method, after December 31, 2004 the acquisition cost and any other cost incurred so as to prepare the intangible asset ready for use less reserve for impairment, if any, and amortized on a straight-line method. The cost of assets subject to amortization is restated after deducting the exchange differences, capitalized financial expenses and revaluation increases, if any, from the cost of the assets.

Estimated economic lives of intangible assets are between 3 years and 15 years, rate of amortization is between 6.67% and 33.33%.

XII. Explanations on Tangible Fixed Assets

Properties are accounted for at their restated costs until December 31, 2004; after December 31, 2004 the acquisition cost and any other cost incurred so as to prepare the fixed asset ready for use are reflected, less reserve for impairment, if any. The straight-line method of depreciation is used for buildings and useful life is considered as 50 years.

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XII. Explanations on Tangible Fixed Assets (continued)

Other tangible fixed assets are accounted for at their restated costs until December 31, 2004; afterwards the acquisition cost and any other cost incurred so as to prepare the fixed asset ready for use are reflected less reserve for impairment, if any, and depreciated on a straight-line method. Depreciation of assets held less than one year as of the balance sheet date is accounted for proportionately. No amendment has been made to the depreciation method in the current period. The annual rates used, which approximate rates based on the estimated economic useful lives of the related assets, are as follows:

	%
Buildings	2
Motor Vehicles	20
Furniture, fixtures and office equipment and others	3 – 50

Gain or loss resulting from disposals of the tangible fixed assets is reflected to the income statement as the difference between the net proceeds and net book value.

Maintenance costs of tangible fixed assets are capitalized if they extend the economic useful life of related assets. Other maintenance costs are expensed.

There are no pledges, mortgages or other restrictions on the tangible fixed assets.

There is no purchase commitment related to the tangible fixed assets.

There are no anticipated changes in the accounting estimates, which could have a significant impact in the current and future periods.

XIII. Explanations on Leasing Transactions

Tangible fixed assets acquired by financial leases are accounted for in accordance with TAS No: 17. In accordance with this standard, the leasing transactions, which consist of only foreign currency liabilities, are translated to Turkish Lira with the exchange rates prevailing at the transaction dates and they are recorded as an asset or a liability. The foreign currency liabilities are translated to Turkish Lira with the Bank's period end exchange rates. The increases/decreases resulting from the differences in the foreign exchange rates are recorded as expense/income in the relevant period. The financing cost resulting from leasing is distributed through the lease period to form a fixed interest rate.

In addition to the interest expense, depreciation expense is recorded for the depreciable leased assets in each period. The depreciation rate is determined in accordance with TAS No: 16 "Accounting Standard for Tangible Fixed Assets" by taking the useful lives into account.

Operating lease payments are recognized as expense in the income statement on a straight line basis over the lease term.

The Bank does not have any leasing transactions as "Lessor".

XIV. Explanations on Provisions and Contingent Liabilities

Provisions are recognized when there is a present obligation, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by using the Bank's best expectation of expenses in fulfilling the obligation, and discounted to present value if material.

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XV. Explanations on Liabilities Regarding Employee Benefits

The liabilities regarding employee termination benefits and unused vacation have been accounted for in accordance with TAS No: 19 “Turkish Accounting Standard on Employee Benefits”.

As per the existing labour law in Turkey, the Bank is required to pay certain amounts to the employees retired or fired except for resignations or misbehaviors specified in the Turkish Labour Law. Accordingly, the Bank reserved for employee severance indemnities in the accompanying financial statements over the net present value of possible obligation amount for all its employees who retired according to Turkish Labour Law or whose employment is terminated, called up for military service or died.

XVI. Explanations on Taxation

Corporate tax

According to the Article 32 of the Corporate Tax Law No. 5520, announced in the Official Gazette dated June 21, 2006, the corporate tax rate is 20%.

The tax legislation requires advance tax of 20% to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset from the final tax liability for the year.

Tax returns are required to be filed between the first and twenty-fifth day of the fourth month following the balance sheet date and paid in one installment until the end of the related month.

Deferred Tax

According to the Turkish Accounting Standard 12 (TAS 12) “Income Taxes”; deferred tax assets and liabilities are recognized, using the balance sheet method, on all 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, except for the differences not deductible for tax purposes and initial recognition of assets and liabilities which affect neither accounting nor taxable profit.

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

The deferred tax assets and liabilities are reported as net in the financial statements.

Furthermore, as per the circular of BRSA, deferred tax benefit balance resulting from netting of deferred tax assets and liabilities should not be used in dividend distribution and capital increase.

XVII. Additional Explanations on Borrowings

The borrowing costs related to purchase, production, or construction of qualifying assets that require significant time to be prepared for use and sale are included in the cost of assets until the relevant assets become ready to be used or to be sold. Financial investment income obtained by temporary placement of undisbursed investment loan in financial investments is offset against borrowing costs qualified for capitalization.

All other borrowing costs are recorded to the income statement in the period they are incurred.

There are no debt securities issued by the Bank.

The Bank has not issued convertible bonds.

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XVIII. Explanations on Issued Share Certificates

The shares issued during the capital increase on 29 January 2008 are premium shares and TL 37,448 is accounted under "shares premium" under equity. The shares premium is transferred to capital as explained in detail in section I, note 2.

XIX. Explanations on Acceptances

Acceptances are presented as probable commitments in off-balance sheet accounts.

XX. Explanations on Government Incentives

There are no government incentives utilized by the Bank.

XXI. Explanations on Reporting According to Segmentation

The Bank mainly operates in corporate banking and treasury operations. The Bank also operates in retail banking.

The Bank's distribution of its operations according to the branches' organizational structure as of September 30, 2012 is presented in the table below.

Current Period (January 1 – September 30, 2012)	Retail	Corporate	Treasury/ Head Office	Total
Net interest income	6,935	5,817	7,651	20,403
Net fees and commissions income and other operating income	2,995	525	595	4,115
Trading profit / loss	-	-	3,447	3,447
Dividend income	-	-	1,809	1,809
Provision for loan losses and other receivables (-)	(543)	(7)	(2,427)	(2,977)
Other operating expenses (-)	(8,852)	(441)	(16,583)	(25,876)
Profit before taxes	535	5,894	(5,508)	921
Tax charge	-	-	12	12
Net profit for the period	535	5,894	(5,496)	933

Current Period (September 30, 2012)	Retail	Corporate	Treasury/ Head Office	Total
Segment assets	379,520	37,837	389,250	806,607
Investments in associates, subsidiaries and jointly controlled entities	-	-	30,768	30,768
Total Assets	379,520	37,837	420,018	837,375
Segment liabilities	380,156	32,228	261,530	673,914
Shareholders' equity	-	-	163,461	163,461
Total Liabilities	380,156	32,228	424,991	837,375

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XXI. Explanations on Reporting According to Segmentation (continued)

Prior Period (January 1 – September 30, 2011)	Retail	Corporate	Treasury/ Head-Office	Total
Net interest income	(9,851)	23,765	2,723	16,637
Net fees and commissions income and other operating income	2,150	442	490	3,082
Trading profit / loss	-	-	2,546	2,546
Dividend income	-	-	2,025	2,025
Provision for loan losses and other receivables (-)	(573)	-	(1,990)	(2,563)
Other operating expenses (-)	(8,056)	(285)	(13,352)	(21,693)
Profit before taxes	(16,330)	23,922	(7,558)	34
Tax charge	-	-	102	102
Net Profit for the period	(16,330)	23,922	(7,456)	136

Prior Period (December 31, 2011)	Retail	Corporate	Treasury/ Head-Office	Total
Segment assets	422,657	30,073	412,267	864,997
Investments in associates, subsidiaries and jointly controlled entities	-	-	30,768	30,768
Total Assets	422,657	30,073	443,035	895,765
Segment liabilities	421,676	24,258	296,640	742,574
Shareholders' equity	-	-	153,191	153,191
Total Liabilities	421,676	24,258	449,831	895,765

XXII. Explanations on Other Matters

There is no other matter in accounting policies to be explained.

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SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE

I. Explanations Related to Capital Adequacy Standard Ratio

The method used for risk measurement in determining capital adequacy standard ratio; Capital Adequacy Standard Ratio is calculated in accordance with the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks", which was published on June 28, 2012 in the Official Gazette numbered 28337. The Bank's unconsolidated capital adequacy ratio in accordance with the related Communiqué is 29.19% as of September 30, 2012.

In the computation of capital adequacy standard ratio, information prepared in accordance with statutory accounting requirements is used. Additionally, the market risk amount and operational risks are calculated in accordance with the Communiqué on the "Measurement and Assessment of Capital Adequacy of Banks" and is taken into consideration in the capital adequacy standard ratio calculation.

The values deducted from the capital base in the shareholders' equity computation are excluded while calculating risk-weighted assets, non-cash loans and contingent liabilities. Assets subject to depreciation and impairment among risk-weighted assets are included in the calculations over their net book values after deducting the relative depreciations and provisions.

In the calculation of the value at credit risk for the non-cash loans and commitments and the receivables from counterparties in 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". The net amounts are then multiplied by the rates stated in the Article 5 of the Regulation, 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 and weighted as per Appendix-1 of the Regulation.

In the calculation of the value at credit risk for the derivative financial instruments and the credit derivatives classified in the banking book, the receivables from counterparties are multiplied by the rates stated in the Appendix-2 of the Regulation, 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 and weighted as per Appendix-1 of the Regulation.

As per the article 5 of the Regulation, the "counterparty credit risk" is calculated for repurchase transactions, securities and commodities borrowing agreements.

