

BANK OF TOKYO-MITSUBISHI UFJ TURKEY A.Ş

**INDEPENDENT AUDITOR'S REPORT,
UNCONSOLIDATED FINANCIAL
STATEMENTS AND FOOTNOTES
FOR THE PERIOD
14 FEBRUARY – 31 DECEMBER 2013**

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

BANK OF TOKYO-MITSUBISHI UFJ TURKEY A.Ş.
INDEPENDENT AUDITORS' REPORT
FOR THE PERIOD OF 14 FEBRUARY-31 DECEMBER 2013

We have audited the accompanying unconsolidated balance sheet of Bank of Tokyo-Mitsubishi UFJ Turkey A.Ş. ("the Bank") as at 31 December 2013 and the statements of income, changes in shareholders' equity and cash flows for the period 14 February – 31 December 2013, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

The Board of Directors of the Bank is responsible for the preparation and fair presentation of the financial statements in accordance with the regulation on "The Procedures and Principles Regarding Banks' Accounting Practices and Maintaining Documents" published in the Official Gazette dated 1 November 2006 with no. 26333 and Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards ("TFRS") and other regulations, circulars, communiqués and pronouncements in respect of accounting and financial reporting made by the Banking Regulation and Supervision Agency ("BRSA"). This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

Independent Auditors' Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2013 and the results of its operations and its cash flows for the the period 14 February – 31 December 2013 in accordance with the prevailing accounting principles and standards set out as per the Article 37 of the Banking Act no. 5411, and other regulations, communiqués and circulars in respect of accounting and financial reporting and pronouncements made by the Banking Regulation and Supervision Agency.

Additional paragraph for English translation

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

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK AŞ
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**



Hasan Kılıç
Partner

İstanbul, 4 April 2014


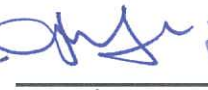
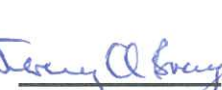


**UNCONSOLIDATED FINANCIAL REPORT OF BANK OF TOKYO-MITSUBISHI
UFJ TURKEY A.Ş. AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2013**

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

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

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

				
SHOJI NAKANO	ALİ VEFA ÇELİK	JEREMY QUINTON BROUGHTON	TORU YAMAGUCHI	ÖNDER GÖKALP
Chairman of Board of Directors	Chairman of the Audit Committee	Member of the Audit Committee	General Manager	Chief Financial Officer

Information related to personnel to whom questions related to this financial report may be directed.
Name-Surname/Title : İhsanTurgut EGEN / Financial Control and Reporting Manager
Telephone Number : (212) 600 30 83
Fax Number : (216) 290 64 73

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BANK OF TOKYO-MITSUBISHI UFJ TURKEY A.Ş

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2013

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

SECTION ONE

GENERAL INFORMATION

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

The Bank of Tokyo-Mitsubishi UFJ Turkey A.Ş. (the “BTMU” or the “Bank”) began its activities in Turkey through a representative office opened in 1986. Banking Regulation and Supervisory Agency (BRSA) authorised the Bank to establish a deposit bank in Turkey with the decision numbered 5108 dated 20 December 2012. In accordance with the operation license granted by the BRSA as per the decision numbered 5520 dated 19 September 2013 and published on the Official Gazette no 28775 dated 24 September 2013, the Bank of Tokyo-Mitsubishi UFJ Turkey A.Ş. began its operations within the group of foreign banks established in Turkey,.

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

Established by the merger of Tokyo-Mitsubishi Ltd and UFJ Ltd on 1 January 2006, the Bank of Tokyo-Mitsubishi UFJ Ltd. (BTMU) is the world’s largest bank in terms of total assets. Both banks which have 100 years of experience both in Japan and international financial markets, have the resources to meet the needs of BTMU’s growing customer base quickly and effectively.

BTMU has a branch network exceeding 760 branches in Japan. BTMU has branches over the world’s 74 leading financial and commercial centers. BTMU offers an option of comprehensive financial products and services to institutions, governments and individual customers. It provides a wide range of products and services on commercial banking, investment banking and investment advisory area through overseas branches and subsidiaries. BTMU, who integrated as a unit to response all the financial need of its customers comprehensively and flexible, is the main branch of Mitsubishi UFJ Financial Group Inc. (MUFG) in the field of commercial banking.

BANK OF TOKYO-MITSUBISHI UFJ TURKEY A.Ş**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2013**

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

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

Responsibility Area	Name and Surname	Responsibility Area	Appointment Date	Education	Experience
Chairman of Board of Directors	Shoji Nakano	Chairman of Board of Directors	26.06.2013	University	33 years
		Head of the Corporate Governance Committee	22.08.2013		
		Head of Remuneration Committee	22.08.2013		
		Substitute member of Loan Committee	22.08.2013		
Vice Chairman of Board of Directors	Seiji Oizumi	Vice Chairman of Board of Directors	26.06.2013	University	28 years
		Substitute member of Credit Committee	22.08.2013		
General Manager	Toru Yamaguchi	Member of Board of Directors	26.06.2013	Master	29 years
		General Manager	22.08.2013		
		Member of Corporate Governance Committee	22.08.2013		
		Member of Credit Committee	22.08.2013		
	Kenichi Tabuchi	Member of Board of Directors	26.06.2013	University	29 years
		Member of Loan Committee	22.08.2013		
	Paul Antoon Ludwina Cardoen	Member of Board of Directors	26.06.2013	Master	24 years
		Member of Loan Committee	22.08.2013		
	Jeremy Quinton Broughton	Member of Board of Directors	21.03.2014	Master	31 years
		Member of Audit Committee	21.03.2014		
	David Ralph Rosenberg	Member of Board of Directors	26.06.2013	University	24 years
	Ali Vefa Çelik	Yönetim Kurulu Üyesi	26.06.2013	Master	28 years
		Denetim Komitesi Başkanı	22.08.2013		
Assistant General Managers	Fumito Kobayashi	Assistant General Manager of Treasury and Marketing	01.06.2013	University	24 years
		Oğuz Vecdi Öncü	Assistant General Manager of Operation and Support Services		

The shares in the Bank of the individuals above are not significant.

BANK OF TOKYO-MITSUBISHI UFJ TURKEY A.Ş

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2013

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

GENERAL INFORMATION (Continued)

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

Name Surname/ Commercial Title	Share Amount (Nominal)	Ownership Ratios	Paid in Capital (Nominal)	Unpaid Portion
BANK OF TOKYO MITSUBISHI UFJ LTD.	527,700	% 100	527,700	-

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

The Bank is organized in corporate banking with the permission to do all the activities as set out in the Article 4 of the Banking Act. The Bank's General Directorate is located in Istanbul, Turkey. As of 31 December 2013, the Bank serves with 50 employees.

VI. Other Information

The Bank's Commercial Title:	Bank of Tokyo Mitsubishi UFJ Turkey A.Ş.
The Bank's General Directorate Address:	FSM Mahallesi Poligon Caddesi, Buyaka 2 Sitesi, No 8B, Kat 20-21 34771 Tepeüstü Ümraniye/İstanbul
The Bank's Phone and Fax Numbers:	Telephone : (0216) 600 30 00 Fax : (0216) 290 64 73
The Bank's Web Site Address:	www.tu.bk.mufg.jp
The Bank's E-Mail Address:	info@tu.mufg.jp
Reporting Period:	14 February 2013 – 31 December 2013

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

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

None.

(Convenience Translation of Financial Statements Originally Issued in Turkish)

BANK OF TOKYO-MITSUBISHI UFJ TURKEY A.Ş
Balance Sheet (Statement of Financial Position)
At 31 December 2013

ASSETS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)		
		CURRENT PERIOD		
		31 December 2013		
		TL	FC	Total
I. CASH AND BALANCES WITH CENTRAL BANK	(5.1.1)	607	45	652
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	(5.1.2)	-	-	-
2.1 Financial assets held for trading		-	-	-
2.1.1 Government securities		-	-	-
2.1.2 Equity securities		-	-	-
2.1.3 Derivative financial assets held for trading		-	-	-
2.1.4 Other securities		-	-	-
2.2 Financial assets valued at fair value through profit or loss		-	-	-
2.2.1 Government securities		-	-	-
2.2.2 Equity securities		-	-	-
2.2.3 Loans		-	-	-
2.2.4 Other securities		-	-	-
III. BANKS	(5.1.3)	502.756	107.110	609.866
IV. INTERBANK MONEY MARKETS		-	-	-
4.1 Interbank money market placements		-	-	-
4.2 Istanbul Stock Exchange money market placements		-	-	-
4.3 Receivables from reverse repurchase agreements		-	-	-
V. FINANCIAL ASSETS AVAILABLE-FOR-SALE (Net)	(5.1.4)	-	-	-
5.1 Equity securities		-	-	-
5.2 Government securities		-	-	-
5.3 Other securities		-	-	-
VI. LOANS	(5.1.5)	2.106	10.861	12.967
6.1 Performing loans		2.106	10.861	12.967
6.1.1 Loans to bank's risk group	(5.7)	-	-	-
6.1.2 Government securities		-	-	-
6.1.3 Others		2.106	10.861	12.967
6.2 Loans under follow-up		-	-	-
6.3 Specific provisions (-)		-	-	-
VII. FACTORING RECEIVABLES		-	-	-
VIII. INVESTMENTS HELD-TO-MATURITY (Net)	(5.1.6)	-	-	-
8.1 Government securities		-	-	-
8.2 Other securities		-	-	-
IX. INVESTMENTS IN ASSOCIATES (Net)	(5.1.7)	-	-	-
9.1 Associates consolidated under equity accounting		-	-	-
9.2 Unconsolidated associates		-	-	-
9.2.1 Financial investments in associates		-	-	-
9.2.2 Non-financial investments in associates		-	-	-
X. INVESTMENTS IN SUBSIDIARIES (Net)	(5.1.8)	-	-	-
10.1 Unconsolidated financial investments in subsidiaries		-	-	-
10.2 Unconsolidated non-financial investments in subsidiaries		-	-	-
XI. INVESTMENTS IN JOINT-VENTURES (Net)	(5.1.9)	-	-	-
11.1 Joint-ventures consolidated under equity accounting		-	-	-
11.2 Unconsolidated joint-ventures		-	-	-
11.2.1 Financial investments in joint-ventures		-	-	-
11.2.2 Non-financial investments in joint-ventures		-	-	-
XII. LEASE RECEIVABLES (Net)	(5.1.10)	-	-	-
12.1 Financial lease receivables		-	-	-
12.2 Operational lease receivables		-	-	-
12.3 Others		-	-	-
12.4 Unearned income (-)		-	-	-
XIII. DERIVATIVE FINANCIAL ASSETS HELD FOR RISK MANAGEMENT	(5.1.11)	-	-	-
13.1 Fair value hedges		-	-	-
13.2 Cash flow hedges		-	-	-
13.3 Net foreign investment hedges		-	-	-
XIV. TANGIBLE ASSETS (Net)	(5.1.12)	9.982	-	9.982
XV. INTANGIBLE ASSETS (Net)	(5.1.13)	54.689	-	54.689
15.1 Goodwill		-	-	-
15.2 Other intangibles		54.689	-	54.689
XVI. INVESTMENT PROPERTY (Net)	(5.1.14)	-	-	-
XVII. TAX ASSET		3.362	-	3.362
17.1 Current tax asset		3.362	-	3.362
17.2 Deferred tax asset		-	-	-
XVIII. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(5.1.16)	-	-	-
18.1 Assets held for sale		-	-	-
18.2 Assets of discontinued operations		-	-	-
XIX. OTHER ASSETS	(5.1.17)	45	180	225
TOTAL ASSETS		573.547	118.196	691.743

