

ODEA BANK A.Ş.

**UNCONSOLIDATED FINANCIAL STATEMENTS
AND RELATED DISCLOSURES AT DECEMBER 31, 2012
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT**

(Convenience translation of unconsolidated financial statements and independent auditor's report originally issued in Turkish, See Note I. of Section three)

(Convenience translation of unconsolidated financial statements and independent auditor's report originally issued in Turkish,
See Note I. of Section three)

To Board of Directors of
Odea Bank A.Ş.
İstanbul

Odea Bank Anonim Şirketi

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying unconsolidated balance sheet of Odea Bank A.Ş. ("the Bank") as at December 31, 2012, and the related unconsolidated income statement, unconsolidated statement of income and expense items accounted under shareholders' equity, unconsolidated statement of cash flows and unconsolidated statement of changes in shareholders' equity for the period of March 15 - December 31, 2012 and a summary of significant accounting policies and other explanatory notes to the financial statements.

Responsibility of the Bank's Board of Directors 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 "Communiqué on Banks' Accounting Practice and Maintaining Documents" published in the Official Gazette dated November 1, 2006 and numbered 26333 and Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards ("TFRS") and other regulations, circulars, communiqués and pronouncements in respect of accounting and financial reporting made by the Banking Regulation and Supervision Agency ("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.

Auditor's 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 "Licensing and Operations of Audit Firms in Banking" published in the Official Gazette dated November 1, 2006 and numbered 26333 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 auditor's judgment, 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 Auditor's Opinion

In our opinion, the accompanying unconsolidated financial statements present fairly, in all material respects, the financial position of Odea Bank A.Ş. as at December 31, 2012 and the results of its operations and its cash flows for the period of March 15 – December 31, 2012 in accordance with the prevailing accounting principles and standards set out as per Article 37 of the Banking Act No: 5411, and other regulations, communiqués, circulars and pronouncements made by the Banking Regulation and Supervision Agency in respect of accounting and financial reporting.

Additional paragraph for convenience translation to English:

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

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst&Young Global Limited

A handwritten signature in black ink, appearing to read 'Fatma Ebru Yücel'.

Fatma Ebru Yücel
Partner, SMMM

Istanbul
March 8, 2013

**THE UNCONSOLIDATED YEAR END FINANCIAL REPORT OF
ODEA BANK A.Ş. AS OF DECEMBER 31, 2012**

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The unconsolidated financial report for the year-end regulated by the Banking Regulation and Supervision Agency in line with Communiqué on Financial Statements to be Publicly Announced and the Related Policies and Disclosures consists of the sections that are listed below:

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

The accompanying unconsolidated financial statements for the year-end and notes to these financial statements which are expressed, (unless otherwise stated) in thousands of Turkish Lira, have been presented based on the accounting books of the Bank prepared in accordance with the Regulation on the Principles and Procedures Regarding Banks' Accounting Applications and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and related appendices and interpretations of these, and have been audited.

Samir HANNA

Chairman of the Board
of Directors

Hüseyin ÖZKAYA

Member of Board of
Directors and General
Manager

Naim HAKIM

Assistant General Manager
in charge of Finance

Hüseyin ARITKAN

Financial Reporting
Senior Manager

Ayşe KORKMAZ

Member of Board of
Directors and Audit Committee
Member

Marwan GHANDOUR

Member of Board of
Directors and Audit Committee
Member

Contact information of the personnel in charge of addressing questions about this financial report:

Name-Surname / Title : Hüseyin ARITKAN / Financial Reporting Senior Manager
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Translated into English from the original Turkish report and financial statements

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ODEA BANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2012

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

SECTION ONE

GENERAL INFORMATION

I. Bank's Incorporation Date, Beginning Statute, Changes in the Existing Statute

Odea Bank A.Ş. was established as a deposit bank with USD 300 Million capital with the permission of BRSA numbered 4432 dated October 27, 2011, which was published in the Official Gazette on October 28, 2011, numbered 28098. Odea Bank A.Ş. started its operations in the "foreign banks founded in Turkey" group, by taking operating permission from BRSA numbered 4963 on September 28, 2012, which was published in Official Gazette dated October 2, 2012 numbered 28429.