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I. Explanations Related to Capital Adequacy Standard Ratio (continued)

Information related to the capital adequacy ratio:

	0%	10%	20%	50%	100%	150%	200%	1250%
Value at Credit Risk	-	-	25.745	132.378	339.093	2.867	2.786	-
Exposure Categories								
Conditional and unconditional receivables from central governments or central banks	81,529	-	-	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organisations	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	3,076	-	122,786	186,989	177,410	-	-	-
Conditional and unconditional receivables from corporates	4,449	-	-	-	81,055	-	-	-
Conditional and unconditional receivables from retail receivables	2,593	-	-	-	26,948	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	75,196	-	-	-	-
Past-due receivables	-	-	-	2,571	1,693	448	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	1,468	1,393	-
Securities collateralised by mortgages	-	-	-	-	-	-	-	-
Securitisation positions	-	-	-	-	-	-	-	-
Short term receivables from banks and brokerage houses and corporates	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-	-	-
Other Receivables	7,465	-	5,940	-	51,987	-	-	-

Summary information related to the capital adequacy ratio:

	Current Period
Capital Requirement for Credit Risk (Value at Credit Risk *0.008)(CRCR)	40.230
Capital Requirement for Market Risk (CRMR)	177
Capital Requirement for Operational Risk (CROR) (*)	4.702
Shareholders' Equity	164.593
Shareholders' Equity / (CRCR+CRMR+CROR*12.5) *100	% 29,19

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I. Explanations Related to Capital Adequacy Standard Ratio (continued)

Information related to the components of shareholders' equity:

	Current Period
CORE CAPITAL	
Paid-in-capital	157,500
Nominal Capital	175,000
Capital Commitments (-)	(17,500)
Paid-in-capital indexation difference	-
Share premium	-
Cancellation profits	-
Legal reserves	5,807
Profit	933
Current period net profit	933
Prior years' profits	-
Provision for possible losses up to 25% of the Core Capital	-
Gains on sale of associates and subsidiaries and properties to be added to capital	-
Primary subordinated loans	-
Losses that cannot be covered by reserves (-)	-
Net current period loss	-
Retained earnings	-
Leasehold improvements (-)	(726)
Intangible assets (-)	(906)
Deferred tax asset exceeding 10% of the Core Capital (-)	-
Excess amount in the Article 56, Clause 3 of the Banking Law (-)	-
Total Core Capital	162,608
SUPPLEMENTARY CAPITAL	
General loan loss reserves	2,764
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 excluded in the calculation of the Core Capital	-
Secondary subordinated loans	-
45% of Marketable securities valuation differences	(779)
Indexation differences for capital reserves, profit reserves and retained earnings (Except indexation differences for legal reserves, statutory reserves and extraordinary reserves)	-
Total Supplementary Capital	1,985
CAPITAL	164,593
DEDUCTIONS FROM THE CAPITAL	
Shareholdings of banks and financial institutions (Domestic, Foreign) from which the Bank keeps ten percent or more of capitals	-
Shareholdings of unconsolidated banks and financial institutions (Domestic, Foreign) from which the Bank keeps less than ten percent of capitals which exceed the ten percent of Bank's Core and Supplementary Capital	-
Secondary subordinated loans granted to Banks and Financial Institutions (Domestic, Foreign) or Qualified Shareholders and placements that possess the nature of their Primary or Secondary Subordinated Debt	-
Loans granted being non-compliant with the Articles 50 and 51 of the Banking Law	-
Securitization Positions preferred to be deducted from Shareholders Equity	-
Other	-
Total Shareholders' Equity	164,593

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

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

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II. Explanations Related to Credit Risk

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

III. Explanations Related to Market Risk

The Bank has established market risk management operations and taken the necessary precautions in order to hedge market risk within its financial risk management purposes, in accordance with the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks" issued on Official Gazette dated June 28, 2012 numbered 28337.

The Board of Directors determines the limits for the basic risk that the Bank is exposed to. Those limits are revised periodically in line with the market forces and strategies of the Bank.

Additionally, the Board of Directors has ensured that the risk management division and senior management has taken necessary precautions to describe, evaluate, control and manage risks faced by the Bank.

Interest rate and exchange rate risks, arising from the volatility in the financial markets, of the financial positions taken by the Bank related to balance sheet and off-balance sheet accounts are measured, and in the computation of capital adequacy, the amount subject to VAR calculated by using the standard method (summarized below) is taken into consideration.

a) Information Related to Market Risk

	Amount
(I) Capital Requirement to be Employed For General Market Risk - Standard Method	115
(II) Capital Requirement to be Employed For Specific Risk - Standard Method	20
Necessary Capital Requirement for the Specific Risk Related to Securitization Positions- Standard Method	-
(III) Capital Requirement to be Employed For Currency Risk - Standard Method	31
(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	-
(VII) Capital Requirement for the Counter Party Credit Risk – Standard Method	11
(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)	177
(X) Amount Subject to Market Risk (12.5 x VIII) or (12.5 x VII)	2,213

b) Average market risk table calculated at month ends during the period:

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

IV. Explanations Related to the Operational Risk

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

V. Explanations related to Currency Risk

The Bank keeps its foreign currency net position at a minimum level since the introduction of floating exchange rate system in February 2001 due to increased uncertainties in the direction of net foreign currency position.

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V. Explanations Related to Currency Risk (continued)

The Bank positions itself against foreign currency risk in accordance with the currency basket of T.R.C.B. The foreign currency asset liability management sets prices concerning liquidity and credit risks and the risk-return targets of the Bank, in order to establish sustainable profitability. Measurable and manageable risks are taken considering the ratios to be complied.

As of September 30, 2012, the Bank's net foreign currency long position is TL 364 (December 31, 2011: TL 1,271 net long) resulting from long position on the balance sheet amounting to TL 216 (December 31, 2011: TL 50,768 short) and long position on the off-balance sheet amounting to TL 148 (December 31, 2011: TL 52,039 long).

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

	24.09.2012	25.09.2012	26.09.2012	27.09.2012	28.09.2012
USD	1.7915	1.7859	1.7852	1.7820	1.7847
JPY	0.0229	0.0229	0.0229	0.0228	0.0229
EURO	2.3145	2.3074	2.2964	2.2929	2.3085

The simple arithmetic averages of the major foreign exchange buying rates of the Bank for the thirty days before September 30, 2012 are as follows:

	Monthly Average Foreign Exchange Rate
USD	1.7940
JPY	0.0229
EURO	2.3059

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V. Explanations Related to Currency Risk (continued)

Information on the foreign currency risk of the Bank (TL)

	EUR	USD	YEN	OTHER	TOTAL
Current Period					
Assets					
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey.	11,293	28,017	-	10,652	49,962
Banks	96,058	87,644	4	3,285	186,991
Financial Assets at Fair Value Through Profit and Loss (*)	-	-	-	-	-
Money Market Placements	-	-	-	-	-
Available-For-Sale Financial Assets	-	-	-	-	-
Loans (**)	21,198	60,848	-	815	82,861
Subsidiaries, Associates and Entities Under Common Control (Joint Vent.)	-	-	-	-	-
Held-To-Maturity Investments	-	-	-	-	-
Derivative Financial Assets for Hedging Purposes	-	-	-	-	-
Tangible Assets	-	-	-	-	-
Intangible Assets	-	-	-	-	-
Other Assets	123	677	-	1	801
Total Assets	128,672	177,186	4	14,753	320,615
Liabilities					
Bank Deposits	53,216	2,863	2	110	56,191
Foreign Currency Deposits	68,254	107,340	-	14,844	190,438
Money Market Borrowings	-	-	-	-	-
Funds Provided From Other Financial Institutions	6,348	62,733	-	2,460	71,541
Marketable Securities Issued	-	-	-	-	-
Sundry Creditors	500	389	-	280	1,169
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-	-
Other Liabilities (*)	133	903	-	24	1,060
Total Liabilities	128,451	174,228	2	17,718	320,399
Net Balance Sheet Position	221	2,958	2	(2,965)	216
Net Off-Balance Sheet Position	(220)	(2,791)	-	3,158	147
Financial Derivative Assets (***)	1,962	15,760	-	13,141	30,862
Financial Derivative Liabilities (***)	2,182	18,551	-	9,981	30,715
Non-Cash Loans (****)	32,745	45,723	-	-	78,468
Prior Period					
Total Assets	155,307	215,372	7	12,500	383,186
Total Liabilities	158,920	261,836	2	13,196	433,954
Net Balance Sheet Position	(3,613)	(46,464)	5	(696)	(50,768)
Net Off-Balance Sheet Position	3,718	47,381	-	940	52,039
Financial Derivative Assets (***)	4,579	49,833	-	940	55,352
Financial Derivative Liabilities (***)	861	2,452	-	-	3,313
Non-Cash Loans (****)	40,306	42,193	-	234	82,733

(*) The foreign currency amounts excluded in the foreign currency risk table in accordance with the Regulation on the Calculation and Implementation of Foreign Currency General Net Position/Equity Standard Ratio are disclosed below in the order of the financial statements.

- Derivative Financial Assets held for trading: TL 273 (December 31, 2011: TL 573)
- Derivative Financial Liabilities held for trading : TL 173 (December 31, 2011: TL 23)

(**) As of September 30, 2012 foreign currency indexed loans amounting to TL 9,130 are included in the loan portfolio (December 31, 2011 : TL 2,893).

(***) Forward asset and marketable securities purchase-sale commitments of TL 4,526 are added to derivative financial assets and TL 4,495 has been added to derivative financial liabilities.

(****) There are no effects on the net off-balance sheet position.

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VI. Explanations Related to Interest Rate Risk

a. Whether or not the sensitivity of assets, liabilities and memorandum account items to interest is measured

The Bank analyzes interest rate sensitivity per transaction volume and product variety within the scope of the balance sheet maturity mismatch risk and re-pricing risk resulting from the fluctuation of the net interest margin in time.

b. Expected impacts of fluctuations in market interest rates on financial positions and cash flows of Bank, expectations for interest income, whether or not executive board of Bank brings limitations to daily interest rates

The Bank is trying to keep a high liquidity ratio and obtain regular cash flows from the maturity distribution of the placements made through interest rate forecasts. The Board of Directors of the Bank is informed with daily reports about the market interest rates and the transactions performed.

c. Measures taken due to interest rate risk experienced in the current year by parent bank and expected impacts thereof on net income and equities in the following period

The Bank avoids decreasing effect of the fluctuations in the interest rates on the net interest revenue by investing in variable rate securities.