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

BANK OF TOKYO-MITSUBISHI UFJ TURKEY A.Ş
Balance Sheet (Statement of Financial Position)
At 31 December 2013

LIABILITIES AND SHAREHOLDERS' EQUITY	Footnotes	THOUSANDS OF TURKISH LIRA (TL)		
		CURRENT PERIOD		
		31 December 2013		
		TL	FC	Total
I. DEPOSITS	(5.2.1)	262	-	262
1.1 Deposits from bank's risk group		-	-	-
1.2 Others		262	-	262
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(5.2.2)	-	-	-
III. FUNDS BORROWED	(5.2.3)	-	118.019	118.019
IV. INTERBANK MONEY MARKETS		-	-	-
4.1 Interbank money market takings		-	-	-
4.2 Istanbul Stock Exchange money market takings		-	-	-
4.3 Obligations under repurchase agreements		-	-	-
V. SECURITIES ISSUED (Net)	(5.2.4)	-	-	-
5.1 Bills		-	-	-
5.2 Asset backed securities		-	-	-
5.3 Bonds		-	-	-
VI. FUNDS		-	-	-
6.1 Borrower funds		-	-	-
6.2 Others		-	-	-
VII. MISCELLANEOUS PAYABLES	(5.2.5)	25.993	-	25.993
VIII. OTHER EXTERNAL FUNDINGS PAYABLE		-	-	-
IX. FACTORING PAYABLES		-	-	-
X. LEASE PAYABLES (Net)	(5.2.6)	-	-	-
10.1 Financial lease payables		-	-	-
10.2 Operational lease payables		-	-	-
10.3 Others		-	-	-
10.4 Deferred expenses (-)		-	-	-
XI. DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK MANAGEMENT	(5.2.7)	-	-	-
11.1 Fair value hedges		-	-	-
11.2 Cash flow hedges		-	-	-
11.3 Net foreign investment hedges		-	-	-
XII. PROVISIONS	(5.2.8)	2.295	-	2.295
12.1 General provisions		135	-	135
12.2 Restructuring reserves		-	-	-
12.3 Reserve for employee benefits		2.160	-	2.160
12.4 Insurance technical provisions (Net)		-	-	-
12.5 Other provisions		-	-	-
XIII. TAX LIABILITY	(5.2.9)	13.092	-	13.092
13.1 Current tax liability		11.591	-	11.591
13.2 Deferred tax liability		1.501	-	1.501
XIV. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(5.2.10)	-	-	-
14.1 Assets held for sale		-	-	-
14.2 Assets of discontinued operations		-	-	-
XV. SUBORDINATED DEBTS	(5.2.11)	-	-	-
XVI. SHAREHOLDERS' EQUITY	(5.2.12)	532.082	-	532.082
16.1 Paid-in capital		527.700	-	527.700
16.2 Capital reserves		-	-	-
16.2.1 Share premium		-	-	-
16.2.2 Share cancellation profits		-	-	-
16.2.3 Securities value increase fund		-	-	-
16.2.4 Revaluation surplus on tangible assets		-	-	-
16.2.5 Revaluation surplus on intangible assets		-	-	-
16.2.6 Revaluation surplus on investment property		-	-	-
16.2.7 Bonus shares of associates, subsidiaries and joint-ventures		-	-	-
16.2.8 Hedging reserves (effective portion)		-	-	-
16.2.9 Revaluation surplus on assets held for sale and assets of discontinued operations		-	-	-
16.2.10 Other capital reserves		-	-	-
16.3 Profit reserves		-	-	-
16.3.1 Legal reserves		-	-	-
16.3.2 Status reserves		-	-	-
16.3.3 Extraordinary reserves		-	-	-
16.3.4 Other profit reserves		-	-	-
16.4 Profit or loss		4.382	-	4.382
16.4.1 Prior periods profit/loss		-	-	-
16.4.2 Current period net profit/loss		4.382	-	4.382
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		573.724	118.019	691.743

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

BANK OF TOKYO-MITSUBISHI UFJ TURKEY A.Ş

Off-Balance Sheet Items

At 31 December 2013

OFF-BALANCE SHEET ITEMS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)		
		CURRENT PERIOD		
		31 December 2013		
		TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		-	1.598	1.598
I. GUARANTEES AND SURETIES	(5.3.1)	-	-	-
1.1. Letters of guarantee		-	-	-
1.1.1. Guarantees subject to State Tender Law		-	-	-
1.1.2. Guarantees given for foreign trade operations		-	-	-
1.1.3. Other letters of guarantee		-	-	-
1.2. Bank acceptances		-	-	-
1.2.1. Import letter of acceptance		-	-	-
1.2.2. Other bank acceptances		-	-	-
1.3. Letters of credit		-	-	-
1.3.1. Documentary letters of credit		-	-	-
1.3.2. Other letters of credit		-	-	-
1.4. Guaranteed prefinancings		-	-	-
1.5. Endorsements		-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-
1.5.2. Other endorsements		-	-	-
1.6. Underwriting commitments		-	-	-
1.7. Factoring related guarantees		-	-	-
1.8. Other guarantees		-	-	-
1.9. Other sureties		-	-	-
II. COMMITMENTS	(5.3.1)	-	1.598	1.598
2.1. Irrevocable commitments		-	1.598	1.598
2.1.1. Asset purchase and sale commitments		-	-	-
2.1.2. Deposit purchase and sale commitments		-	1.598	1.598
2.1.3. Share capital commitments to associates and subsidiaries		-	-	-
2.1.4. Loan granting commitments		-	-	-
2.1.5. Securities issuance brokerage commitments		-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-
2.1.7. Commitments for cheque payments		-	-	-
2.1.8. Tax and fund obligations on export commitments		-	-	-
2.1.9. Commitments for credit card limits		-	-	-
2.1.10. Commitments for credit cards and banking services related promotions		-	-	-
2.1.11. Receivables from "short" sale commitments on securities		-	-	-
2.1.12. Payables from "short" sale commitments on securities		-	-	-
2.1.13. Other irrevocable commitments		-	-	-
2.2. Revocable commitments		-	-	-
2.2.1. Revocable loan granting commitments		-	-	-
2.2.2. Other revocable commitments		-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(5.3.2)	-	-	-
3.1. Derivative financial instruments held for risk management		-	-	-
3.1.1. Fair value hedges		-	-	-
3.1.2. Cash flow hedges		-	-	-
3.1.3. Net foreign investment hedges		-	-	-
3.2. Trading derivatives		-	-	-
3.2.1. Forward foreign currency purchases/sales		-	-	-
3.2.1.1. Forward foreign currency purchases		-	-	-
3.2.1.2. Forward foreign currency sales		-	-	-
3.2.2. Currency and interest rate swaps		-	-	-
3.2.2.1. Currency swaps-purchases		-	-	-
3.2.2.2. Currency swaps-sales		-	-	-
3.2.2.3. Interest rate swaps-purchases		-	-	-
3.2.2.4. Interest rate swaps-sales		-	-	-
3.2.3. Currency, interest rate and security options		-	-	-
3.2.3.1. Currency call options		-	-	-
3.2.3.2. Currency put options		-	-	-
3.2.3.3. Interest rate call options		-	-	-
3.2.3.4. Interest rate put options		-	-	-
3.2.3.5. Security call options		-	-	-
3.2.3.6. Security put options		-	-	-
3.2.4. Currency futures		-	-	-
3.2.4.1. Currency futures-purchases		-	-	-
3.2.4.2. Currency futures-sales		-	-	-
3.2.5. Interest rate futures		-	-	-
3.2.5.1. Interest rate futures-purchases		-	-	-
3.2.5.2. Interest rate futures-sales		-	-	-
3.2.6. Others		-	-	-
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		-	-	-
IV. ITEMS HELD IN CUSTODY		-	-	-
4.1. Customers' securities held		-	-	-
4.2. Investment securities held in custody		-	-	-
4.3. Checks received for collection		-	-	-
4.4. Commercial notes received for collection		-	-	-
4.5. Other assets received for collection		-	-	-
4.6. Assets received through public offering		-	-	-
4.7. Other items under custody		-	-	-
4.8. Custodians		-	-	-
V. PLEDGED ITEMS		-	-	-
5.1. Securities		-	-	-
5.2. Guarantee notes		-	-	-
5.3. Commodities		-	-	-
5.4. Warranties		-	-	-
5.5. Real estates		-	-	-
5.6. Other pledged items		-	-	-
5.7. Pledged items-depository		-	-	-
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		-	-	-
TOTAL OFF-BALANCE SHEET ITEMS (A+B)		-	1.598	1.598

BANK OF TOKYO-MITSUBISHI UFJ TURKEY A.Ş

Income Statement

For the Period 14 February - 31 December 2013

INCOME AND EXPENSE ITEMS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)
		CURRENT PERIOD 14 February 2013- 31 December 2013
I. INTEREST INCOME	(5.4.1)	33.808
1.1 Interest income on loans		10
1.2 Interest income on reserve deposits		-
1.3 Interest income on banks		33.798
1.4 Interest income on money market transactions		-
1.5 Interest income on securities portfolio		-
1.5.1 Trading financial assets		-
1.5.2 Financial assets valued at fair value through profit or loss		-
1.5.3 Financial assets available-for-sale		-
1.5.4 Investments held-to-maturity		-
1.6 Financial lease income		-
1.7 Other interest income		-
II. INTEREST EXPENSE	(5.4.2)	3
2.1 Interest on deposits		-
2.2 Interest on funds borrowed		3
2.3 Interest on money market transactions		-
2.4 Interest on securities issued		-
2.5 Other interest expenses		-
III. NET INTEREST INCOME (I - II)		33.805
IV. NET FEES AND COMMISSIONS INCOME		(17)
4.1 Fees and commissions received		-
4.1.1 Non-cash loans		-
4.1.2 Others		-
4.2 Fees and commissions paid		17
4.2.1 Non-cash loans		-
4.2.2 Others		17
V. DIVIDEND INCOME	(5.4.3)	-
VI. NET TRADING INCOME/LOSSES (Net)	(5.4.4)	(478)
6.1 Trading account income/losses		-
6.2 Income/losses from derivative financial instruments		16
6.3 Foreign exchange gains/losses		(494)
VII. OTHER OPERATING INCOME	(5.4.5)	9
VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)		33.319
IX. PROVISION FOR LOSSES ON LOANS AND OTHER RECEIVABLES (-)	(5.4.6)	135
X. OTHER OPERATING EXPENSES (-)	(5.4.7)	27.301
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)		5.883
XII. INCOME RESULTED FROM MERGERS		-
XIII. INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING		-
XIV. GAIN/LOSS ON NET MONETARY POSITION		-
XV. OPERATING PROFIT/LOSS BEFORE TAXES (XI+XII+XIII+XIV)	(5.4.8)	5.883
XVI. PROVISION FOR TAXES (±)	(5.4.9)	(1.501)
16.1 Current tax charge		-
16.2 Deferred tax charge/(credit)		(1.501)
XVII. NET OPERATING PROFIT/LOSS AFTER TAXES (XV±XVI)	(5.4.10)	4.382
XVIII. INCOME FROM DISCONTINUED OPERATIONS		-
18.1 Income from assets held for sale		-
18.2 Income from sale of associates, subsidiaries and joint-ventures		-
18.3 Others		-
XIX. EXPENSES FROM DISCONTINUED OPERATIONS (-)		-
19.1 Expenses on assets held for sale		-
19.2 Expenses on sale of associates, subsidiaries and joint-ventures		-
19.3 Others		-
XX. PROFIT/LOSS BEFORE TAXES ON DISCONTINUED OPERATIONS (XVIII-XIX)		-
XXI. PROVISION FOR TAXES OF DISCONTINUED OPERATIONS (±)		-
21.1 Current tax charge		-
21.2 Deferred tax charge/(credit)		-
XXII. NET PROFIT/LOSS AFTER TAXES ON DISCONTINUED OPERATIONS (XX±XXI)		-
XXIII. NET PROFIT/LOSS (XVII+XXII)	(5.4.11)	4.382
Earnings per Share		-