II. Explanations Regarding Bank's Shareholding Structure, Shareholders Holding Directly or Indirectly, Collectively or Individually, the Managing and Controlling Power and Changes in Current Year, if any and Explanations on the Controlling Group of the Bank

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

| Name of shareholders | Share Amount | Share Ratios % | Paid up Shares | Unpaid Shares |
|----------------------------------|----------------|----------------|----------------|---------------|
| Bank Audi sal-Audi Saradar Group | 441.157 | 82,688% | 441.157 | - |
| Audi Saradar Private Bank | 90.698 | 17,000% | 90.698 | - |
| Raymond Audi | 555 | 0,104% | 555 | - |
| Samir Hanna | 555 | 0,104% | 555 | - |
| Freddie Baz | 555 | 0,104% | 555 | - |
| | 533.520 | 100,00% | 533.520 | - |

As of December 31, 2012 the Bank's paid in capital consists of 5.335.200.000 shares which nominal value is TL 0,10.

ODEA BANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2012

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

III. Explanations Regarding the Chairman and the Members of Board of Directors, Audit Committee, General Manager and Assistants and Their Shares and Areas of Responsibility in the Bank

| <u>Title</u> | <u>Name and Surname</u> | <u>Responsibility</u> | <u>Education</u> |
|--|-----------------------------|---|-------------------|
| Chairman of the Board of Directors | Samir HANNA | Chairman | High school |
| Vice President Of The Executive Board | Marwan GHANDOUR | Member Of The Board Of Directors/Member Of Audit Committee | PHD Degree |
| Members of the Board of Directors | Raymond AUDI | Member Of The Board Of Directors | High school |
| | Imad ITANI | Member Of The Board Of Directors | PHD Degree |
| | Abdullah İbrahim A ALHOBAYB | Member Of The Board Of Directors | Master Degree |
| | Freddie Baz | Member Of The Board Of Directors | PHD Degree |
| | Youssef NASR (*) | Member Of The Board Of Directors | Master Degree |
| | Hatem Ali SADEK | Member Of The Board Of Directors | PHD Degree |
| | Ayşe KORKMAZ | Member Of The Board Of Directors/Member Of Audit Committee | Bachelor's Degree |
| Member of the Board of Directors and General Manager | Hüseyin ÖZKAYA | Member of Board of Directors and General Manager | Master Degree |
| Deputy General Manager | Erol SAKALLIOĞLU | Commercial Banking | Bachelor's Degree |
| Assistant General Managers | Alpaslan YURDAGÜL | Financial Institutions and Investment Banking | Master Degree |
| | Antoine BOUFARAH | Operation and Information Technologies | Bachelor's Degree |
| | Cem MURATOĞLU | Private Banking | Master Degree |
| | Fevzi Tayfun KÜÇÜK | Business Solutions , Direct Banking , Transactional Banking | Master Degree |
| | Gökhan ERKIRALP | Treasury and Financial Institutions | Bachelor's Degree |
| | Naim HAKİM | Finance | Master Degree |
| | Serkan ÖZCAN | Economic Research and Strategic Planning | Master Degree |
| Statutory Auditors | Yalçın AVCI | Corporate Banking | Master Degree |
| | Egemen Selçuk KARADUMAN | Auditor | Bachelor's Degree |
| | Serkan YİĞİT | Auditor | Bachelor's Degree |

(*) Resigned from his position as of December 31, 2012.