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VI. Explanations Related to Interest Rate Risk (continued)

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

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing(*)	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	-	-	-	-	-	56,740	56,740
Banks	284,148	11,545	-	-	-	4,906	300,599
Financial Assets at Fair Value Through Profit and Loss	-	-	-	-	-	273	273
Money Market Placements	32,275	-	-	-	-	-	32,275
Available-For-Sale Financial Assets	49,551	2,756	22,783	-	-	-	75,090
Loans(*)	99,383	63,410	97,718	39,879	17,966	52	318,408
Held-To-Maturity Investments	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	53,990	53,990
Total Assets	465,357	77,711	120,501	39,879	17,966	115,961	837,375
Liabilities							
Bank Deposits	124,377	-	-	-	-	2,514	126,891
Other Deposits	294,362	64,832	7,109	-	-	29,917	396,220
Money Market Borrowings	44,405	-	-	-	-	-	44,405
Sundry Creditors	-	-	-	-	-	2,954	2,954
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	91,200	11	157	-	-	-	91,368
Other Liabilities	20	39	155	59	-	175,264	175,537
Total Liabilities	554,364	64,882	7,421	59	-	210,649	837,375
Balance Sheet Long Position	-	12,829	113,080	39,820	17,966	-	192,622
Balance Sheet Short Position	(89,007)	-	-	-	-	(94,688)	(192,622)
Off-Balance Sheet Long Position	-	-	-	-	-	-	-
Off-Balance Sheet Short Position	-	-	-	-	-	-	-
Total Position	(89,007)	12,829	113,080	39,820	17,966	(94,688)	-

(*) Other assets and shareholder's equity amounts are presented in non - interest bearing column in order to equal asset and liability totals to the balance sheet.

The other assets line in the non-interest bearing column consists of tangible assets amounting to TL 9,245; intangible assets amounting to TL 906, investments in subsidiaries amounting to TL 30,768 and the other liabilities line includes the shareholders' equity of TL 163,461.

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VI. Explanations Related to Interest Rate Risk (continued)

Average interest rates applied to monetary financial instruments %

	EURO	USD	Yen	TL
Current Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) And Balances With the Central Bank Of Turkey	-	-	-	-
Banks	2.67	2.79	-	8.74
Financial Assets At Fair Value Through Profit And Loss	-	-	-	-
Money Market Placements	-	-	-	9.62
Available-For-Sale Financial Assets	-	-	-	11.01
Loans	7.92	6.88	-	13.81
Held-To-Maturity Investments	-	-	-	-
Liabilities				
Bank Deposits	0.46	0.10	-	9.94
Other Deposits	3.61	3.42	-	9.99
Money Market Borrowings	-	-	-	6.01
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Provided From Other Financial Institutions	0.37	0.26	-	7.30

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VI. Explanations Related to Interest Rate Risk (continued)

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

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing(*)	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	-	-	-	-	-	62,214	62,214
Banks	398,584	-	-	-	-	5,568	404,152
Financial Assets at Fair Value Through Profit and Loss	-	-	-	-	-	573	573
Money Market Placements	31,179	-	-	-	-	-	31,179
Available-For-Sale Financial Assets	28,271	6,535	37,555	3,761	3,420	-	79,542
Loans(*)	97,529	79,574	57,292	1,881	19,863	433	256,572
Held-To-Maturity Investments	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	61,533	61,533
Total Assets	555,563	86,109	94,847	5,642	23,283	130,321	895,765
Liabilities							
Bank Deposits	95,842	6,995	-	-	-	20,222	123,059
Other Deposits	339,689	56,295	4,795	-	-	25,058	425,837
Money Market Borrowings	29,350	-	-	-	-	-	29,350
Sundry Creditors	-	-	-	-	-	2,028	2,028
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	145,204	297	315	-	-	-	145,816
Other Liabilities	15	39	182	112	-	169,327	169,675
Total Liabilities	610,100	63,626	5,292	112	-	216,635	895,765
Balance Sheet Long Position	-	22,483	89,555	5,530	23,283	-	140,851
Balance Sheet Short Position	(54,537)	-	-	-	-	(86,314)	(140,851)
Off-Balance Sheet Long Position	-	-	-	-	-	-	-
Off-Balance Sheet Short Position	-	-	-	-	-	-	-
Total Position	(54,537)	22,483	89,555	5,530	23,283	(86,314)	-

(*) Other assets and shareholder's equity amounts are presented in non - interest bearing column in order to equal asset and liability totals to the balance sheet.

The other assets line in the non-interest bearing column consists of tangible assets amounting to TL 9,922; intangible assets amounting to TL 903, investments in subsidiaries amounting to TL 30,768 and the other liabilities line includes the shareholders' equity of TL 153,191.

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VI. Explanations Related to Interest Rate Risk (continued)

Average interest rates applied to monetary financial instruments %

	EURO	USD	Yen	TL
Prior Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) And Balances With the Central Bank Of Turkey	-	-	-	-
Banks	0.80	3.21	-	9.61
Financial Assets At Fair Value Through Profit And Loss	-	-	-	-
Money Market Placements	-	-	-	10.29
Available-For-Sale Financial Assets	-	8.22	-	7.73
Loans	7.48	6.74	-	16.19
Held-To-Maturity Investments	-	-	-	-
Liabilities				
Bank Deposits	0.96	1.36	-	8.91
Other Deposits	2.10	2.59	-	9.56
Money Market Borrowings	-	-	-	6.21
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Provided From Other Financial Institutions	0.50	0.69	-	7.42

Nature of interest rate risk resulted from banking book, major assumptions including also assumption on early repayment of loans and movements in deposits other than term deposits and frequency of measuring interest rate risk

The interest rate risk resulted from banking book is measured as per international standards and managed through limitations.

The interest sensitivity of assets, liabilities and off balance-sheet items are evaluated at the weekly Asset-Liability Committee meetings considering also the market developments.

Duration gaps, gaps by maturity brackets and sensitivity analysis are used in monitoring of repricing risk resulted from maturity mismatch. The duration gap and sensitivity analysis are carried out weekly.

The interest rate risk resulted from banking book is measured legally as per the "Regulation on Measurement and Evaluation of Interest Rate Risk Resulted from Banking Book as per Standard Shock Method" published in the Official Gazette no.28034 dated 23 August 2011, and the legal limit as per this measurement is monitored and reported monthly. The capital level is maintained considering the interest rate risk resulted from the banking book.

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VI. Explanations Related to Interest Rate Risk (continued)

Economic value differences resulted from interest rate instabilities calculated according to Regulation on Measurement and Evaluation of Interest Rate Risk Resulted from Banking Book as per Standard Shock Method

	Type of Currency	Shocks Applied (+/- basis point)	Gains/ Losses	Gains/Equity Losses/Equity
1	TRY	(+)500	(1,650)	(1.0%)
2	TRY	(-)400	1,455	0.88%
3	USD	(+)200	(2,025)	(1.23%)
4	USD	(-)200	2,255	1.37%
5	EUR	(+)200	(180)	(0.11%)
6	EUR	(-)200	221	0.13%
	Total (of negative shocks)		(3,855)	(2.34%)
	Total (of positive shocks)		3,930	2.39%

Share position risk arising from banking accounts

The bank has no share position risk arising from Bank's existing accounts (31 December 2011: None).

VII. Explanations Related to Liquidity Risk

- a. The sources of the current liquidity risk of the Bank; whether the necessary precautions have been taken, whether the Board of Directors sets limits on the funds available to meet the urgent liquidity requirements and to be able to pay borrowings when they become due**

The source of the Bank's current liquidity risk is analyzed within the context of future cash flows, borrowing capacity from the market and asset quality.

The Bank pays attention to hold enough cash and cash equivalent on hand in order to pay current and probable liabilities, ability to close open positions and ability to fund the borrowings besides the consistency with the legislation.

The Bank's liquidity position is measured daily and reported weekly. Analysis is made daily and on transaction basis if needed (when there are material fluctuations in the market).

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

The Bank's assets and liabilities carry positive interest return.

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

As a basic principle, the Bank avoids the maturity mismatch between assets and liabilities. Liquid assets are maintained in order to guarantee sufficient liquidity during market fluctuations.

- d. Evaluation of the Bank's cash flows and their resources**

The Bank has liquid sources (cash assets and cash inflows) that will qualitatively and quantitatively meet probable cash outflows fully and timely.

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VII. Explanations Related to Liquidity Risk (continued)

d. Evaluation of the Bank's cash flows and their resources (continued)

As per the BRSA Communiqué published on the Official Gazette no.26333 dated 1 November 2006 and became effective starting from 1 June 2007, "Measurement and Assessment of the Adequacy of Banks' Liquidity", the weekly and monthly liquidity ratios on a bank-only basis for foreign currency assets/liabilities and total assets/liabilities should be minimum 80% and 100%, respectively. The ratios realized during the year 2012 and 2011 are as follows:

	First Maturity Bracket (Weekly)		First Maturity Bracket (Weekly)	
	Current Period		Prior Period	
	FC	FC + TL	FC	FC + TL
Average (%)	143.17	188.86	145.05	177.24

	Second Maturity Bracket (Monthly)		Second Maturity Bracket (Monthly)	
	Current Period		Prior Period	
	FC	FC + TL	FC	FC + TL
Average (%)	130.77	153.68	129.78	144.99

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VII. Explanations Related to Liquidity Risk (continued)

Presentation of assets and liabilities according to their remaining maturities:

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Undistributed (*)	Total
Current Period								
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	40,185	16,555	-	-	-	-	-	56,740
Banks	4,906	284,148	11,545	-	-	-	-	300,599
Financial Assets at Fair Value Through Profit and Loss	-	273	-	-	-	-	-	273
Money Market Placements	-	32,275	-	-	-	-	-	32,275
Available-For-Sale Financial Assets	-	4,988	-	15,874	33,039	21,189	-	75,090
Loans	-	98,695	64,841	75,793	61,061	17,966	52	318,408
Held-To-Maturity Investments	-	-	-	-	-	-	-	-
Other Assets	3,266	4,665	81	367	-	-	45,611	53,990
Total Assets	48,357	441,599	76,467	92,034	94,100	39,155	45,663	837,375
Liabilities								
Bank Deposits	2,514	124,377	-	-	-	-	-	126,891
Other Deposits	29,917	294,362	64,832	7,109	-	-	-	396,220
Funds Provided From Other Financial Institutions	-	91,200	11	157	-	-	-	91,368
Money Market Borrowings	-	44,405	-	-	-	-	-	44,405
Marketable Securities Issued	-	-	-	-	-	-	-	-
Sundry Creditors	2,472	478	-	4	-	-	-	2,954
Other Liabilities	4,163	6,610	240	214	104	-	164,206	175,537
Total Liabilities	39,066	561,432	65,083	7,484	104	-	164,206	837,375
Liquidity (Gap) / Surplus	9,291	(119,833)	11,384	84,550	93,996	39,155	(118,543)	-
Prior Period								
Total Assets	45,829	522,865	46,435	112,528	52,977	66,633	48,498	895,765
Total Liabilities	50,533	622,362	63,726	5,328	155	-	153,661	895,765
Liquidity Gap	(4,704)	(99,497)	(17,291)	107,200	52,822	66,633	(105,163)	-

(*) The assets which are necessary to provide banking services and could not be liquidated in a short term, such as tangible assets, investments in subsidiaries and associates, office supply inventory, prepaid expenses and non-performing loans, are classified as under undistributed.