(Convenience Translation of Financial Statements Originally Issued in Turkish)

BANK OF TOKYO-MITSUBISHI UFJ TURKEY A.Ş
Statement of Income/Expense Items Accounted for under Shareholders' Equity
For the Period 14 February - 31 December 2013

INCOME AND EXPENSE ITEMS UNDER SHAREHOLDERS' EQUITY	THOUSANDS OF TURKISH LIRA (TL)
	CURRENT PERIOD 14 February 2013- 31 December 2013
I. MARKET VALUE GAINS ON AVAILABLE FOR SALE ASSETS ACCOUNTED UNDER "SECURITIES VALUE INCREASE FUND"	-
II. REVALUATION SURPLUS ON TANGIBLE ASSETS	-
III. REVALUATION SURPLUS ON INTANGIBLE ASSETS	-
IV. TRANSLATION DIFFERENCES FOR TRANSACTIONS IN FOREIGN CURRENCIES	-
V. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR CASH FLOW HEDGES (effective portion)	-
VI. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR HEDGES OF NET INVESTMENT IN FOREIGN OPERATIONS (effective portion)	-
VII. EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS	-
VIII. OTHER INCOME/EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY AS PER TAS	-
IX. DEFERRED TAXES ON VALUE INCREASES/DECREASES	-
X. NET INCOME/EXPENSE ITEMS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+III+IV+V+VI+VII+VIII+IX)	-
XI. CURRENT PERIOD PROFIT/LOSSES	4.382
1.1 Net changes in fair value of securities (transferred to income statement)	-
1.2 Gains/losses on derivative financial assets held for cash flow hedges, reclassified and recorded in income statement	-
1.3 Gains/losses on hedges of net investment in foreign operations, reclassified and recorded in income statement	-
1.4 Others	4.382
XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE CURRENT PERIOD (X+XI)	4.382

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

BANK OF TOKYO-MITSUBISHI UFJ TURKEY A.Ş
Statement of Changes in Shareholders' Equity
For the Period 14 February - 31 December 2013

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Footnotes	THOUSANDS OF TURKISH LIRA (TL)																
		Paid-In Capital	Capital Reserves from Inflation Adj.s to Paid-In Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit/(Loss)	Prior Period Profit/(Loss)	Securities Value Increase Fund	Revaluation Surplus on Tangible and Intangible Assets	Bonus Shares of Equity Participations	Hedging Reserves	Accu. Rev. Surp. on Assets Held for Sale and Assets of Discont. Op.s	Total Sharehol Equity	
CURRENT PERIOD (14 February - 31 December 2013)																		
I. Balances at beginning of the period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes during the period	(5.5)																	
II. Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Market value changes of securities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Hedging reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1. Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2. Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Revaluation surplus on tangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Revaluation surplus on intangible assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus shares of associates, subsidiaries and joint-ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Translation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Changes resulted from disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Changes resulted from reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Effect of change in equities of associates on bank's equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Capital increase		527.700	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1. Cash		527.700	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2. Internal sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Share issuance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Capital reserves from inflation adjustments to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Current period net profit/loss		-	-	-	-	-	-	-	-	4.382	-	-	-	-	-	-	-	-
XVIII. Profit distribution		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.1. Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2. Transfers to reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.3. Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at end of the period (I+II+III+.....+XVI+XVII+XVIII)		527.700	-	-	-	-	-	-	-	4.382	-	-	-	-	-	-	-	53

BANK OF TOKYO-MITSUBISHI UFJ TURKEY A.Ş

Statement of Cash Flows

For the Period 14 February - 31 December 2013

STATEMENT OF CASH FLOWS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)
		CURRENT PERIOD 14 February 2013- 31 December 2013
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1 Operating profit before changes in operating assets and liabilities		12.557
1.1.1 Interests received		33.802
1.1.2 Interests paid		(2)
1.1.3 Dividend received		-
1.1.4 Fees and commissions received		-
1.1.5 Other income		9
1.1.6 Collections from previously written-off loans and other receivables		-
1.1.7 Payments to personnel and service suppliers		(6.350)
1.1.8 Taxes paid		-
1.1.9 Others	(5.6)	(14.902)
1.2 Changes in operating assets and liabilities		139.319
1.2.1 Net (increase) decrease in financial assets held for trading		-
1.2.2 Net (increase) decrease in financial assets valued at fair value through profit or loss		-
1.2.3 Net (increase) decrease in due from banks		-
1.2.4 Net (increase) decrease in loans		(12.961)
1.2.5 Net (increase) decrease in other assets		(3.587)
1.2.6 Net increase (decrease) in bank deposits		-
1.2.7 Net increase (decrease) in other deposits		262
1.2.8 Net increase (decrease) in funds borrowed		118.018
1.2.9 Net increase (decrease) in matured payables		-
1.2.10 Net increase (decrease) in other liabilities	(5.6)	37.587
I. Net cash flow from banking operations		151.876
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II. Net cash flow from investing activities		(69.058)
2.1 Cash paid for purchase of associates, subsidiaries and joint-ventures		-
2.2 Cash obtained from sale of associates, subsidiaries and joint-ventures		-
2.3 Purchases of tangible assets		(12.358)
2.4 Sales of tangible assets		-
2.5 Cash paid for purchase of financial assets available-for-sale		-
2.6 Cash obtained from sale of financial assets available-for-sale		-
2.7 Cash paid for purchase of investments held-to-maturity		-
2.8 Cash obtained from sale of investments held-to-maturity		-
2.9 Others	(5.6)	(56.700)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net cash flow from financing activities		527.700
3.1 Cash obtained from funds borrowed and securities issued		-
3.2 Cash used for repayment of funds borrowed and securities issued		-
3.3 Equity instruments issued		527.700
3.4 Dividends paid		-
3.5 Payments for financial leases		-
3.6 Others (payments for founder shares repurchased)		-
IV. Effect of change in foreign exchange rate on cash and cash equivalents		-
V. Net increase/(decrease) in cash and cash equivalents		610.518
VI. Cash and cash equivalents at beginning of period		-
VII. Cash and cash equivalents at end of period	(5.6)	610.518

BANK OF TOKYO-MITSUBISHI UFJ TURKEY A.Ş

Statement of Profit Distribution

At 31 December 2013

STATEMENT OF PROFIT DISTRIBUTION		THOUSANDS OF TURKISH LIRA (TL)
		CURRENT PERIOD (*)
		31 December 2013
I.	DISTRIBUTION OF CURRENT YEAR PROFIT	
1.1	CURRENT PERIOD PROFIT	5.883
1.2	TAXES AND LEGAL DUTIES PAYABLE (-)	1.501
1.2.1	Corporate tax (income tax)	1.501
1.2.2	Withholding tax	-
1.2.3	Other taxes and duties	-
A.	NET PROFIT FOR THE PERIOD (1.1-1.2)	4.382
1.3	ACCUMULATED LOSSES (-)	-
1.4	FIRST LEGAL RESERVES (-)	-
1.5	OTHER STATUTORY RESERVES (-)	-
B.	NET PROFIT AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5))]	4.382
1.6	FIRST DIVIDEND TO SHAREHOLDERS (-)	-
1.6.1	To owners of ordinary shares	-
1.6.2	To owners of privileged shares	-
1.6.3	To owners of redeemed shares	-
1.6.4	To profit sharing bonds	-
1.6.5	To holders of profit and loss sharing certificates	-
1.7	DIVIDENDS TO PERSONNEL (-)	-
1.8	DIVIDENDS TO BOARD OF DIRECTORS (-)	-
1.9	SECOND DIVIDEND TO SHAREHOLDERS (-)	-
1.9.1	To owners of ordinary shares	-
1.9.2	To owners of privileged shares	-
1.9.3	To owners of redeemed shares	-
1.9.4	To profit sharing bonds	-
1.9.5	To holders of profit and loss sharing certificates	-
1.10	SECOND LEGAL RESERVES (-)	-
1.11	STATUS RESERVES (-)	-
1.12	EXTRAORDINARY RESERVES	-
1.13	OTHER RESERVES	-
1.14	SPECIAL FUNDS	-
II.	DISTRIBUTION OF RESERVES	
2.1	APPROPRIATED RESERVES	-
2.2	SECOND LEGAL RESERVES (-)	-
2.3	DIVIDENDS TO SHAREHOLDERS (-)	-
2.3.1	To owners of ordinary shares	-
2.3.2	To owners of privileged shares	-
2.3.3	To owners of redeemed shares	-
2.3.4	To profit sharing bonds	-
2.3.5	To holders of profit and loss sharing certificates	-
2.4	DIVIDENDS TO PERSONNEL (-)	-
2.5	DIVIDENDS TO BOARD OF DIRECTORS (-)	-
III.	EARNINGS PER SHARE (per YTL'000 face value each)	
3.1	TO OWNERS OF ORDINARY SHARES (per YTL'000 face value each)	-
3.2	TO OWNERS OF ORDINARY SHARES (%)	-
3.3	TO OWNERS OF PRIVILEGED SHARES	-
3.4	TO OWNERS OF PRIVILEGED SHARES (%)	-
IV.	DIVIDEND PER SHARE	
4.1	TO OWNERS OF ORDINARY SHARES (per YTL'000 face value each)	-
4.2	TO OWNERS OF ORDINARY SHARES (%)	-
4.3	TO OWNERS OF PRIVILEGED SHARES	-
4.4	TO OWNERS OF PRIVILEGED SHARES (%)	-

(*) Decision regarding to the 2013 profit distribution will be held at General Assembly meeting.

BANK OF TOKYO-MITSUBISHI UFJ TURKEY A.Ş
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 31 DECEMBER 2013

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

SECTION THREE

ACCOUNTING PRINCIPLES

I. Explanations on the basis of presentation

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

As per the Article 37 of the Turkish Banking Law no. 5411, the unconsolidated financial statements are prepared within the framework of the communiqué on the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published in the Official Gazette dated 1 November 2006, no. 26333 and in accordance with the Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRS) and the related statements and guidances announced by the Public Oversight, Accounting and Auditing Standards Authority.

The financial statements and the documents based to financial statements are prepared according with the Communiqué “Regulation on Accounting Applications for Banks and Safeguarding of Documents” and Turkish Commercial Code.

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

2. Additional paragraph for convenience translation to English

The differences between accounting principles, as described in the preceding paragraphs, and the accounting principles generally accepted in countries, in which the accompanying financial statements are to be distributed, and International Financial Reporting Standards (“IFRS”), may have significant influence on the accompanying financial statements. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations in accordance with the accounting principles generally accepted in such countries and IFRS.

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

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

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

1. Usage strategy of the financial instruments

The Bank uses financial instruments in accordance with its nature. The major strategy for the usage of financial instruments is to maintain the balance between the yields of assets and their risks.

BANK OF TOKYO-MITSUBISHI UFJ TURKEY A.Ş
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 31 DECEMBER 2013

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

ACCOUNTING PRINCIPLES (Continued)

II. Explanations on the usage strategy of financial instruments and on foreign currency transactions (cont'd)

1. Usage strategy of the financial instruments (cont'd)

The main funding source of the Bank is its own reserves in its equity and borrowings from foreign financial institutions. While the Bank follows an asset liability strategy which enables to consider these sources in high yield and high quality financial assets, the Bank also manages its interest rate risk, liquidity risk, exchange rate risk and credit risk within the limits set by the Bank management and the prudential limits. High profitability and strong shareholders equity is aimed with an efficient asset-liability management strategy.

The Bank is aimed to operate with a positive margin between the cost of resources and product yield and create an optimum maturity risk while undertaking its asset-liability management.

As a part of the Bank's risk management strategy, the position management for all kinds of short term currency, interest and price movement risks are managed by Treasury within the limits defined by the Board of Directors.

2. Foreign currency transactions

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

The Bank recognizes the foreign currency transactions in accordance with TAS 21 "The Effects of Changes in Foreign Exchange Rates". Foreign exchange gains and losses arising from the foreign currency transactions as of 31 December 2013 are translated into Turkish Lira by using the exchange rates at the date of the transaction and recognized in accounting records. At the end of the periods, foreign currency assets and liabilities are translated into Turkish Lira by using the spot foreign currency exchange rates of the Bank at the end of the period and the related currency translation differences are recognized as foreign exchange gains and losses.

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

31 December 2013

US Dollar	2.1304
Euro	2.9344

2.2 Foreign exchange gains and losses included in the income statement

As of 31 December 2013, the net foreign exchange loss included in the income statement is TL 494.

III. Explanations on Subsidiaries and Affiliates

'Financial Instruments: Turkish Accounting Standard on Recognition and Measurement ("TAS 39")' is used as a recognition criteria for subsidiaries and affiliates in the unconsolidated financial statements. The bank has no subsidiaries and affiliates as of 31 December 2013.

IV. Explanations on forward transactions, options and derivative instruments

The Bank does not have any embedded derivatives separated from the host contract.

BANK OF TOKYO-MITSUBISHI UFJ TURKEY A.Ş
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 31 DECEMBER 2013

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

ACCOUNTING PRINCIPLES (Continued)

IV. Explanations on forward transactions, options and derivative instruments (cont'd)

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

V. Explanations on interest income and expenses

Interest income and expenses calculated using internal rate of return are recognized on accrual basis. In accordance with the related legislation, interest accruals on loans becoming non-performing are reversed and also ceased to accrue interest on such loans until these loans are classified as performing or collected.

VI. Explanations on fee and commission income and expenses

Except for certain fees related with certain banking transactions and recognized when received, fees and commissions received or paid, and other fees and commissions paid to financial institutions are accounted for under accrual basis of accounting. The income derived from agreements or asset purchases or sales from real-persons or corporate third parties are recognized as income when realized.

VII. Explanations on financial assets

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

1. Financial assets at fair value through profit or loss

1.1 *Financial assets held for trading*

Financial assets held for trading are recognized at their fair values and any gain or losses resulting from such valuation are recorded in the profit and loss accounts. Interests received during the holding period of such financial assets and the difference between the amortized cost (calculated using internal rate of return) and the acquisition cost are recognized as interest income in the income statement. Gains and losses on sale of held for trading financial assets before their maturity and the difference between market value and amortized cost (calculated using internal rate of return) of such financial assets are recognized in gains and losses on securities trading under income statement. As of 31 December 2013, the Bank does not have any financial assets held for trading.

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

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

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ACCOUNTING PRINCIPLES (Continued)

2. Available for sale financial assets

Financial assets available-for-sale, are financial assets other than assets held for trading purposes, investments held-to-maturity and originated loans and receivables. Subsequent to initial recognition, financial assets available-for-sale are measured at fair value.

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

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

The Bank does not have any available for sale assets, as of 31 December 2013.

3. Held to maturity investments

The Bank does not have any held to maturity investments as of 31 December 2013.

4. Loans and receivables

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

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

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

VIII. Explanations on impairment of financial assets

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

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

The Bank provides specific and general allowances for loans and other receivables classified in accordance with the Communiqué published on the Official Gazette No.26333 dated 1 November 2006. The allowances are recorded in the income statement of the related period.

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ACCOUNTING PRINCIPLES (Continued)

IX. Explanations on offsetting financial instruments

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

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

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

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

Reverse repo transactions are recorded under the “Receivables from reverse repurchase agreements” account. The Bank does not have any repo and reverse repo as of 31 December 2013.

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

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

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

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

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ACCOUNTING PRINCIPLES (Continued)

XII. Explanations on goodwill and other intangible assets

As of 31 December 2013, there is no goodwill that should be presented in the financial statements.

The intangible assets of the Bank consist of softwares. The useful lives of these assets determined as 5 years.

The costs associated with outsourced computer software in use and related expenditures to develop the computer softwares are capitalized if its intended to increase useful life and original content. The capitalized expenses are amortized with straight line method through out remaining useful lives.

XIII. Explanations on tangible assets

Gains/losses from the sale of the tangible assets are calculated as the difference between the net book value and the net sales price and recorded in the income statement as profit or loss.

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

There are no restrictions such as pledges, mortgages or any other restriction, or commitments to purchase or rights vested on tangible assets.

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

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

XIV. Explanations on leasing transactions

The Bank recognizes the fixed assets acquired through financial lease with the lower of present value of the lease payments and their fair values. The fixed assets acquired through financial lease are classified as fixed assets and depreciated based on their useful lives. If there is an impairment detected on the value of fixed assets acquired through financial lease, the provision for impairment is recognized. The liabilities arising from financial lease agreements are shown in liabilities as 'financial lease liabilities' account. The interest which is the differences between the cost of fixed assets and total lease payments, is shown as deferred financial lease expenses account. The interest and exchange losses related with financial lease are recognized in the income statement.

As of the balance sheet date the Bank has no financial lease transaction entered into as the "lessor".

XV. Explanations on provisions and contingent liabilities

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

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

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ACCOUNTING PRINCIPLES (Continued)

XVI. Explanations on contingent assets

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

XVII. Explanations on liabilities for employee benefits

As per the existing labor laws and agreements in Turkey, entities are required to pay severance for the employees retired or fired. These payments are qualified as recognized retirement benefit plan according to revised TAS 19 Standard on the Benefits Provided to Employees. Severance payment liability recognized in the balance sheet is calculated according to the net present value of expected amount in the future arising from all employees' retirements and represented in financial statements. The amendments to TAS 19 have changed the accounting of defined benefit plans and severance indemnity. The amendments require all actuarial gains and losses to be recognized immediately through other comprehensive income in order for the net pension asset or liability recognized in the balance sheet to reflect the full value of the plan deficit or surplus. The amendments to TAS 19 require retrospective application. The Bank has no retirement pay liability as of 31 December 2013.

XVIII. Explanations on taxation

1. Current Tax

Effective from 1 January 2006, statutory income is subject to corporate tax at 20%. This rate is applied to accounting income modified for certain exemptions (like dividend income) and deductions (like investment incentives), and additions for certain non-tax deductible expenses and allowances for tax purposes. If there is no dividend distribution planned, no further tax charges are made.

There is no further taxes on profits if not distributed. Dividends paid to the resident institutions and the institutions working through local offices or representatives are not subject to withholding tax. As per the decisions no.2009/14593 and no.2009/14594 of the Council of Ministers published in the Official Gazette no.27130 dated 3 February 2009, certain withholding rates included in the articles no.15 and 30 of the new Corporate Tax Law no.5520 are revised. Accordingly, the withholding tax rate on the dividend payments other than the ones paid to the nonresident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions is 15%. In applying the withholding tax rates on dividend payments to the nonresident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

The advance taxes are calculated and paid at the rates applicable for the earnings of the related years. The prepayments can be offset against the annual corporate tax calculated for the whole year earnings.

In accordance with the tax legislation, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods.

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

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ACCOUNTING PRINCIPLES (Continued)

XVIII. Explanations on taxation (continued)

2. Deferred tax

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

3. Transfer pricing

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

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

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

XIX. Additional explanations on borrowings

The Bank provides resources from foreign entities through borrowings.

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

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

XX. Explanations on share certificates issued

None.

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ACCOUNTING PRINCIPLES (Continued)

XXI. Explanations on bank acceptances and bills of guarantee

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

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

XXII. Explanation on government incentives

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

XXIII. Explanations on segment reporting

As the Bank is not a public company, the presentation of ‘Segment Reporting’ within the scope of TFRS 8 is not required.

XXIV. Other matters

None.

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SECTION FOUR

FINANCIAL POSITION AND RISK MANAGEMENT

I. Explanations on capital adequacy ratio

As of 31 December 2013, the unconsolidated capital adequacy ratio is 204.19%.

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

Capital adequacy ratio is calculated within the scope of the “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (the “Regulation”)” and additional communiques, published in the Official Gazette no.28337 dated 28 June 2012 and the “Regulation on Equities of Banks” published in the Official Gazette no.26333 dated 1 November 2006.

In the calculation of the value at credit risk, the loans have been evaluated by the relevant risk weight of risk classes, ratings and risk reduction factors. In consideration of risk reduction factors, the comprehensive financial guarantee method is used for trading accounts and banking accounts.

In the calculation of capital adequacy ratio the data prepared in accordance with the legislation are used. The scope of this regulation, the data are separated as ‘trading accounts and banking accounts’ and subjected to credit risk and market risk calculations. Also according to this regulation the market risk and operational risk are included in the calculation of the capital adequacy ratio. The items classified as the items deducted from the equity are not included in the calculation of credit risk.

In the calculation of the value at credit risk for the commitments, the receivables from counterparties are determined using the conversion rates according to Article 5 of the regulation about ‘Measurement and Assessment of Capital Adequacy of Banks’.

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FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

- I. Explanations on capital adequacy ratio (cont'd)**
2. Information on the unconsolidated capital adequacy ratio

Current Period	%0	%10	%20	%50	%75	%100	%150	%200
Credit Risk Related Amounts								
Exposure Categories								
Conditional and Unconditional Receivables from Central Governments or Central Banks	652	-	-	-	-	-	-	-
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 Organizations	-	-	-	-	-	-	-	-
Conditional and Unconditional Receivables from Banks and Brokerage Houses	-	-	-	-	-	-	-	-
Conditional and Unconditional Corporate Receivables	-	-	-	-	-	12,967	-	-
Conditional and Unconditional Retail Receivables	-	-	-	-	-	-	-	-
Conditional and Unconditional Receivables Secured by Mortgages	-	-	-	-	-	-	-	-
Past Due Receivables	-	-	-	-	-	-	-	-
Receivables Defined in High Risk Category by BRSA	-	-	-	-	-	-	-	-
Securities Collateralised by Mortgages	-	-	-	-	-	-	-	-
Securitisation Positions	-	-	-	-	-	-	-	-
Short-term Receivables from banks, Brokerage Houses and Corporates	-	-	503,346	-	-	108,119	-	-
Investments Similar to Collective Investment Funds	-	-	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	10,701	-	-
Total Value of Assets at Risk	652	-	503,346	-	-	131,787	-	-
Total Risk Weighted Assets	-	-	100,669	-	-	131,787	-	-

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

	Current Period
Capital Requirement for Credit Risk (Value at Credit Risk*0.08) (CRCR)	18,596
Capital Requirement for Market Risk (CRMR)	-
Capital Requirement for Operational Risk (CROR)	-
Shareholders' Equity	474,661
Shareholders' Equity/((CRCR+MRMR+ORCR) * 12.5) * 100	204.19

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FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

4. Information related to the components of shareholders' equity

	Current Period
CORE CAPITAL	
Paid-in capital	527,700
Nominal capital	527,700
Capital commitments (-)	-
Inflation adjustment to share capital	-
Share premium	-
Share cancellation profits	-
Legal reserves	-
Inflation adjustment to legal reserves	-
Profit	4,382
Current period profit	4,382
Prior periods' profits	-
Provision for probable risks up to 25% of the Core Capital	-
Profit on disposal of associates, subsidiaries and immovables to be transferred to share capital	-
Primary subordinated loans	-
Portion of losses not covered with reserves (-)	-
Net current period loss	-
Prior years' losses	-
Leasehold improvements (-)	2,867
Intangible assets (-)	54,689
Deferred tax asset amount exceeding 10% of the Core Capital (-)	-
Limit Exceeding Amount Regarding the Third Clause of the Article 56 of the Law (-)	-
Total Core Capital	474,526
SUPPLEMENTARY CAPITAL	-
General loan loss provisions	135
45% of the revaluation reserve for movable fixed assets	-
45% of the of revaluation reserve for properties	-
Bonus shares obtained from associates, subsidiaries and entities under common control	-
Primary subordinated loans that are not considered in the calculation of Core Capital	-
Secondary subordinated loans (*)	-
45% of available-for-sale financial assets and investments in associates and subsidiaries' valuation funds	-
Inflation adjustment to capital reserve, profit reserve and prior years' income or loss (Except inflation adjustment to legal reserves, status reserves and extraordinary reserves)	-
Total Supplementary Capital	135
CAPITAL	474,661
DEDUCTIONS FROM THE CAPITAL	-
Unconsolidated investments in Entities (domestic/foreign) Operating in Banking and Financial Sectors at 10% or more	-
Investments in Entities (domestic/foreign) Operating in Banking and Financial Sectors at less than 10%, Exceeding 10% or More of the Total Core and Supplementary Capitals	-
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Secondary Subordinated Debts and Debt Instruments Purchased from Such Parties Qualified as Primary or Secondary Subordinated Debts	-
Loans Granted against the Articles 50 and 51 of the Banking Law	-
Net Book Values of Immovables Exceeding 50% of the Equity and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law but Retained More Than Five Years	-
Securitization Positions to be Deducted from Equity	-
Other	-
Total Shareholders' Equity	474,661

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FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

II. Explanations on credit risk

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

In accordance with the regulation, credit risk limits is allocated according to financial position and needs of credit customers under the authorised limits of General Manager, Credit Committee and Board of Directors. If it is needed related limits can be changed by the Bank.