VIII. Securitisation Positions

None (31 December 2011: None).

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IX. Credit Risk Mitigation Techniques

Offsetting is not performed neither in balance sheet nor off - balance sheet within the Bank. Guarantees and derivatives have been used for credit risk decrement technique and only financial guarantees composed of pledges in cash have been employed.

Applications concerning valuation and management of collaterals have been identified as follows: The appraisal of guarantees acquired as collateral has been performed by firms authorized by BRSA and licensed by CMB. The expertise reports of properties collateralized for commercial credits have been renewed each year as long as the risk exists. In principal it is preferred that each year a different firm prepares the expertise report. Expertise proceedings have been managed by Credit Department. Collateralized vehicles have been supervised through sum insured. The default controls have been performed regularly for notes and cheques received as collaterals and customers are asked to change the notes and cheques.

Bank's guarantees are mainly composed of cheques, notes, mortgages, warranties, vehicle pledges and deposit pledges. Bank's credit risk concentration is mainly composed of corporate receivables. Other items forming the credit risk are receivables guaranteed by mortgage, SME receivables and retail receivables.

Exposure Categories	Amount	Financial Collaterals	Other/Physical Collaterals	Guaranties and Credit Derivatives
Conditional and unconditional receivables from central governments or central banks	81,529	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organisations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	202,132	1,000	-	-
Conditional and unconditional receivables from Corporates	96,706	2,421	-	-
Conditional and unconditional retail receivables	33,660	2,028	-	-
Conditional and unconditional receivables secured by mortgages	90,498	865	-	-
Past due receivables	4,707	1,729	-	-
Receivables defined in high risk category by BRSA	-	-	-	-
Securities collateralised by mortgages	-	-	-	-
Securitisation positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	300,197	-	-	-
Investments similar to collective investment funds	-	-	-	-
Other receivables	878,965	-	-	-
Total	1,688,394	8,043	-	-

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X. Risk Management Goals and Policies:

Credit Risk:

The Bank's credit authorization limits are determined by the credit committee, general management and branches. Credit marketing and credit allocation transactions are fully separated from each other. The main point here is not to include the units whose performance depend on credit expansion, in the credit allocation process. Follow-up process of loans allocated is performed by independent credit risk monitoring units. Risk Management Department of Audit Committee is responsible for the risk identification process. The Bank uses credit rating modules in credit rating. Risk mitigating factors to be provided based on the credit rating are determined in accordance with related policies. The Bank also performs periodical analysis on the effect of potential crisis and the adequacy of the Bank's equity for compensating such losses by using various scenario analysis and stress tests, considering the Bank's credit portfolio. Concentration limits are determined based on the credit type, maturity, currency, branch and industry in terms of credit risk management. Overdue loans and related customer groups and their industries are monitored periodically.

Currency Risk:

Risk Management Department is responsible for the identification of currency risk of the Bank. Risks related to volatility of exchange rates are measured on a daily basis by using the standard method or in-house methods. Any losses that the Bank may incur arising from the Bank's trading portfolio or its foreign currency position are restricted by applying VAR based limits. Moreover, for currency transactions stop loss limits are identified. The Bank's short term and long term nominal position is also limited.

Interest Rate Risk:

Risk Management Department is responsible for the identification of interest rate risk of the Bank. Risks related to volatility of interest rates are measured based on the Bank's trading accounts and bank accounts. For interest rate risks related to trading accounts, the Banks uses the standard method or in-house methods and for interest rate risks related to bank accounts, the Bank uses the standard shock method and duration analysis. Economic value losses that might arise from interest rate risks related to bank accounts are limited to a certain proportion of equity, whereas interest rate risks related to trading accounts are limited to VAR based limits.

Liquidity Risk:

Risk Management Department is responsible for the identification of liquidity risk of the Bank. In liquidity risk identification, liquidity ratios calculated by the BRSA and duration difference between assets and liabilities are monitored periodically and liquidity deficit arising from maturity inconsistencies for each maturity period is limited considering the Bank's liquid assets. The effect of liquidity crisis and the adequacy of the Bank's asset adequacy are determined by using various scenario analysis and stress tests. In addition, the Bank's liquidity is monitored in terms of foreign currency on a daily basis.

XI. Fair Values of Financial Assets and Liabilities

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

XII. Transactions Carried out on Behalf of Customers, Items Held in Trust

There is no transaction carried out on behalf of customers, items held in trust (31 December 2011: None).

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SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and Disclosures Related to the Assets

1. Cash and Balances with the Central Bank of Turkey

1.a Information on Cash and Balances with the Central Bank of Turkey:

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	1,967	5,498	1,936	4,934
Balances with the Central Bank of Turkey	4,811	44,464	24,402	30,942
Other	-	-	-	-
Total	6,778	49,962	26,338	35,876

1.b Information related to the account of the Central Bank of Turkey:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposit	4,811	27,909	24,402	6,250
Unrestricted time deposit	-	-	-	-
Restricted time deposit	-	16,555	-	24,692
Total	4,811	44,464	24,402	30,942

The reserve deposits kept as per the Communiqué no. 2005/1 "Reserve Deposits" of the Central Bank of Turkey in Turkish Lira and foreign currencies are included in the table above.

2. Information on financial assets at fair value through profit and loss (net):

2.a. Information on financial assets at fair value through profit and loss given as collateral or blocked: None (December 31, 2011: None).

2.b. Financial assets at fair value through profit and loss subject to repurchase agreements: None (December 31, 2011: None).

2.c. Positive differences related to derivative financial assets held-for-trading:

Derivative financial assets held-for-trading	Current Period		Prior Period	
	TL	FC	TL	YP
Forward Transactions	-	256	-	367
Swap Transactions	-	17	-	206
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	-	273	-	573

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I. Explanations and Disclosures Related to the Assets (continued)

3.a Information on banks:

	Current Period		Prior Period	
	TL	FC	TL	YP
Banks				
Domestic	113,608	182,090	175,160	223,450
Foreign	-	4,901	1	5,541
Branches and head office abroad	-	-	-	-
Total	113,608	186,991	175,161	228,991

3.b Information on foreign bank accounts:

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
European Union Countries	3,466	3,697	-	-
USA and Canada	616	972	-	-
OECD Countries (*)	781	781	-	-
Off-shore banking regions	-	-	-	-
Other	38	92	-	-
Total	4,901	5,542	-	-

(*) OECD countries other than European Union countries, USA and Canada.

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

4.a Information on financial assets available-for-sale given as collateral or blocked:

	Current Period		Prior Period	
	FC	TL	FC	TL
Share certificates	-	-	-	-
Bond, Treasury bill and similar investment securities	14,957	-	15,448	-
Other	-	-	-	-
Total	14,957	-	15,448	-

Financial assets available-for-sale given as collateral consist of legal collaterals kept in Turkish Republic Central Bank and İstanbul Stock Exchange.

4.b Financial assets available-for-sale subject to repurchase agreements:

	Current Period		Prior Period	
	FC	TL	FC	TL
Government bonds	44,347	-	29,690	-
Treasury bills	-	-	-	-
Other public sector debt securities	-	-	-	-
Bank Bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	44,347	-	29,690	-

Net book value of unrestricted financial assets available-for-sale is TL 15,786 (December 31, 2011: TL 34,404).

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4. Information on financial assets available-for-sale (continued)

4.c Information on financial assets available for sale portfolio:

	Current Period	Prior Period
Debt securities	76,513	82,387
Quoted at stock exchange	72,020	82,387
Unquoted at stock exchange	4,493	-
Share certificates	-	-
Quoted at stock exchange	-	-
Unquoted at stock exchange	-	-
Impairment provision (-)	(1,423)	(2,845)
Total	75,090	79,542

5. Information on loans:

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

	Current Period		Prior Period	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct loans granted to shareholders	-	-	-	-
Corporate shareholders	-	-	-	-
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	-	-	-	-
Loans granted to employees	283	-	298	-
Total	283	-	298	-

5.b.1. Information on the first and second group loans and other receivables including restructured or rescheduled loans:

Cash Loans	Standard Loans and Other Receivables			Loans and Other Receivables Under Follow-Up (*)		
	Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms		Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms	
		Extension of Repayment Plan	Other Changes		Extension of Repayment Plan	Other Changes
Loans						
Working Capital Loans	110,693	-	-	1,314	671	-
Export loans	1,115	-	-	-	-	-
Import loans	-	-	-	-	-	-
Loans to Financial Sector	159,624	-	-	-	-	-
Consumer Loans	5,883	-	-	-	-	-
Credit Cards	1,788	-	-	-	-	-
Others	37,093	227	-	-	-	-
Specialized loans	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-
Total	316,196	227	-	1,314	671	-

(*)The total principal amount of the loans under close monitoring in accordance with the requirements of the regulation on "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" amended on February 6, 2008.