The Bank follows the customers of loans and other receivables in terms of the credit worthiness with the relevant legislation. In addition, the status of accounts for new loans are checked and updated if needed. In accordance with relevant legislation, the Bank follows the risk limits on the basis of debtor and the debtor group.

The Bank uses a credit rating system to measure and evaluate the credit risk effectively. This is a mandatory step for all loan applications. The credit rating system is assessing the total credit risk of each customer. The Bank performs valuation of collaterals to reduce the loan risk at first step of receiving collateral and the results of risk rating system at least once a year.

The Bank manages and monitors its credit risk until the loan repayment is completed, related loan is cancelled or derecognised. The Bank has control limits held on the positions of forward transactions and other similar contracts, and these limits are monitored daily.

In accordance with the Article 69 of Internal Systems Regulation, the Bank performs monthly stress tests in order to measure the effects of exceptional but a possible situation that may result with great credit losses in the portfolio.

The Bank senior management is informed regarding details of the Bank's credit risk in montly meeting of Credit Committee.

The general provision for the credit risk amounts to TL 135 as of 31 December 2013.

	Curent Period Risk Amount *	Average Risk Amount
Exposure Categories		
Conditional and Unconditional Exposures to Central Governments or Central Banks	652	419
Conditional and Unconditional Exposures to Corporates	12,967	6,484
Short term exposures to banks, brokerage houses and corporates	611,465	560,132
Other Receivables	10,701	10,765
Total	635,785	577,800

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

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FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

II. Explanations on credit risk (Cont'd)

1. Profile of significant exposures in major regions:

Current Period *	Conditional and Unconditional exposures to central governments or central banks	Conditional and Unconditional exposures to banks and brokerage houses	Conditional and Unconditional exposures to corporates	Other receivables	Total
Domestic	652	610,875	12,967	10,701	635,195
European Union (EU) Countries	-	1	-	-	1
OECD Countries **	-	589	-	-	589
Off-Shore Banking Regions	-	-	-	-	-
USA, Canada	-	-	-	-	-
Other Countries	-	-	-	-	-
Associates, Subsidiaries and Joint –ventures	-	-	-	-	-
Unallocated Assets/Liabilities	-	-	-	-	-
Total	652	611,465	12,967	10,701	635,785

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

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

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FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

II. Explanations on credit risk (Cont'd)

2. Risk profile by sectors or counterparties

Sectors / Counterparties Current Period	1	2	3	4	TL	FC	Total
Agricultural	-	-	-	-	-	-	-
Farming and Stockbreeding	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-
Fishing	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	-
Mining and Quarrying	-	-	-	-	-	-	-
Production	-	-	-	-	-	-	-
Electricity, Gas and Water	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-
Services	652	611,465	12,967	-	507,070	118,014	625,084
Wholesale and Retail Trade	-	-	12,967	-	2,106	10,861	12,967
Accommodation and Dining	-	-	-	-	-	-	-
Transportation and Telecommunication	-	-	-	-	-	-	-
Financial Institutions	652	611,465	-	-	504,964	107,153	612,117
Real Estate and Rental Services	-	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-	-
Educational Services	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-
Other	-	-	-	10,701	10,453	248	10,701
Total*	652	611,465	12,967	10,701	517,523	118,262	635,785

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

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

2: Conditional and Unconditional exposures to banks and brokerage houses

3: Conditional and Unconditional exposures to corporates

4: Other receivables

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FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

II. Explanations on credit risk (Cont'd)

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

Exposure Categories	Term To Maturity					
	Demand	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year
Conditional and Unconditional Exposures to Central Governments or Central Banks	607	45	-	-	-	-
Conditional and Unconditional Exposures to Other Corporates	-	2,106	-	-	10,861	-
Short term Exposures to Banks, Brokerage Houses and Corporates	945	610,520	-	-	-	-
Other Receivables	10,701	-	-	-	-	-
Total	12,253	612,671	-	-	10,861	-

An international rating firm, Standard&Poors' external risk ratings are used for the risk categories (defined in the Article 6 of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks") of the whole receivables from central governments and central banks and for the receivables where the counterparties are located in foreign countries.

The risk weights are used as unrated for central governments and central banks that are not rated by Standard&Poors. Where the counterparties are domestic, the related exposures are included in the calculation of capital adequacy as unrated.

4. Exposures by risk weights

Risk Weight Current Period	%0	%10	%20	%50	%75	%100	%150	%200	Deductions from Equity	Total
Exposures Before Credit Risk Mitigation	652	-	503,346	-	-	131,787	-	-	56,894	635,785
Exposures After Credit Risk Mitigation	652	-	503,346	-	-	131,787	-	-	56,894	635,785

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FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

II. Explanations on credit risk (Cont'd)

5. Information by major sectors and type of counterparties

As per the TAS and TFRS;

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

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

Major Sectors / Counterparties (Current Period)	Credits			
	Impaired Credits	Past Due Credits	Value Adjustments*	Provisions**
Agriculture	-	-	-	-
Farming and Stockbreeding	-	-	-	-
Forestry	-	-	-	-
Fishery	-	-	-	-
Manufacturing	-	-	-	-
Mining and Quarrying	-	-	-	-
Production	-	-	-	-
Electricity, Gas and Water	-	-	-	-
Construction	-	-	-	-
Services	-	-	-	-
Wholesale and Retail Trade	-	-	-	-
Accommodation and Dining	-	-	-	-
Transportation and Telecommunication	-	-	-	-
Financial Institutions	-	-	-	-
Real Estate and Rental Services	-	-	-	-
Professional Services	-	-	-	-
Educational Services	-	-	-	-
Health and Social Services	-	-	-	-
Others	-	-	-	-
Total	-	-	-	-

(*) Shows the general provision amount for past due credits.

(**)Shows the special provision amount for credits decreased in value.

6. Information on movements in value adjustments and provisions

	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments (*)	Closing Balance
Current Period					
Specific Provisions	-	-	-	-	-
General Provisions	-	135	-	-	135

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

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FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

II. Explanations on credit risk (Cont'd)

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

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

Cash loans granted to individuals and corporates	Standard Loans	Loans and Other Receivables Under Close Monitoring
	Current Period	Current Period
Secured Loans:	-	-
Secured by Cash Collateral	-	-
Secured by Mortgages	-	-
Secured by Treasury Guarantees or Securities Issued by Public Sector	-	-
Guarantees Issued by Financial Institutions	-	-
Other Collaterals (being on the pledges, corporate and personal guarantees, promissory notes)	-	-
Non-Secured Loans	12,967	-
Total	12,967	-

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

Non-cash loans granted to individuals and corporates	Standard Loans	Loans and Other Receivables Under Close Monitoring
	Current Period	Current Period
Secured Loans:	-	-
Secured by Cash Collateral	-	-
Secured by Mortgages	-	-
Secured by Treasury Guarantees or Securities Issued by Public Sector	-	-
Guarantees Issued by Financial Institutions	-	-
Other Collaterals (being on the pledges, corporate and personal guarantees, promissory notes)	-	-
Non-Secured Loans	-	-
Total	-	-

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FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

III. Explanations on market risk

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

Market risk management activities in the Bank, includes the measurement of risks due to price, interest and exchange rate fluctuations in the financial market. In this context, risk measurement and limit checks on a daily basis are performed taking into account the limits specified in the market risk-trading book policy. Risk Committee, Asset-Liability-Committee and the top management of the Bank is informed about the results of control.

In 2013, no capital requirement arised since interest, equity, commodity, swap, option and any position requiring calculation for counterparty risk is limited within the scope of our Bank's activities. As the limits defined in the legislation are not overdrafted, there is no capital requirement arising from foreign exchange risk in the December 2013 period.

As explained above, due to limited market risk of the Bank and its risk appetite that was set too low, results of the stress tests and scenario analysis can be negligible considering the Banks equity. Therefore, there is no need for using a risk measurement model for market risk.

There is no position requiring counterparty risk calculation in 2013.

1. Information related to market risk

Current Period	Amount
(I) Capital Requirement to be Employed For General Market Risk - Standard Method	-
(II) Capital Requirement to be Employed For Specific Risk - Standard Method	-
Capital Requirement against Specific Risks of Securitisation Positions – Standard Method	-
(III) Capital Requirement to be Employed For Currency Risk - Standard Method	-
(IV) Capital Requirement to be Employed For Commodity Risk – Standard Method	-
(V) Capital Requirement to be Employed For Clearing Risk - Standard Method	-
(VI) Total Capital Requirement to be Employed For Market Risk Resulting From Options - Standard Method	-
(VII) Capital Requirement against Counterparty Credit Risks – Standard Method	-
(VIII) Total Capital Requirement to be Employed For Market Risk in Banks Using Risk Measurement	-
(IX) Total Capital Requirement to be Employed For Market Risk (I+II+III+IV+V+VI+VII+VIII)	-
(X) Amount Subject to Market Risk (12.5 x VIII) or (12.5 x IX)	-

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FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

III. Explanations on market risk (Cont'd)

2. Average market risk table calculated during the period

	<i>Current Period</i>		
	Average	Highest	Lowest
Interest Rate Risk	-	-	-
Equity-Shares Position Risk	-	-	-
Currency Position Risk	1,004	2,008	-
Commodity Risk	-	-	-
Clearing Risk	-	-	-
Option Market Risk	-	-	-
Counterparty Credit Risk	-	-	-
Total Value at Risk	1,004	2,008	-

3. Quantitative information on counterparty risk

The counterparty risk amount is calculated in accordance with "fair value measurement methodology" stated in Appendix 2 and section 3 of "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

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

Current Period	Value	Risk Weights					Total Value at Risk
		%0	%20	%50	%75	%100	
Interest-Rate Contracts (*)	-	-	-	-	-	-	-
Foreign-Exchange-Rate Contracts (**)	-	-	-	-	-	-	-
Commodity Contracts	-	-	-	-	-	-	-
Equity-Shares Related Contracts	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Gross Positive Fair Values	-	-	-	-	-	-	-
Netting Benefits	-	-	-	-	-	-	-
Net Current Exposure Amount	-	-	-	-	-	-	-
Collaterals Received	-	-	-	-	-	-	-
Net Derivative Position (***)	-	-	-	-	-	-	-

(*) Includes repo transactions

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

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

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FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

IV. Explanations on operational risk

The value at operational risk is calculated according to the “basic indicator approach”. Value at operational risk amount is calculated annually in accordance with the Communiqué on “Measurement and Assessment of Capital Adequacy of Banks” issued on Official Gazette dated 28 June 2012 numbered 28337 .

	31 December 2011	31 December 2012	31 December 2013	Total/ No. of Years of Positive Gross Income	Rate (%)	Total
Gross Income	-	-	-	-	-	-
Value at Operational Risk (Total*12.5)						-

V. Explanations on currency risk

Position limit on currency risk is determined in line with net general position standard ratio on foreign currency. The Bank does not take foreign exchange and parity risk; transactions are usually hedged. Measurable and manageable risks are taken within legal limits.

As of 31 December 2013, the Bank has a net long position of TL 1,775 resulting from long position on the balance sheet amounting to TL 177 and long position on the off-balance amounting to TL 1,598. The Bank uses “Standard Method” which is also used in legal reporting to measure the foreign exchange risk.

The announced current foreign exchange buying rates of the Bank at 31 December 2013 and the previous five working days in full TL are as follows:

US Dollar purchase rate as at the balance sheet date	TL 2.1304
Euro purchase rate as at the balance sheet date	TL 2.9344

Date	USD	EUR
25 December 2013	2.1000	2.8929
26 December 2013	2.1000	2.8921
27 December 2013	2.1000	2.8917
30 December 2013	2.0800	2.8733
31 December 2013	2.0900	2.8791

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FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

V. Explanations on currency risk (continued)

For December 2013, arithmetic average of US Dollar purchase rate is TL (full) 2.0665 and Euro purchase rate is TL (full) 2.8316.

Current Period	EUR	USD	Other	Total
Assets				
Cash and Balances with the Central Bank of Turkey	-	45	-	45
Banks	111	106,923	77	107,111
Financial Assets at Fair Value through Profit/Loss	-	-	-	-
Interbank Money Market Placements	-	-	-	-
Financial Assets Available for Sale	-	-	-	-
Loans	10,861	-	-	10,861
Subsidiaries, Associates and Entities Under Common Control (Joint Vent.)	-	-	-	-
Investments Held to Maturity	-	-	-	-
Derivative Financial Assets Held for Hedging Purposes	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	-	179	-	179
Total Assets	10,972	107,147	77	118,196
Liabilities				
Banks Deposits	-	-	-	-
Foreign Currency Deposits	-	-	-	-
Interbank Money Market Borrowings	-	-	-	-
Funds Borrowed from Other Financial Institutions	10,857	107,162	-	118,019
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	-
Derivative Financial Liabilities Held for Hedging Purposes	-	-	-	-
Other Liabilities	-	-	-	-
Total Liabilities	10,857	107,162	-	118,019
Net Balance Sheet Position	115	(15)	77	177
Net Off-Balance Sheet Position	-	1,598	-	1,598
Financial Derivative Assets	-	1,598	-	1,598
Financial Derivative Liabilities	-	-	-	-
Non-Cash Loans	-	-	-	-

The following table demonstrates prospective increase and decrease in equities and profit/loss as of 31 December 2013 (excluding tax effect) on condition that 10 % decrease of TL against the currencies below. This analysis has been prepared under the assumption that all other variables, especially interest rates, are constant.

	Current Period	
	Profit/Loss	Equity
USD 10%	159	159
USD (10%)	(159)	(159)
EURO 10%	12	12
EURO (10%)	(12)	(12)
Total (Net)	-	-

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FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

VI. Explanations on interest rate risk

Bank's interest rate sensitive assets and liabilities are followed up and sensitivity analysis are performed for the impact of the interest rate fluctuations over the financial statements. The results are presented regularly to Assets Liabilities Committee, Risk Committee and the top management. With sensitivity and scenario analysis, how interest rate fluctuations (volatility) will affect the Bank in the forthcoming periods is analyzed. In these analyses, potential losses due to changes in fair value of interest-sensitive products is calculated by applying shocks to interest rates. In our Bank, interest rate risk is handled by taking Market Risk-Banking Accounts Policy into consideration and daily differences (gap) are controlled to be within defined limits and are reported to top management.

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

Current Period End	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non- interest Bearing	Total
Assets							
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	-	-	652	652
Banks	608,924	-	-	-	-	942	609,866
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-	-	-	-
Interbank Money Market Placements	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	-	-	-	-	-	-	-
Loans	2,106	-	10,861	-	-	-	12,967
Investment Securities Held-to-Maturity	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	68,258	68,258
Total Assets	611,030	-	10,861	-	-	69,852	691,743
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	262	262
Interbank Money Market Borrowings	-	-	-	-	-	-	-
Sundry Creditors	-	22,811	-	-	-	3,182	25,993
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed from Other Financial Institutions	106,523	639	10,857	-	-	-	118,019
Other Liabilities	-	-	-	-	-	547,469	547,469
Total Liabilities	106,523	23,450	10,857	-	-	550,913	691,743
Off-Balance Sheet Items							
Balance Sheet Long Position	504,507	-	4	-	-	-	504,511
Balance Sheet Short Position	-	23,450	-	-	-	481,061	504,511
Off-Balance Sheet Long Position	-	-	-	-	-	-	-
Off-Balance Sheet Short Position	-	-	-	-	-	-	-
Total Position	504,507	(23,450)	4	-	-	(481,061)	-

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FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

VI. Explanations on interest rate risk (Cont'd)

Average interest rates applied to financial instruments

Current Period End	EUR	USD	JPY	TL
	%	%	%	%
Assets				
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	-
Banks	-	0.19	-	7.73
Financial Assets at Fair Value Through Profit/ Loss	-	-	-	-
Interbank Money Market Placements	-	-	-	-
Financial Assets Available-for-Sale	-	-	-	-
Loans	1.05	-	-	8.20
Investment Securities Held-to-Maturity	-	-	-	-
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Interbank Money Market Borrowings	-	-	-	-
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed from Other Financial Institutions	0.51	0.19	-	-

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FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

VI. Explanations on interest rate risk (continued)

Interest rate risk on banking book

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

	Shock Applied (+ / - x bps)	Gains/ Losses	Gains / Equity - Losses / Equity
TRY	500	(1,089)	%(18.27)
TRY	(400)	1,092	%18.33
USD Dollar	200	(74)	%(1.24)
USD Dollar	(200)	97	%1.63
EURO	200	(1)	%(0.01)
EURO	(200)	15	%0.26
Total (For Positive Shocks)		(1,164)	%(19.52)
Total (For Negative Shocks)		1,204	%20.22

VII. Explanations on equity securities position risk

The Bank does not have a position of equity securities as of 31 December 2013.

VIII. Explanations on liquidity risk

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

According to the BRSA’s “Legislation on Measurement and Assessment of Liquidity Adequacy of the Banks”; published in the Official Gazette numbered 26333, dated 1 November 2006; liquidity ratio is required to be 80 % for foreign currency assets/liabilities and 100 % for total assets/liabilities in the calculation of the bank’s weekly and monthly reporting effective from 1 September 2007. Liquidity ratios for the year 2013 are shown below:

	First Maturity Bracket (Weekly)		Second Maturity Bracket (Monthly)	
	FC	FC + TL	FC	FC+TL
Average (%)	820	10,040	294	25,499
Max. (%)	2,728	34,523	673	48,353
Min. (%)	199	510	85	11,990

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FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

VIII. Explanation related to the liquidity risk (continued)

Presentation of assets and liabilities according to their remaining maturities:

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Years and Over	Unallocated	Total
Assets								
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	652	-	-	-	-	-	-	652
Banks	942	608,924	-	-	-	-	-	609,866
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-	-	-	-	-
Interbank Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	-	-	-	-	-	-	-	-
Loans	2,106	-	10,861	-	-	-	-	12,967
Investment Securities Held-to-Maturity	-	-	-	-	-	-	-	-
Other Assets (*)	-	-	-	-	-	-	68,258	68,258
Total Assets	3,700	608,924	10,861	-	-	-	68,258	691,743
Liabilities								
Bank Deposits	-	-	-	-	-	-	-	-
Other Deposits	262	-	-	-	-	-	-	262
Funds Borrowed from Other Financial Institutions	-	106,523	639	10,857	-	-	-	118,019
Interbank Money Market Borrowings	-	-	-	-	-	-	-	-
Marketable Securities Issued	-	-	-	-	-	-	-	-
Sundry Creditors	-	-	22,811	-	-	-	3,182	25,993
Other Liabilities (**)	-	-	-	-	-	-	547,469	547,469
Total Liabilities	262	106,523	23,450	10,857	-	-	550,651	691,743
Net Liquidity Gap	3,438	502,401	(12,589)	(10,857)	-	-	(482,394)	-

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

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

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FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

VIII. Explanation related to the liquidity risk (continued)

Contractual maturity analysis of liabilities according to remaining maturities

31 December 2013	Carrying Value	Gross Nominal Outflows	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over
Bank Deposits	-	-	-	-	-	-	-	-
Other Deposits	262	262	262	-	-	-	-	-
Interbank Money Market Borrowings	-	-	-	-	-	-	-	-
Marketable Securities Issued	-	-	-	-	-	-	-	-
Funds Borrowed from Other Financial Institutions	118,019	118,201	-	106,648	641	10,913	-	-
Subordinated Loans	-	-	-	-	-	-	-	-
Total	118,281	118,463	262	106,648	641	10,913	-	-

IX. Explanations on securitisation positions

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

X. Information on credit risk mitigation techniques

In order to mitigate the credit risk, the Bank applies the generally accepted risk mitigation techniques decided upon its credit policy, as per the requirements set out in the current legislation. As of 31 December 2013 the Bank's loan portfolio is mainly composed of uncollateralized corporate loans.

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FINANCIAL POSITION AND RISK MANAGEMENT (Continued)**X. Information on credit risk mitigation techniques (continued)**

Exposure Categories*	Amount	Financial Collaterals	Other/Physical Collaterals**	Guarantees and Credit Derivatives
Receivables from Central Governments	-	-	-	-
Receivables, Coins, Purchased Cheques from Regional or Local Governments and Central Bank of Turkey	-	-	-	-
Receivables from Administrative Units and Non-Commercial Enterprises	-	-	-	-
Receivables from Multilateral Development Banks	-	-	-	-
Receivables from International Organisations	-	-	-	-
Receivables from Banks and Brokerage Houses	-	-	-	-
Corporate Receivables	-	-	-	-
Retail Receivables	-	-	-	-
Receivables that are Collateralized by Residential Past due Receivables	-	-	-	-
Receivables Defined in High Risk Category by BRSA	-	-	-	-
Securities Collateralised by Mortgages	-	-	-	-
Short-term Receivables from Banks, Brokerage Houses and Corporates	-	-	-	-
Investments Similar to Collective Investment Funds	-	-	-	-
Other Receivables	-	-	-	-
Total	-	-	-	-

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

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

XI. Explanation on risk management objectives and policies

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

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

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FINANCIAL POSITION AND RISK MANAGEMENT (Continued)**XI. Explanation on risk management objectives and policies (cont'd)**

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

The Bank has organised credit policies and risk mitigation policies due to credit risk.

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

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

	Carrying Value	Fair Value
	Current Period	Current Period
Financial Assets	622,833	622,833
Banks	609,866	609,866
Loans	12,967	12,967
Financial Liabilities	118,281	118,281
Other Deposits	262	262
Borrowings from other financial institutions	118,019	118,019

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

None.