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5. Information on loans (continued)

5.b.2 Loans and other receivables with extended maturities:

	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up
No. of Extensions		
1 or 2 times	227	671
3,4 or 5 times	-	-
Over 5 times	-	-

Extension Periods	Performing Loans and Other Receivables	Loans and Other Receivables under Follow-up
0-6 months	6	-
6 -12 months	1	-
1-2 years	127	-
2-5 years	93	671
5 years and over	-	-

5.c. Loans and other receivables according to their maturity structure:

	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Short-term loans and other receivables				
Non-specialized loans	215,806	7	1,314	671
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Medium and long-term loans and other receivables				
Non-specialized loans	100,390	220	-	-
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Total	316,196	227	1,314	671

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5. Information on loans (continued)

5.d. Information on consumer loans, individual credit cards, personnel loans and credit cards given to personnel:

	Short Term	Medium and Long Term	Total
Consumer Loans-TL	386	4,518	4,904
Housing Loans	-	1,493	1,493
Vehicle Loans	-	4	4
General Purpose Loans	386	3,021	3,407
Other	-	-	-
Consumer Loans -Indexed to FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Individual Credit Cards-TL	1,490	-	1,490
With Installments	-	-	-
Without Installments	1,490	-	1,490
Individual Credit Cards-FC	175	-	175
With Installments	-	-	-
Without Installments	175	-	175
Personnel Loans-TL	27	216	243
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	15	216	231
Other	12	-	12
Personnel Loans- Indexed to FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	40	-	40
With Installments	-	-	-
Without Installments	40	-	40
Personnel Credit Cards-FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Overdraft Accounts-TL(Real Persons)	736	-	736
Overdraft Accounts-FC(Real Persons)	-	-	-
Total	2,854	4,734	7,588

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5. Information on loans (continued)

5.e. Information on commercial loans with installments and corporate credit cards

	Short Term	Medium and Long Term	Total
Commercial loans with installment facility-TL	337	8,312	8,649
Business Loans	-	-	-
Vehicle Loans	-	2,010	2,010
General Purpose Loans	323	6,302	6,625
Other	14	-	14
Commercial loans with installment facility - Indexed to FC	-	-	-
Business Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Commercial loans with installment facility -FC	-	-	-
Business Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Corporate Credit Cards-TL	83	-	83
With Installments	-	-	-
Without Installments	83	-	83
Corporate Credit Cards-FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Overdraft Accounts-TL(Legal Entities)	1,921	-	1,921
Overdraft Accounts-FC(Legal Entities)	-	-	-
Total	2,341	8,312	10,653

5.f. Loans according to borrowers:

	Current Period	Prior Period
Public	-	-
Private	318,408	256,572
Total	318,408	256,572

5.g. Domestic and foreign loans:

	Current Period	Prior Period
Domestic loans	310,373	248,032
Foreign loans	8,035	8,540
Total	318,408	256,572

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5. Information on loans: (continued)

5.h. Loans granted to subsidiaries and associates:

	Current Period	Prior Period
Direct loans granted to subsidiaries and associates	-	1,128
Indirect loans granted to subsidiaries and associates	-	-
Total	-	1,128

5.i. Specific provisions provided against loans:

Specific provisions	Current Period	Prior Period
Loans and receivables with limited collectability	50	3
Loans and receivables with doubtful collectability	142	208
Uncollectible loans and receivables	6,802	7,890
Total	6,994	8,101

5.j. Information on non-performing loans (Net):

5.j.1 Information on loans and other receivables included in non-performing loans which are restructured or rescheduled

There is no non-performing loan which is restructured or rescheduled by the Bank as of the balance sheet date (December 31, 2011: TL 11).

5.j.2 The movement of non-performing loans:

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
Prior period end balance	13	1,664	12,888
Additions (+)	1,688	2	1,742
Transfers from other categories of non-performing loans (+)	-	371	1,679
Transfers to other categories of non-performing loans (-)	(371)	(1,679)	-
Collections (-)	(498)	(73)	(3,608)
Write-offs (-)	-	-	(2,117)
Corporate and commercial loans	-	-	(2,117)
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Current period end balance	832	285	10,584
Specific provision (-)	(50)	(142)	(6,802)
Net Balances on Balance Sheet	782	143	3,782

(*) The Bank has sold TL 2,117 of its non-performing loans (for which specific provision amounting to 2,117 had been provided for) for a consideration of TL 205. Subsequent to the completion of required procedures as of April 20, 2012 and the collection of the related consideration, the related overdue receivable amount is written off.

The coupon payment of Turan Alem Bank bonds for January 2012, which are classified under Available for Sale Assets as of September 30, 2012, having a nominal value of TL 1,606 (US \$ 906,715) and a balance sheet amount of TL 291 has not been made and the creditors have been informed that there will be a restructuring plan. The Bank management evaluated the developments under the requirements set out in Communiqué "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" and as of April 10, 2012 Turan Alem Bank bonds amounting to TL 1,662 are classified under "non-performing loans and other receivables" and 100% specific provision has been provided.

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I. Explanations and Disclosures Related to the Assets (continued)

5. Information on loans: (continued)

5.j.3 Information on foreign currency non-performing loans and other receivables

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period:			
Balance of the end of the period	-	-	3,575
Specific Provision (-)	-	-	(3,575)
Net Balance at Balance Sheet	-	-	-
Prior Period:			
Balance of the end of the period	-	-	4,063
Specific Provision (-)	-	-	(4,063)
Net Balance at Balance Sheet	-	-	-

5.j.4 Information regarding gross and net amounts of non-performing loans with respect to user groups

	III. Group	IV. Group	V. Group
	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)	832	285	8,962
Specific Provision (-)	(50)	(142)	(5,180)
Loans to Real Persons and Legal Entities (Net)	782	143	3,782
Banks (Gross)	-	-	1,622
Specific Provision (-)	-	-	(1,622)
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	13	1,664	10,771
Specific Provision (-)	(3)	(208)	(5,773)
Loans to Real Persons and Legal Entities (Net)	10	1,456	4,998
Banks (Gross)	-	-	2,117
Specific Provision (-)	-	-	(2,117)
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

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I. Explanations and Disclosures Related to the Assets (continued)

5. Information on loans: (continued)

5.k Main principles of liquidating non-performing loans and receivables:

In order to liquidate non-performing loans all alternatives are considered to provide maximum collection. First, the Bank seeks for a deal with the debtors through administrative attempts. If there is no deal for collection or restructuring then collection is made through legal follow up.

5.l Explanations on write-off policy

When the legitimate proceeding is inconclusive, unrecoverable non-performing loans can be written off with the permission of the law department of the Bank.

5.m. Other explanations and disclosures

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

6. Information on held-to-maturity investments (Net)

a. Information on held-to-maturity investments given as collateral or blocked or subject to repurchase agreements: None (December 31, 2011: None).

b. Information on held to maturity debt securities: None (December 31, 2011: None).

c. Information on held to maturity investments: None (December 31, 2011: None).

d. The movement of held-to-maturity investments in the current year: None (December 31, 2011: None).

7. Information on associates (Net)

The Bank has no associate as of the balance sheet date (December 31, 2011: None).

8. Information on subsidiaries (Net)

8.a. Information on adequacies of major subsidiaries

The Bank does not have any capital needs due to its subsidiaries included in the calculation of its consolidated capital adequacy standard ratio (31 December 2011: None).

8.b. Information on the consolidated subsidiaries

	Description	Address (City/Country)	Bank's share percentage-If different voting percentage (%)	Other shareholders' share percentage (%)
1	Turkish Yatırım A.Ş.	İstanbul / Turkey	99.99	100
2	Turkish Finansal Kiralama A.Ş.	İstanbul / Turkey	99.99	100
3	Turkish Faktoring Hizmetleri A.Ş.	İstanbul / Turkey	99.99	100

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8. Information on subsidiaries (Net) (continued)

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit / Loss	Retained Earnings/ losses	Fair Value
1(*)	46,428	12,362	364	1,730	-	184	1,086	-
2(*)	10,934	10,664	7	812	-	466	(154)	-
3(*)	23,293	8,004	84	5,419	-	87	-	-

(*)Represents the amounts in the financial statements as of September 30, 2012.

8.c. Information on consolidated subsidiaries

	Current Period	Prior Period
Balance at the beginning of the period	30,768	25,768
Movements during the period		
Purchases(*)	-	5,000
Bonus shares obtained	-	-
Share in current year income	-	-
Sales	-	-
Revaluation increase	-	-
Provision for impairment	-	-
Balance at the end of the period	30,768	30,768
Capital commitments	-	-
Share percentage at the end of the period (%)	99.99	99.99

(*)The paid in capital of Turkish Yatırım A.Ş has been increased by TL 2,500 in cash upon the decision of the Board of Directors dated October 7, 2011. The payment is made on December 30, 2011. The paid in capital of Turkish Faktoring Hizmetleri A.Ş has been increased by TL 2,500 in cash upon the decision of the Board of Directors dated December 8, 2011. The payment is made on December 30, 2011.

8.d. Sectoral information on the consolidated subsidiaries and the related carrying amounts

Consolidated Subsidiaries	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies / Turkish Faktoring Hizmetleri A.Ş.	7,500	7,500
Leasing Companies / Turkish Finansal Kiralama A.Ş.	10,000	10,000
Financing Companies	-	-
Other Consolidated Subsidiaries / Turkish Yatırım A.Ş.	13,268	13,268
Total	30,768	30,768

8.e. Consolidated subsidiaries quoted on the stock exchange: None (December 31, 2011: None).

9. Information on entities under common control

As of the balance sheet date there is no entity under common control (December 31, 2011: None).

10. Information on finance lease receivables (Net):

None (December 31, 2011: None).

11. Information on derivative financial assets for hedging purposes:

None (December 31, 2011: None).

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12. Information on tangible assets (Net)

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

13. Information on intangible assets (Net)

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

14. Information on investment property:

None (December 31, 2011: None).

15. Explanations on deferred tax asset

15.a. Deferred Tax Asset Amount As of Deductible Temporary Differences, Financial Loss and Tax Deduction and Exemption

The Bank has shown its deferred tax assets or liabilities that are caused by the "timing differences" between accounting policies and valuation methods applied to its financial statements and tax legislation on the attached financial statements.

	Current Period		Prior Period	
	Temporary Differences	Deferred Tax Asset/(Liability)	Temporary Differences	Deferred Tax Asset/(Liability)
Temporary differences				
Reserve for Employee Benefits	745	149	470	94
Differences for Economic Life of Tangible Assets	1,276	255	936	187
Expense accruals on derivatives	173	35	23	5
Income accruals on derivatives	(273)	(55)	(573)	(115)
Valuation differences of available for sale financial instruments (FC)	-	-	1,819	364
Carried forward tax losses	458	92	1,905	381
Total deferred tax asset / (Liability)		476		916
Valuation differences of available for sale financial instruments (TL)(*)	974	195	1,450	290

(*) TL 195 of deferred tax calculated on the fair value differences related to available for sale assets is netted in "available for sale value increase fund" (31 December 2011: TL 290).

15.b. Taxable temporary differences excluded in the deferred tax computation in prior periods and not recorded in the balance sheet, their expiration date, tax losses, tax exemptions and deductions: None (December 31, 2011: None).

15.c. Allowance for deferred tax assets and deferred tax assets resulting from the reversal of the allowance: None (December 31, 2011: None).

16. Information on assets held for sale and discontinued operations:

None (December 31, 2011: None).

17. Information on other assets

17.a. Breakdown of other assets

	Current Period	Prior Period
Cash Advances Given	711	472
Prepaid Rent Expenses	24	183
Office supply inventory	148	71
Clearance Account	4,078	9,679
Assets for sale	973	74
Other	1,954	1,579
TOTAL	7,888	12,058

17.b. Other assets which exceed 10% of the balance sheet total (excluding off balance sheet commitments) and breakdown of these which constitute at least 20% of grand total: None (December 31, 2011: None).