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

SECTION FIVE

EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL
STATEMENTS

I. Explanations and disclosures related to the assets

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

	Current Period	
	TL	FC
Cash in TL /Foreign Currency	-	-
Balances with the Central Bank of Turkey	607	45
Other	-	-
Total	607	45

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

	Current Period	
	TL	FC
Unrestricted Demand Deposits	607	-
Unrestricted Time Deposits	-	-
Restricted Time Deposits	-	45
Total	607	45

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

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

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

None.

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

None.

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

None.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2013

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

I. Explanations and disclosures related to the assets (Cont'd)

3. Information on Banks

3.1 Information on banks

	Current Period	
	TL	FC
Banks		
Domestic	502,756	106,520
Foreign	-	590
Foreign head-offices and branches	-	-
Total	502,756	107,110

3.2 Due from foreign banks

	Restricted Balances	Unrestricted Balances
	Current Period	Current Period
EU Countries	-	-
USA and Canada	-	-
OECD Countries (*)	590	-
Off-Shore Banking Regions	-	-
Other	-	-
Total	590	-

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

4. Information on financial assets available-for-sale

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

None.

4.2 Details of financial assets available-for-sale

None.

5. Information on loans

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

None.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 31 DECEMBER 2013

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

I. Explanations and disclosures related to the assets (Cont'd)

5. Information on loans (cont'd)

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

	Standard Loans and Other Receivables			Loans and Other Receivables under Close Monitoring		
	Loans and Other Receivables (Total)	Loan and Receivables with Revised Contract Terms		Loans and Other Receivables (Total)	Loan and Receivables with Revised Contract Terms	
		Extension of Repayment Plan	Other		Extension of Repayment Plan	Other
Cash Loans						
Loans	12,967	-	-	-	-	-
Working Capital Loans	-	-	-	-	-	-
Export Loans	-	-	-	-	-	-
Import Loans	-	-	-	-	-	-
Loans to Financial Sector	-	-	-	-	-	-
Consumer Loans	-	-	-	-	-	-
Credit Cards	-	-	-	-	-	-
Others	12,967	-	-	-	-	-
Specialization Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	12,967	-	-	-	-	-

	Standard Loans and Other Receivables	Loans and Other Receivables under Close Monitoring
Number of Extensions	-	-
1 or 2 times	-	-
3, 4 or 5 times	-	-
Over 5 times	-	-

	Standard Loans and Other Receivables	Loans and Other Receivables under Close Monitoring
Extension Periods	-	-
0-6 Months	-	-
6 -12 Months	-	-
1 – 2 Years	-	-
2 – 5 Years	-	-
5 Years and over	-	-

The overdue analysis of close monitoring loans

	Corporate/ Commercial Loans	Consumer Loans	Total
Current Period			
1-30 days	-	-	-
31-60 days	-	-	-
61-90 days	-	-	-
Total	-	-	-

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 31 DECEMBER 2013

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

I. Explanations and disclosures related to the assets (Cont'd)**5. Information on loans (cont'd)***Maturity analysis of cash loans*

	Standard Loans and Other Receivables		Loans and Other Receivables under Close Monitoring	
	<i>Loans and Other Receivables</i>	<i>Loans and Receivables with Revised Contract Terms</i>	<i>Loans and Other Receivables</i>	<i>Loans and Receivables with Revised Contract Terms</i>
<i>Current Period</i>				
Short-term Loans and Other Receivables	12,967			
Loans	12,967	-	-	-
Specialization Loans	-	-	-	-
Other Loans	-	-	-	-
Medium and Long-term Loans and Other Receivables				
Loans	-	-	-	-
Specialization Loans	-	-	-	-
Other Loans	-	-	-	-

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

None.

5.4 Information on commercial loans with installments and corporate credit cards

None.

5.5 Allocation of loans by customers

	Current Period
Public Sector	-
Private Sector	12,967
Total	12,967

5.6 Allocation of Domestic and Foreign Loans

	Current Period
Domestic Loans	12,967
Foreign Loans	-
Total	12,967

5.7 Loans granted to subsidiaries and associates

The Bank does not have any loans granted to subsidiaries as of 31 December 2013.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 31 DECEMBER 2013**

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

I. Explanations and disclosures related to the assets (Cont'd)

5. Information on loans (cont'd)

5.8 Specific provisions provided against loans

None.

5.9 Information on non-performing loans (Net)

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

None.

5.9.2 Movement on non-performing loans

None.

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

None.

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

None.

5.10 Liquidation policy for uncollectible loans and other receivables

None.

5.11 Explanations related to write-off policy

None.

6. Information on held-to-maturity investments

The Bank does not have any held to maturity investments as of 31 December 2013.

7. Information on associates

The Bank does not have any associates as of 31 December 2013.

8. Information on subsidiaries

The Bank does not have any subsidiaries as of 31 December 2013.

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

The Bank does not have any joint ventures as of 31 December 2013.

10. Information on lease receivables

The Bank does not have any lease receivables as of 31 December 2013.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 31 DECEMBER 2013

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

I. Explanations and disclosures related to the assets (Cont'd)**11. Information on derivative financial assets held for hedging purposes****11.1 Positive valuation derivative financial assets held for hedging purposes**

The Bank does not have any derivative financial assets held for hedging purposes as of 31 December 2013.

12. Information on tangible assets

Current Period	Vehicles	Other Tangible Assets(*)	Total
Cost			
Beginning Balance, 14 February 2013	-	-	-
Additions	356	12,002	12,358
Disposals	-	-	-
Ending Balance, 31 December 2013	356	12,002	12,358
Accumulated Depreciation			
Beginning Balance, 14 February 2013	-	-	-
Depreciation	22	2,354	2,376
Disposals	-	-	-
Ending Balance, 31 December 2013	22	2,354	2,376
Net Book Value, 31 December 2013	334	9,648	9,982

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

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

None.

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

None.

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

None.

12.3 Pledge, mortgage and other restrictions over tangible assets, expenses made and commitments given to purchase tangible fixed assets

None.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 31 DECEMBER 2013

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

I. Explanations and disclosures related to the assets (Cont'd)**13. Information on intangible assets****13.1 Useful lives and amortisation rates**

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

The Bank's intangible assets, software programs, intangible rights, and their useful life is considered as 5 years.

13.2 Amortisation methods

The amortisation charge for items remaining in the property and equipment for less than an accounting period at the balance sheet date is calculated in proportion to the period the item remains in property and equipment account on a straight line basis.

13.3 Balances at beginning and end of current period

	Current Period	
	Cost	.Accumulated Amortisation
Intangible Assets	56,700	2,011

(*)Includes the software and other intangible assets

13.4 Movements of intangible assets for the current period

	Current Period
Cost	
Beginning Balance, 14 February	-
Additions	56,700
Ending Balance, 31 December	56,700
Accumulated Depreciation	
Beginning Balance, 14 February	-
Depreciation Expense for Current Period (-)	2,011
Ending Balance, 31 December	2,011
Net Book Value, 31 December	54,689

13.5 Details for any individually material intangible assets

None.

13.6 Intangible assets capitalised under government incentives at fair values

None.

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

None.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 31 DECEMBER 2013**

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

I. Explanations and disclosures related to the assets (Cont'd)

13. Information on intangible assets (cont'd)

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

None.

13.9 Commitments to acquire intangible assets

None.

13.10 Disclosure on revalued intangible assets

None.

13.11 Research and development costs expensed during current period

None.

13.12 Goodwill

None.

14. Information on investment properties

None.

15. Information on deferred tax asset

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

None.

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

None.

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

None.

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

None.

17. Information on other assets

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

17.1 Information on prepaid expenses, tax and similar items

As of 31 December 2013, total prepaid expenses are TL 225.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 31 DECEMBER 2013

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

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

	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Months -1 Year	1 Year and Over	Cumulative Deposit	Total
Saving Deposits	-	-	-	-	-	-	-	-	-
Foreign Currency Deposits	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
Public Sector Deposits	-	-	-	-	-	-	-	-	-
Commercial Deposits	262	-	-	-	-	-	-	-	262
Other Ins. Deposits	-	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Interbank Deposits	-	-	-	-	-	-	-	-	-
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	-	-	-	-	-	-	-	-	-
Special Finan.Inst.	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	262	-	-	-	-	-	-	-	262

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

None.

1.3 Saving deposits at domestic branches of foreign banks in Turkey under the coverage of foreign insurance.

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

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

None.

2. Information on derivative financial liabilities held for trading

The Bank does not have a derivative financial liabilities held for trading as of 31 December 2013.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 31 DECEMBER 2013

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

II. Explanations and disclosures related to liabilities (Cont'd)**3. Information on banks and other financial institutions****3.1 Information on banks and other financial institutions**

	Current Period	
	TL	FC
Loans from Central Bank of Turkey	-	-
From Domestic Banks and Institutions	-	-
From Foreign Banks, Institutions and Funds	-	118,019
Total	-	118,019

3.2 Maturity analysis of borrowings

	Current Period	
	TL	FC
Short-Term	-	118,019
Medium and Long Term	-	-
Total	-	118,019

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

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

4. Informations related with issued instruments

The bank does not have issued instruments as of 31 December 2013.

5. Sundry Creditors and Other Liabilities

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

6. Criteria used in the determination of lease installments in the finance lease contracts, renewal and purchase options, restrictions, and significant burdens imposed on the bank on such contracts**6.1 Changes in agreements and further commitments arising**

None.

6.2 Obligations under financial lease

None.

6.3 Information on operational leases and footnotes

None.

6.4 Information on "Sale-and-lease back" agreements

There is not any sale and lease back agreements in the current period.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 31 DECEMBER 2013

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

II. Explanations and disclosures related to liabilities (Cont'd)**7. Information on derivative financial liabilities for hedging purposes**

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

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

	Current Period
Loans and Receivables in Group 1	135
- Additional Provision for Loan and Receivables with Extended Maturities	-
Loans and Receivables in Group 2	-
- Additional Provision for Loan and Receivables with Extended Maturities	-
Non-Cash Loans	-
Others	-
Total	135

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

None.

8.3 The specific provisions provided for unindemnified non cash loans

None.

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

None.

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

None.

8.4.3 Explanations on reserves for employee benefits

As of 31 December 2013, reserves for employee benefits amounting to TL 2,160 comprise TL 133 unused vacation pay liability and TL 2,027 personnel premium.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 31 DECEMBER 2013

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

II. Explanations and disclosures related to liabilities (Cont'd)**9. Explanations on tax liabilities****9.1 Explanations on current tax liability****9.1.1 Explanations on tax provision**

As of 31 December 2013, current tax liability amounts to TL 11,591.

9.1.2 Information on taxes payable

	Current Period
Corporate taxes payable	-
Taxation on securities	-
Property tax	15
Banking and Insurance Transaction Tax (BITT)	19
Taxes on foreign exchange transactions	-
Value added taxes payable	5,364
Income tax withhold from wages	-
Other	6,089
Total	11,487

9.1.3 Information on premiums

	Current Period
Social Security Premiums- Employee	42
Social Security Premiums- Employer	54
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	3
Unemployment Insurance- Employer	5
Other	-
Total	104

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 31 DECEMBER 2013

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

II. Explanations and disclosures related to liabilities (Cont'd)**9. Explanations on tax liabilities****9.2 Explanations on deferred tax liabilities**

As of 31 December 2013, the deferred tax asset of TL 1,501 is calculated.

Deferred tax liability consist of differences between the book value of assets and liabilities on the balance sheet and their taxable values in accordance with tax legislation which will be considered in the calculation of the subsequent periods profits and losses. The deferred tax assets and liabilities are presented as net in the accompanying financial statements

	Current Period	
	Deferred Tax Base	Deferred Tax Asset/ (Liability)
Premiums and Unused Vacation Provision	2,160	432
Tangible Assets Base Differences	(9,669)	(1,934)
Other	3	1
Deferred Tax Liability (Net)	(7,506)	(1,501)

The movement of the current period deferred tax assets is shown below:

	Current Period
Deferred Tax Asset, 14 February	-
Deferred Tax Benefit / (Charge)	(1,501)
Deferred Tax Recognized Directly Under Equity	-
Deferred Tax Liability 31 December	(1,501)

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

None.

11. Explanations on subordinated loans

The Bank does not have a subordinated loans as of 31 December 2013.

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

	Current Period
Common Stock	527,000
Preferred Stock	-

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

Registered share capital system is not applied.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 31 DECEMBER 2013**

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

II. Explanations and disclosures related to liabilities (Cont'd)

12. Information on shareholders' equity (cont'd)

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

The Bank has started operations in the current period and has paid up capital of TL 527.000 in the current period.

12.4 *Information on share capital increases from revaluation funds*

None.

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

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

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

None.

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

The Bank does not have any preferred shares.

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

None.

12.9 *Information on marketable securities value increase fund*

None.

12.10 *Information on revaluation reserve*

None.

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

None.

12.12 *Information on legal reserves*

None.

12.13 *Information on extraordinary reserves*

None.

13. *Information on minority shares*

None.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 31 DECEMBER 2013**

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

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

1. Information on off-balance sheet commitments

1.1 Nature and amount of irrevocable loan commitments

None.

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

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

None.

1.2.2 Revocable, irrevocable guarantees and other similar commitments and contingencies

None.

2. Total amount of non-cash loans

None

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

None

4. Information related to derivative financial instruments

None

5. Credit derivatives and risk exposures on credit derivatives

None.

6. Explanations on contingent liabilities and assets

None

7. Custodian and intermediary services

None.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 31 DECEMBER 2013

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

IV. Explanations and disclosures related to the income statement**1. Interest income****1.1 Information on interest on loans (*)**

	Current Period	
	TL	FC
Interest on loans	6	4
Short Term Loans	6	4
Medium and Long Term Loans	-	-
Interest on Non-Performing Loans	-	-
Premiums received from Resource Utilization Support Fund	-	-
Total	6	4

*Includes fees and commissions obtained from cash loans.

1.2 Information on interest income received from banks

	Current Period	
	TL	FC
The Central Bank of Turkey	-	-
Domestic Banks	33,797	1
Foreign Banks	-	-
Branches and Head Office Abroad	-	-
Total	33,797	1

1.3 Interest received from marketable securities portfolio

None.

1.4 Information on interest income received from associates and subsidiaries

None.

2. Interest expenses**2.1 Information on interest on funds borrowed**

	Current Period	
	TL	FC
Banks		
The Central Bank of Turkey	-	-
Domestic Banks	3	-
Foreign Banks	-	-
Branches and Head Office Abroad	-	-
Other Institutions	-	-
Total	3	-

2.2 Information on interest expenses to associates and subsidiaries

None.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 31 DECEMBER 2013

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

IV. Explanations and disclosures related to the income statement (Cont'd)**2.3 Information on interest expenses to securities issued**

None.

2.4 Interest expenses on deposits based on maturity of deposits:

None.

3. Information on dividend income

None.

4. Information on net trading income / loss

	Current Period
Income	4,257
Gains on Capital Market Operations	-
Gains on Derivative Financial Instruments	28
Foreign Exchange Gains	4,229
Losses (-)	4,735
Losses on Capital Market Operations	-
Losses on Derivative Financial Instruments	12
Foreign Exchange Losses	4,723
Net Trading Income / (Loss)	(478)

5. Information on other operating income

In the current period, other operating income is consist of other incomes amounting to TL 9.

6. Impairment on loans and other receivables

	Current Period
Specific Provisions on Loans and Other Receivables:	-
<i>III. Group Loans and Receivables</i>	-
<i>IV. Group Loans and Receivables</i>	-
<i>V. Group Loans and Receivables</i>	-
General Loan Loss Provisions	135
Free Provision for Probable Risks	-
Impairment Losses on Securities:	-
<i>Financial Assets at Fair Value Through Profit or Loss</i>	-
<i>Financial Assets Available-for-Sale</i>	-
Impairment Losses on Associates, Subsidiaries, Joint Ventures and Investment Securities	-
Held to Maturity:	-
<i>Associates</i>	-
<i>Subsidiaries</i>	-
<i>Joint Ventures</i>	-
<i>Investments Held to Maturity</i>	-
Other	-
Total	135

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 31 DECEMBER 2013**

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

IV. Explanations and disclosures related to the income statement (Cont'd)

7. Information related to other operational expenses

	Current Period
Personnel Expenses	6,350
Provision for Employee Termination Benefits	-
Provision for Bank's Social Aid Fund Deficit	-
Impairment Losses on Tangible Assets	-
Depreciation Charges of Tangible Assets	2,376
Impairment Losses on Intangible Assets	-
Amortisation Charges of Intangible Assets	2,011
Impairment Losses on Investment Accounted for under Equity Method	-
Impairment of Assets to be Disposed	-
Depreciation of Assets to be Disposed	-
Impairment of Assets Held for Sale	-
Other Operating Expenses	7,392
<i>Operational Leases Expenses</i>	1,018
<i>Repair and Maintenance Expenses</i>	934
<i>Advertisement Expenses</i>	8
<i>Other Expenses</i>	5,432
Losses on Sale of Assets	-
Other	9,172
Total	27,301

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

All profit/loss before tax of the Bank is from ongoing operations. The Bank has no discontinued operations.

	Current Period
Interest Income	33,808
Interest Expenses (-)	(3)
Net Fee ve Commission income	(17)
Trading Profit/Loss (Net)	(478)
Other Operating Income	9
Provision for Impairment in Loans and Other Receivables (-)	(135)
Other Operating Expenses (-)	(27,301)
Profit/(loss) Before Tax	5,883

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 31 DECEMBER 2013

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

IV. Explanations and disclosures related to the income statement (Cont'd)**9. Information on tax provision from continued and discontinued operations****9.1 Current period taxation benefit or charge and deferred tax benefit or charge**

For the period ended as of 31 December 2013, the deferred tax charge of the Bank is TL 1,501.

	Current Period
Deferred Tax Benefit/ (Charge)	(1,501)
Allowance for Deferred Tax	-
Net Deferred Tax	(1,501)

9.2 Deferred tax benefit / (charge) arising from origination or reversal of temporary differences

<i>Deferred tax benefit / (charge) arising from origination or reversal of temporary differences</i>	Current Period
Arising from Origination of Deductible Temporary Differences (+)	-
Arising from Reversal of Deductible Temporary Differences (-)	(1,934)
Arising from Origination of Taxable Temporary Differences (-)	-
Arising from Reversal of Taxable Temporary Differences (+)	433
Arising from Origination of Financial Losses (+)	-
Arising from Reversal of Financial Losses (-)	-
Arising from Origination of Tax Deductions and Exemptions (+)	-
Arising from Reversal of Tax Deductions and Exemptions (-)	-
Total	(1,501)
Allowance	-
Net deferred tax	(1,501)

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

Sources of deferred tax benefit/charge	Current Period
Arising from Origination (+)/ Reversal (-) of Deductible Temporary Differences	(1,934)
Arising from Origination (-)/ Reversal (+) of Taxable Temporary Differences	433
Arising from Origination (+)/ Reversal (-) of Tax Losses	-
Arising from Origination (+)/ Reversal (-) of Unused Tax Credits	-
Total	(1,501)
Allowance	-
Net deferred tax benefit / (charge)	(1,501)

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

	Current Period
Profit/(Loss) Before Tax from Continuing Operations	5,883
Tax Benefit/(Charge) on Continuing Operations	(1,501)
Net Profit/(Loss) from Continuing Operations	4,382

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 31 DECEMBER 2013**

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

IV. Explanations and disclosures related to the income statement (Cont'd)

11. Information on net profit/loss for the period

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

In the current period, the Bank's income from ordinary banking transactions is interest income from loans and marketable securities and other banking services income. Main expenses are interest expenses on deposits and similar debt items which are funding resources of loans and marketable securities.

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

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

None.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 31 DECEMBER 2013**

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

V. Explanations and disclosures related to statements of changes in shareholders' equity

1. Information on inflation adjustment difference of shareholders' equity

Per the circular issued by the BRSA on 28 April 2005 and the decision of BRSA No: 1623 on 21 April 2005, the inflation accounting applied in banking system has been decided to be ceased as at 1 January 2005. There are no adjustments to equity.

There is not an increase from revaluation of available for sale assets.

There is not an increase from the cashflow hedge items.

There is not a reconciliation of foreign exchange differences between the beginning and ending period.

There is not a dividend amount after balance sheet date but before the issuance of financial statements.

There is no transfer to legal reserves.

There is not an amount related with bonds issued.

2. Information on profit distribution

None.

3. Information on foreign exchange differences

None.

4. Information on available for sale financial assets

None.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 31 DECEMBER 2013**

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

VI. Explanations and disclosures related to the statement of cash flows**1. Information on cash and cash equivalents**

Cash and cash equivalents components and accounting policies defining these components:

Cash, foreign currency cash, money on transfer, bank cheques in clearance and deposits in all banks including Central Bank of Turkey are defined as "Cash", and interbank money market placements, term placements with banks and investments on marketable securities all with original maturity of less than 3 months are defined as "Cash equivalents".

Cash and cash equivalents at the end of the period:

	31 December 2013
Cash	652
Banks and Other Financial Institutions	609,866
Money Market Placements	-
Borrowings from Money Markets	-
Total Cash and Cash Equivalents	610,518

2. Information on cash and cash equivalent assets of the Bank that is not available for free use due to legal restrictions or other reasons

In the current period, TL 45 foreign currency reserve requirements at the Central Bank of Turkish Republic are not included in the cash equivalent assets.

3. Information on other item in cash flow statement and the effect of the exchange rate change on cash and cash equivalents

"Other items" amounting to TL (14,902) in "operating profit before changes in operating assets and liabilities" consists of other operating expenses, realized derivative profits and losses, premiums and unused vacation accruals.

"Net increase/decrease in other liabilities" amounting to TL 37,587 in "Changes in operating assets and liabilities" consists of changes in sundry creditors, provisions, taxes and dues payable and other liabilities.

"Net increase/decrease in other assets" amounting to TL (3,587) in "Changes in operating assets and liabilities" consists of changes in current tax assets and other receivables.

"Other" item of TL (56,700) included in net cash flows from investment activities consists of purchases of intangible assets.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 31 DECEMBER 2013**

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

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

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

1.1 Current Period

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
	Loans and Other Receivables (**)					
Balance at the Beginning of the Period	-	-	-	-	-	-
Balance at the End of the Period	-	-	-	-	589	-
Interest and Commission Income Received	-	-	-	-	-	-

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

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

1.2 Information on deposits to the Bank's risk group

None.

1.3 Information on funds obtained from Bank's risk group

None.

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

None.

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

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

None.

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

Risk group balances consist of loans and other receivables of TL 589 and deposit purchase commitment of TL 1,598.

As of 31 December 2013 net payment provided to key management is TL 815.

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

None.

2.4 Transactions accounted for under equity method

None.

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

None.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2013

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

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

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

	Number	Number of Employees			
Domestic Branch	1	50			
			Country of Incorporation		
Foreign Representation Offices			1-		
			2-		
			3-		
				Total Assets	Statutory Share Capital
Foreign Branches			1-		
			2-		
			3-		
Off-shore Banking Region Branches			1-		
			2-		
			3-		

IX. Events after balance sheet

None.

SECTION SIX

OTHER EXPLANATIONS ON THE OPERATIONS OF THE BANK

None.

SECTION SEVEN

EXPLANATIONS ON AUDITORS’ REPORT

I. Explanations on the auditors’ report

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

II. Other footnotes and explanations prepared by the independent auditors

None.