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II. Explanations and Disclosures Related to the Liabilities

1. Information on maturity structure of deposits

1.a. Maturity structure of deposits

Current Period	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Month-1 Year	1 Year and Over	Accumulated Deposits	Total
Saving deposits	5,352	-	5,786	144,637	5,711	527	769	-	162,782
Foreign currency deposits	17,521	-	15,087	124,232	16,945	13,023	2,738	-	189,546
Residents in Turkey	15,730	-	14,848	116,850	12,282	12,775	513	-	172,998
Residents abroad	1,791	-	239	7,382	4,663	248	2,225	-	16,548
Public sector deposits	657	-	-	-	-	-	-	-	657
Commercial deposits	5,151	-	19,707	12,743	1,245	413	-	-	39,259
Other institutions deposits	362	-	139	2,601	-	-	-	-	3,102
Precious metals deposits	874	-	-	-	-	-	-	-	874
Interbank deposits	2,514	-	50,066	74,311	-	-	-	-	126,891
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	1	-	50,066	63,215	-	-	-	-	113,282
Foreign Banks	2,513	-	-	11,096	-	-	-	-	13,609
Special finance houses	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	32,431	-	90,785	358,524	23,901	13,963	3,507	-	523,111

Prior Period	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Month-1 Year	1 Year and Over	Accumulated Deposits	Total
Saving deposits	6,375	-	7,265	162,000	4,839	259	464	-	181,202
Foreign currency deposits	12,753	-	24,566	120,496	12,844	2,890	14,544	-	188,093
Residents in Turkey	11,839	-	24,313	112,766	11,324	1,976	12,568	-	174,786
Residents abroad	914	-	253	7,730	1,520	914	1,976	-	13,307
Public sector deposits	653	-	-	-	-	-	-	-	653
Commercial deposits	4,993	-	7,498	32,497	11	-	-	-	44,999
Other institutions deposits	284	-	260	6,817	3,529	-	-	-	10,890
Precious metals deposits	-	-	-	-	-	-	-	-	-
Interbank deposits	20,222	-	86,136	16,701	-	-	-	-	123,059
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	19,066	-	86,136	16,701	-	-	-	-	121,903
Foreign Banks	1,156	-	-	-	-	-	-	-	1,156
Special finance houses	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	45,280	-	125,725	338,511	21,223	3,149	15,008	-	548,896

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II. Explanations and Disclosures Related to the Liabilities (continued)

1. Information on maturity structure of deposits (continued)

1.b. Information on saving deposits under the guarantee of saving deposit insurance

1.b.1 Information on saving deposits under the guarantee of saving deposit insurance and exceeding the limit of saving deposit insurance:

Saving Deposits	Under the Guarantee of Insurance		Exceeding the limit of Insurance	
	Current Period (*)	Prior Period	Current Period (*)	Prior Period
Saving deposits	50,482	54,205	112,300	126,997
Foreign currency saving deposits	21,368	21,628	125,708	106,150
Other deposits in the form of saving deposits	-	-	-	-
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore banking regions' deposits under foreign authorities' insurance	-	-	-	-
Total	71,850	75,833	238,008	233,147

(*) According to the BRSA's circular no 1584 dated on February 23, 2005, accruals are included in the saving deposit amounts.

1.b.2 Information on the saving deposits of the bank with head office abroad, if the saving deposits in the branches of the bank located in Turkey are under the guarantee of saving deposit insurance in that country abroad: None (December 31, 2011: None).

1.b.3 Saving deposits not guaranteed by insurance

1.b.4 Deposits of real persons not under the guarantee of saving deposit insurance

	Current Period	Prior Period
Deposits and accounts in branches abroad	-	-
Deposits of ultimate shareholders and their close families	2,561	3,297
Deposits of chairman and members of the Board of Directors and their close families	1,350	1,882
Deposits obtained through illegal acts defined in the 282 nd Article of the 5237 numbered Turkish Criminal Code dated September 26, 2004.	-	-
Saving deposits in banks established in Turkey exclusively for off shore banking activities	-	-

2. Information on derivative financial liabilities

a. Negative differences table related to derivative financial liabilities held-for-trading

Derivative Financial Liabilities	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	-	149	-	23
Swap Transactions	-	20	-	-
Futures Transactions	-	-	-	-
Options	-	4	-	-
Other	-	-	-	-
Total	-	173	-	23

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II. Explanations and Disclosures Related to the Liabilities (continued)

3. Information on received loans

3. a. Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
Loans from Central Bank of Turkey	-	-	-	-
From Domestic Banks and Institutions	481	-	612	-
From Foreign Banks, Institutions and Funds	19,346	71,541	5,052	140,152
Total	19,827	71,541	5,664	140,152

As of September 30, 2012 the Bank has borrowings from its related parties amounting to TL 86,722 (December 31, 2011: TL 145,204).

3. b. Maturity analysis of borrowings:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short Term	19,827	71,541	5,664	140,152
Medium and Long Term	-	-	-	-
Total	19,827	71,541	5,664	140,152

3. c. Additional explanation related to the concentrations of the Bank's major liabilities

Bank diversifies its funding resources by the customer deposits and by the short term maturity loans.

4. Information on funds provided from repurchase agreement transactions

	Current Period		Prior Period	
	TL	FC	TL	FC
From domestic transactions				
Financial institutions and organizations	44,405	-	29,350	-
Other institutions and organizations	-	-	-	-
Real persons	-	-	-	-
From foreign transactions	-	-	-	-
Financial institutions and organizations	-	-	-	-
Other institutions and organizations	-	-	-	-
Real persons	-	-	-	-
Total	44,405	-	29,350	-

5. Other liabilities which exceed 10% of the balance sheet total (excluding off-balance sheet commitments) and the breakdown of these which constitute at least 20% of grand total:

None (December 31, 2011: None).

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II. Explanations and Disclosures Related to the Liabilities (continued)

6. Explanations on financial lease obligations (Net)

6.a. The general explanations on criteria used in determining installments of financial lease agreements, renewal and purchasing options and restrictions in the agreements that create significant obligations to the bank

In the financial lease agreements, there are not any criteria used in determining installments of financial lease agreements, renewal and purchasing options and restrictions in the agreements that create significant obligations to the Bank.

6.b. The explanation on modifications in agreements and new obligations resulting from such modifications: None (December 31, 2011: None).

6.c. Explanation on finance lease payables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	-	-	-	-
Between 1-4 Years	-	-	-	-
More than 4 Years	291	272	381	349
Total	291	272	381	349

6.d. Explanations regarding operational leases

As of balance sheet date, the Bank has 53 lease agreements with maturities between 2012-2016 and the annual rent amounts of the lease agreements are USD 120,780 and TL 3,473.

6.e. Explanations on the lessor and lessee in sale and lease back transactions, agreement conditions, and major agreement terms: None (December 31, 2011: None).

7. Information on derivative financial liabilities for hedging purposes:

None (December 31, 2011: None).

8. Information on provisions

8.a. Information on general provisions

	Current Period	Prior Period
General Provision for		
Loans and Receivables in Group I	2,548	1,827
- Additional Provision for Loans and Receivables with Extended Maturities	9	1
Loans and Receivables in Group II	40	20
- Additional Provision for Loans and Receivables with Extended Maturities	13	3
Non-Cash Loans	176	258
Other	-	-
Total	2,764	2,109

8.b. Foreign exchange losses on the foreign currency indexed loans and finance lease receivables

The foreign exchange losses on the foreign currency indexed loans are amounting to TL 311 as of the balance sheet date (December 31, 2011: None).

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II. Explanations and Disclosures Related to the Liabilities (continued)

8. Information on provisions (continued)

8.c. The specific provisions provided for unindemnified non cash loans

The specific provisions provided for unindemnified non cash loans amount to TL 831 on the balance sheet (December 31, 2011: TL 822).

8.d. Liability for employee termination benefits and unused vacation accrual

Under Turkish Labor Law, the Company is required to pay employment termination benefits to each employee who has qualified. Also, employees are required to be paid their retirement pay provisions who retired by gaining right to receive retirement pay provisions according to current 506 numbered Social Insurance Law's 6 March 1981 dated, 2422 numbered, 25 August 1999 dated and 4447 numbered with 60th article that has been changed. Some transition provisions related to the pre-retirement service term was excluded from the law since the related law was changed as of 23 May 2002.

The amount payable consists of one month's salary limited to a maximum of full TL 3,033.98 (December 31, 2011: full TL 2,731.85) for each period of service at September 30, 2012.

The liability of employee termination benefits is not funded, as there is no funding requirement. The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of employees. TMS 19 (Employee Benefits) requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at September 30, 2012, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 5.10%, discount rate of 9.55% and real discount rate of approximately 4.23% (December 31, 2011: annual inflation rate of 5.10%, discount rate of 10% and real discount rate of approximately 4.66%). Anticipated turnover rate is also included in the calculation.

8.e. Movement of employee termination benefits

	Current Period (1 January – 30 September 2012)	Prior Period (1 January – 30 September 2011)
As of January 1	390	342
Benefits paid	(144)	(165)
Service Cost	261	366
Interest Cost	14	12
Total	521	555

The bank accrues provisions for unused vacations as well as employee severance provisions. As of September 30, 2012, the bank accrued TL 224 for unused vacations (December 31, 2011: TL 80).

8.f. Information on other provisions

8.f.1 Provisions for possible losses: None (December 31, 2011: None).

8.f.2 The breakdown of the subsidiary accounts if other provisions exceed 10% of the grand total of provisions

Other provisions amounting to TL 948 (December 31, 2011: TL 938) consist of provisions for unindemnified non-cash loans amounting to TL 831 (December 31, 2011: TL 822) and other provisions amounting to TL 117 (December 31, 2011: TL 116).

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II. Explanations and Disclosures Related to the Liabilities (continued)

8. Information on provisions (continued)

8.g. Liabilities on pension rights: None (December 31, 2011: None).

8.g.1 Liabilities for pension funds established in accordance with "Social Security Institution": None (December 31, 2011: None).

8.g.2 Liabilities resulting from all kinds of pension funds, foundations etc. which provide post-retirement benefits for the employees: None (December 31, 2011: None).

9. Explanations on taxes payable

9.a Information on current tax liability

	Current Period	Prior Period
Corporate Taxes Payable	-	-
Taxation on Securities	300	348
Property Tax	-	-
Banking Insurance Transaction Tax (BITT)	339	343
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	18	101
Other	361	402
Total	1,018	1,194

9.b. Information on Premiums

	Current Period	Prior Period
Social Security Premiums-Employee	125	110
Social Security Premiums-Employer	149	131
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	8	7
Unemployment Insurance-Employer	16	14
Other	-	-
TOTAL	298	262

10. Information on liabilities regarding assets held for sale and discontinued operations: None (December 31, 2011: None).

11. Explanations on the number of subordinated loans the Bank used, maturity, interest rate, institution that the loan was borrowed from, and conversion option, if any: None (December 31, 2011: None).

12. Information on Shareholders' Equity:

12.a. Presentation of Paid-in Capital

	Current Period	Prior Period
Common Stock	157,500	80,000
Preferred Stock	-	-

12.b. Paid-in capital amount, explanation as to whether the registered share capital system is applicable at bank if so amount of registered share capital ceiling:

The Bank does not apply registered share capital system.

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II. Explanations and Disclosures Related to the Liabilities (continued)

12. Information on Shareholders' Equity: (continued)

- 12.c. Information on share capital increases and their sources; other information on increased capital shares in current period: None (December 31, 2011: None).

As per the Bank's Extraordinary General Assembly meeting held on May 25, 2012, the Assembly has decided by a majority of votes to increase the Bank's paid in capital from TL 80,000 to TL 175,000 through TL 70,000 of internal reserves consisting of TL 37,448 of share issue premiums, TL 19,032 of inflation differences and TL 25,000 TL of cash which will be paid in three installments (TL 7,500 in June 2012, TL 7,500 in April 2013 and TL 10,000 in April 2014) with reserving the right to early call for payment.

The procedures related to the Bank's TL 70,000 capital increase through internal resources, were completed and accounted in the financial statements relying on the approval letter of the Banking Regulation and Supervision Agency dated on 28 May 2012 and the Bank also accounted the first installment of cash injection amounting to TL 7,500 in the accompanying financial statements following the approval letter of Banking Regulation and Supervision Agency dated on 10 August 2012.

Since the Bank's one of the major shareholder National Bank of Kuwait did not contribute to the capital increase, as of 30 September 2012, the ownership of National Bank of Kuwait diminished to %38.10 (31 December 2011 - %40.00) and will diminish to %34.29 following the remaining capital increase of TL 17,500 by other shareholders. On the other hand, as of 30 September 2012, the other major shareholders', Özyol Holding A.Ş.'s and Mehmet Tanju Özyol's, ownership have increased to %55.49 (31 December 2011 - %53.77) and %5.33 (31 December 2011 - %5.17) and after the completion of the committed capital increase, their ownership will rise to %58.92 and %5.66.

After the capital increase, the Bank's paid in capital consists of 15,750,000,000 shares having a unit nominal value of 0.01 (in full TL) (31 December 2011: TL 0.01; 8,000,000,000 shares).

- 12.d. Information on share capital increases from revaluation funds:

As per the Bank's Extraordinary General Assembly meeting held on 25 May 2012, the Assembly has decided by majority voting that the Bank's paid in capital amounting to TL 80,000 is increased to TL 175,000 and TL 70,000 of the increased amount is covered from internal resources consisting TL 37,448 of share issue premiums, TL 19,032 of inflation differences and TL 13,520 of extraordinary reserves and TL 25,000 is covered in cash. The related capital increase transaction is recognized in the financial statements in accordance with the approval of the Banking Regulation and Supervision Agency dated on 28 May 2012 (31 December 2011: None).

- 12.e. Capital commitments in the last fiscal year and at the end of the following interim period, the general purpose of these commitments and projected resources required to meet these commitments: None (December 31, 2011: None).

As per the Bank's Extraordinary General Assembly meeting held on 25 May 2012, the Assembly has decided by majority voting that the Bank's paid in capital amounting to TL 80,000 is increased to TL 175,000 (TL 70,000 of the increased amount is covered from internal resources consisting TL 37,448 of share issue premiums, TL 19,032 of inflation differences and TL 13,520 of extraordinary reserves and TL 25,000 is covered in cash) and the related cash amount is paid in three installments (TL 7.500 in June 2012, TL 7,500 in April 2013 and TL 10,000 in Nisan 2014) with reserving the right to early call for payment. The Bank has reflected the first installment of cash injection amounting to TL 7,500 in its financial statements following the approval letter of Banking Regulation and Supervision Agency dated on 10 August 2012 (31 December 2011: None).

- 12.f. Indicators of the Bank's income, profitability and liquidity for the previous periods and possible effects of these future assumptions on the Bank's equity due to the uncertainty of these indicators:

Prior period's indicators and uncertainty has no negative effect on equity.

II. Explanations and Disclosures Related to the Liabilities (continued)

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12. Information on Shareholders' Equity: (continued)

12.g. Information on preferred shares:

There is no privilege on capital shares.

12.h. Information on marketable securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
From Associates, Subsidiaries and Entities Under Common Control (Joint Vent.)				
Valuation Difference	(779)	-	(1,136)	(1,480)
Foreign Exchange Difference				
TOTAL	(779)	-	(1,136)	(1,480)

13. Information on legal reserves

	Current Period	Prior Period
First Legal Reserves	2,045	2,010
Second Legal Reserves	490	490
Other Legal Reserves appropriated in accordance with special legislation	-	-
TOTAL	2,535	2,500

14. Information on extraordinary reserves:

	Current Period	Prior period
Reserves appropriated by the General Assembly	3,272	479
Retained earnings	-	-
Accumulated losses	-	-
Foreign currency share capital exchange difference	-	-
TOTAL	3,272	479

15. Information on minority shares:

None (December 31, 2011 : None).

III. Explanations and Disclosures Related to the Off-Balance Sheet Contingencies and Commitments

1. Information on off-balance sheet liabilities:

1.a. Nature and amount of irrevocable loan commitments

Credit card expenditure limit commitments are TL 16,602 (December 31, 2011: TL 16,896), payment commitments for cheques are TL 8,801 (December 31, 2011: TL 7,382).

1.b. Possible losses and commitments related to off-balance sheet items:

The Bank undertakes various commitments within the banking activities, which are letters of guarantee, acceptance and other letters of credits.

III. Explanations and Disclosures Related to the Off-Balance Sheet Contingencies and Commitments (cont'd)

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1. Information on off-balance sheet liabilities: (continued)

1.b.1 Non-cash loans including guarantees, acceptances, financial guarantee and other letters of credits:

	Current Period	Prior Period
Letters of Guarantee	99,024	111,788
Letters of Credit	7,847	-
Other Commitments and contingencies	-	2,097
Bank Acceptances	-	-
TOTAL	106,871	113,885

1.b.2 Guarantees, suretyships, and similar transactions:

As of the date of balance sheet, letters of guarantee balance is TL 99,024 (December 31, 2011: TL 111,788).

	Current Period	Prior Period
Guarantee Letters	65,377	67,354
Temporary Guarantee Letters	49	401
Surety and similar transactions	33,598	44,033
TOTAL	99,024	111,788

1.b.3 Total amount of non-cash loans:

	Current Period	Prior Period
Non-cash loans given against achieving cash loans	21,343	30,555
With maturity of 1 year or less than 1 year	-	-
With maturity of more than 1 year	21,343	30,555
Other non-cash loans	85,528	83,330
TOTAL	106,871	113,885

1.b.4 Information on sectoral risk breakdown of non-cash loans

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

1.b.5 Information on I st and II nd Group non-cash loans

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

2. Information related to derivative financial instruments:

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

3. Explanations on contingent liabilities and assets

None (December 31, 2011: None).

III. Explanations and Disclosures Related to the Off-Balance Sheet Contingencies and Commitments (cont'd)

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4. Custodian and intermediary services:

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

IV. Explanations and Disclosures Related to the Statement of Income

1. Information on interest income

1.a. Information on interest on loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on loans (*)				
Short term loans	25,748	312	16,526	596
Medium and long term loans	1,955	4,967	1,491	4,087
Interest on non-performing loans	1,817	-	772	-
Premiums received from Resource Utilization Support Fund	-	-	-	-
TOTAL	29,520	5,279	18,789	4,683

(*) Includes fees and commissions obtained from cash loans amounting to TL 541 (January 1 – September 30, 2011 TL 617).

1.b. Information on interest received from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of Turkey	-	-	-	-
Domestic banks	1,233	3,386	3,809	3,909
Foreign banks	60	6	253	59
Branches and head office abroad	-	-	-	-
Total	1,293	3,392	4,062	3,968

1.c. Information on interest received from marketable securities

	Current Period		Prior Period	
	TL	FC	TL	FC
Trading securities	-	-	-	-
Financial assets at fair value through profit and loss	-	-	-	-
Available-for-sale securities	6,075	83	2,268	786
Held-to-maturity securities	-	-	-	-
Total	6,075	83	2,268	786

1.d. Information on interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest received from associates and subsidiaries	-	661

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IV. Explanations and Disclosures Related to the Statement of Income (continued)

2. Information on interest Expense

2.a. Information on interest on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	380	38	271	298
The Central Bank of Turkey	-	-	-	-
Domestic banks	29	-	53	-
Foreign banks	351	38	218	298
Branches and head office abroad	-	-	-	-
Other financial institutions	-	-	-	-
Total	380	38	271	298

2.b. Information on interest expense to associates and subsidiaries

	Current Period	Prior Period
Interest expenses to associates and subsidiaries	196	232

2.c. Information on interest expenses to marketable securities issued: None (January 1 - September 30, 2011: None).

2.d. Distribution of interest expenses on deposits based on maturity of deposits

Account Name	Demand Deposits	Time Deposits					Acc. Deposits	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year		
TL								
Bank deposits	-	4,012	-	-	-	-	-	4,012
Saving deposits	-	432	11,020	286	35	49	-	11,822
Public sector deposits	-	-	-	-	-	-	-	-
Commercial deposits	-	160	1,425	174	13	-	-	1,722
Other deposits	-	123	752	-	-	-	-	875
7 days call accounts	-	-	-	-	-	-	-	-
Total	-	4,727	13,197	460	48	49	-	18,481
FC								
Foreign currency deposits	-	133	3,636	365	538	61	-	4,733
Bank deposits	-	107	-	-	-	-	-	107
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	-	240	3,636	365	538	61	-	4,840
Grand Total	-	4,967	16,833	825	586	110	-	23,321

3. Information on dividend income

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

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IV. Explanations and Disclosures Related to the Statement of Income (continued)

4. Information on net trading income (Net)

	Current Period	Prior Period
Income	175,048	147,839
Gains on capital market operations	292	1,094
Gains on derivative financial instruments	12,631	20,014
Foreign exchange gains	162,125	126,731
Losses (-)	171,601	145,293
Losses on capital market operations	82	-
Losses on derivative financial instruments	2,752	29,346
Foreign exchange losses	168,767	115,947

5. Information on operating income

Other operating income amounting to TL 2,640, consists of TL 1,453 of reversal of the provisions provided in previous years and TL 1,187 of other income (1 January – September 30, 2011: Other operating income amounting to TL 1,819, consists of TL 890 subject to of reversal of the provisions provided in previous years and TL 929 arising from other income).

6. The information on the factors affecting the Bank's income including new developments, and the explanation on nature and amount of income earned from such items: None.

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

7. Provision expenses of banks for loans and other receivables

	Current Period	Prior Period
Specific provisions for loans and other receivables	2,172	460
III. Group Loans and Receivables	122	87
IV. Group Loans and Receivables	92	134
V. Group Loans and Receivables	1,958	239
General provision expenses	655	1,652
Provision expenses for possible losses	-	-
Marketable securities impairment losses	150	305
Financial assets at fair value through profit and loss	-	-
Investment securities available for sale	150	305
Impairment provision expense	-	-
Associates	-	-
Subsidiaries	-	-
Entities under common control (Joint Vent.)	-	-
Investments held to maturity	-	-
Other	-	146
Total	2,977	2,563

The coupon payment of Turan Alem Bank bonds for January 2012, which are classified under Available for Sale Assets as of September 30, 2012, having a nominal value of TL 1,606 (US \$ 906,715) and a balance sheet amount of TL 291 has not been made and the creditors have been informed that there will be a restructuring plan. The Bank management evaluated the developments under the requirements set out in Communiqué "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" and as of April 10, 2012 Turan Alem Bank bonds amounting to TL 1,662 are classified under "non-performing loans and other receivables" and 100% specific provision has been provided.

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IV. Explanations and Disclosures Related to the Statement of Income (continued)

8. Information on other operating expenses

	Current Period	Prior Period
Personnel expenses	14,159	11,766
Reserve for employee termination benefits	296	168
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Depreciation expenses of fixed assets	1,105	1,188
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	278	197
Impairment for investments accounted for under equity method	-	-
Depreciation expenses of assets to be disposed	-	-
Impairment expenses of assets held for sale and discontinued operations	-	-
Other operating expenses	6,392	5,589
Rent expenses	2,680	2,143
Maintenance expenses	234	148
Advertisement expenses	41	76
Other expenses	3,437	3,222
Loss on sales of assets	-	-
Other (*)	3,646	2,785
Total	25,876	21,693

(*) Other operating expenses contain TL 323 (January 1-September 30, 2011: TL 315) of premiums paid to the Saving Deposit Insurance Fund, TL 148 (January 1-September 30, 2011: TL 223) of taxes and duties paid on Banking And Insurance Transactions and TL 1,139 (January 1- September 30, 2011: TL 683) of Financial Operational Fees.

9. Information on profit/(loss) from continued and discontinued operations before taxes

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

10. Information on tax provision for continued and discontinued operations

10.a. Information on the current tax charge or benefit and the deferred tax charge or benefit

As of September 30, 2012, the current tax charge: None (January 1-September 30, 2011: TL 343) and deferred tax benefit: TL 12 (January 1-September 30, 2011: Deferred tax charge TL 445) and deferred tax expense: None (January 1- September 30, 2011: None).

10.b. Information on the deferred tax income or expense recorded in the income statement as a result of temporary differences, tax losses and tax exemptions or deductions

The Bank has no deferred tax income (January 1-September 30, 2011: TL 6) in its income statement and the Bank has TL 289 deferred tax expense (January 1-September 30, 2011: None). No tax exemptions or deduction exist (January 1-September 30, 2011: None).

11. Information on net profit/loss from continued and discontinued operations

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

12. The explanations on net income / loss for the period

12.a. The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the complete understanding of the Bank's performance for the period: None (January 1-September 30, 2011: None).

12.b. Effect of changes in accounting estimates on income statement for the current and, if any, for subsequent periods: None (January 1-September 30, 2011: None).

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IV. Explanations and Disclosures Related to the Statement of Income (continued)

12. The explanations on net income / loss for the period (continued)

12.c. Profit or loss attributable to minority shares: None (January 1-September 30, 2011: None).

13. If the other items in the income statement exceed 10% of the income statement total, accounts amounting to at least 20% of these items:

	Current Period	Prior Period
<u>Other fees and commissions received</u>		
Money transfer commissions	114	108
Account operating fees	164	136
Information commissions	103	32
Fees and commissions from correspondents	37	51
Expertise commissions	21	22
Customer referral and fund purchase-sale commissions	184	394
Safe deposit box commissions	75	57
Other	342	90
Total	1,040	890

	Current Period	Prior Period
<u>Other fees and commissions given</u>		
Commissions and fees paid to correspondent banks	127	96
Settlement commissions	20	51
Credit cards commissions and fees	496	362
Other	132	107
Total	775	616

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V. Explanations on the Risk Group of the Bank

1. Volume of related party transactions, income and expense amounts involved and outstanding loan and deposit balances:

1.a. Current Period

Related Parties(*)	Subsidiaries, associates and entities under common control (Joint Vent.)		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at beginning of period	1,128	3,550	84	-	877	45
Balance at end of period (**)	-	3,269	34	-	760	10
Interest and commission income	-	212	-	-	-	1

(*) Defined in paragraph number (2) of 20th Article of the Regulation on Establishment and Operations of Banks.

(**) Period end balance includes foreign bank placement amounting to TL 794.

Prior Period

Related Parties(*)	Subsidiaries, associates and entities under common control (Joint Vent.)		Direct and indirect Shareholders of the Bank		Other entities included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at beginning of period	15,662	3,555	4	105	771	1,067
Balance at end of period (**)	1,128	3,550	84	-	877	45
Interest and commission income received	661	20	-	-	-	-

(*) Defined in paragraph number (2) of 20th Article of the Regulation on Establishment and Operations of Banks.

(**) Period end balance includes foreign bank placement amounting to TL 961.

1.b. Information on related party deposits balances:

Related parties (*) (**)	Subsidiaries, associates and entities under common control (Joint Vent.)		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Current Period	Prior Period	Current period	Prior period	Current period	Prior Period
Deposits						
Balance at beginning of period	13,483	11,242	3,073	3,177	5,365	6,005
Balance at end of period	14,300	13,483	1,207	3,073	6,488	5,365
Interest on deposits	196	136	64	49	433	240

(*) Defined in paragraph number (2) of 20th Article of the Regulation on Establishment and Operations of Banks.

(**) There are borrowings from related parties amounting to TL 86,722 (December 31, 2011: TL 145,204), besides the deposits.

1.c. Information on forward and option agreements and other similar agreements made with related parties

Related Parties(*)	Subsidiaries, associates and entities under common control (Joint Vent.)		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Current Period	Prior Period	Current period	Prior period	Current period	Prior Period
Transactions for Trading:						
Balance at beginning of period	3,982	-	-	-	-	137,065
Balance at end of period	-	3,982	-	-	-	-
Total Profit/(Loss)	121	53	-	-	-	(569)
Transactions for Hedging						
Balance at beginning of period	-	-	-	-	-	-
Balance at end of period	-	-	-	-	-	-

(*) Defined in paragraph number (2) of 20th Article of the Regulation on Establishment and Operations of Banks.

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V. Explanations on the Risk Group of the Bank (continued)

2. Explanations and Disclosures Related to the Bank's Risk Group

2.a. Relations with companies in risk group of/or controlled by the Bank regardless of nature of current Transactions

The bank is having several banking operations with its related parties. These operations are for commercial purpose and performed with market prices.

2.b. Beside the nature; the type, amount and ratio of the transactions to the total transaction volume; the pricing policy, amount and the ratio of the main transactions to the total

The net remuneration amount paid / to be paid to the members of key management for the period January 1- September 30, 2012 is TL 1,047 (31 December 2011: TL 1,301).

	Balance	According to sizes on financial statements %
Banks	794	0.25
Non-cash loans	3,279	3.07
Deposit	21,995	4.20
Funds Borrowed	86,722	94.92

2.c. The aggregated amount of the items with the same nature, except for the situations that require separate disclosure in order to see the effect of the transactions to the financial statements

The effects of transactions on financial statements are explained under Claus 2.b

2.d. Transactions accounted for under equity method

In the current period, the bank has no transactions to be accounted for using the equity method (December 31, 2011: None).

2.e. Explanations on Buying and Selling Real Estate and Other Assets, the Service Trade, Agency Agreements, Lease Agreements, the Transfer of Data Obtained from Research and Development, License Agreements, Financing (Loans and Cash or real Capital), with the Management Agreements and Warranties and Guarantees

The bank has financial lease agreements with its related party Turkish Finansal Kiralama A.Ş. and the financial lease liability from these lease agreements amounts to TL 272 as of September 30, 2012 (December 31, 2011: 349).

Within the limits of Banking Law, the Bank provides cash and non-cash loans to and performs derivative transactions with its related parties. Such transactions and the related amounts are explained under Section 5, Article 7, footnote 2.b.

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SECTION SIX
OTHER EXPLANATIONS

I. Other Explanations on the Operations of the Bank

1. Significant Events and Matters Arising Subsequent to Balance Sheet Date :

Turan Alem Bonds, par valued TL 1,606 (US \$ 906,715) classified in available for sales, whose coupon payment was not made in January 2012 and debt restructure has been performed therefore on April 2012 100% provision was made and transferred to follow-up accounts, whose component of TL 965 was sold for TL 297 on October 5, 2012 and following the competence of necessary procedures the sale price was collected and deducted from non-performing loans.

SECTION SEVEN
INDEPENDENT AUDITORS' LIMITED REVIEW REPORT

I. Disclosure on independent auditors' limited review report

The unconsolidated financial statements of the Bank were reviewed by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu Limited) and the independent auditor's limited review report dated September 30, 2012 is presented preceding the financial statements.

II. Other Footnotes and Explanations Prepared by the Independent Auditors

None.