ODEA BANK ANONİM ŞİRKETİ

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2012

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

IV. Information About The Persons and Institutions That Have Qualified Shares:

Information about the persons and institutions that have qualified shares as of December 31, 2012:

| Name of Shareholders | Share Amount | Share Ratios | Paid up Shares | Unpaid Shares |
|----------------------------------|---------------------|---------------------|-----------------------|----------------------|
| Bank Audi sal-Audi Saradar Group | 441.157 | 82,688% | 441.157 | - |
| Audi Saradar Private Bank s.a.l. | 90.698 | 17,000% | 90.698 | - |

Among the Board of Directors, senior management and auditors, only Raymond Audi, Samir Hanna and Freddie Baz have shareholding in the bank at the rate of 0,104% separately.

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

The headquarter of the Bank is located in Istanbul and as of December 31, 2012, there are 6 domestic branches with 396 employees. The Bank is organized to operate in all operational aspects of corporate, commercial and retail banking under the scope of 4th Article of the Banking Law. The Bank has no subsidiaries in the financial sector.

Translated into English from the original Turkish report and financial statements

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

- I. Balance Sheet (Statement of Financial Position)
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ODEA BANK ANONİM ŞİRKETİ

UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2012

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

I. BALANCE SHEET – ASSETS (STATEMENT OF FINANCIAL POSITION)

| | | Audited Current Period 31.12.2012 | | | |
|---|-------------------------------|---|----------------|------------------|--|
| | Note Ref (Section Five) | TL | FC | Total | |
| I. CASH AND BALANCES WITH THE CENTRAL BANK | I-1 | 271.873 | 137.904 | 409.777 | |
| II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net) | I-2 | 2.838 | 2.773 | 5.611 | |
| 2.1 Financial assets held for trading | | 2.838 | 2.773 | 5.611 | |
| 2.1.1 Public sector debt securities | | - | - | - | |
| 2.1.2 Share certificates | | - | - | - | |
| 2.1.3 Derivative financial assets held for trading | | 2.838 | 2.773 | 5.611 | |
| 2.1.4 Other marketable securities | | - | - | - | |
| 2.2 Financial assets at fair value through profit and loss | | - | - | - | |
| 2.2.1 Public sector debt securities | | - | - | - | |
| 2.2.2 Share certificates | | - | - | - | |
| 2.2.3 Loans | | - | - | - | |
| 2.2.4 Other marketable securities | | - | - | - | |
| III. BANKS | I-3 | 243.015 | 144.397 | 387.412 | |
| IV. MONEY MARKET PLACEMENTS | | 935.738 | - | 935.738 | |
| 4.1 Interbank money market placements | | - | - | - | |
| 4.2 Istanbul Stock Exchange money market placements | | - | - | - | |
| 4.3 Receivables from reverse repurchase agreements | | 935.738 | - | 935.738 | |
| V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net) | I-4 | 78.132 | - | 78.132 | |
| 5.1 Share certificates | | - | - | - | |
| 5.2 Public sector debt securities | | 78.132 | - | 78.132 | |
| 5.3 Other marketable securities | | - | - | - | |
| VI. LOANS AND RECEIVABLES | I-5 | 1.083.095 | 648.593 | 1.731.688 | |
| 6.1 Loans and receivables | | 1.083.095 | 648.593 | 1.731.688 | |
| 6.1.1 Loans to risk group of the Bank | | - | - | - | |
| 6.1.2 Public sector debt securities | | - | - | - | |
| 6.1.3 Other | | 1.083.095 | 648.593 | 1.731.688 | |
| 6.2 Non-performing loans | | - | - | - | |
| 6.3 Specific provisions (-) | | - | - | - | |
| VII. FACTORING RECEIVABLES | | - | - | - | |
| VIII. HELD TO MATURITY INVESTMENTS (Net) | I-6 | - | - | - | |
| 8.1 Public sector debt securities | | - | - | - | |
| 8.2 Other marketable securities | | - | - | - | |
| IX. INVESTMENTS IN ASSOCIATES (Net) | I-7 | - | - | - | |
| 9.1 Accounted for under equity method | | - | - | - | |
| 9.2 Unconsolidated associates | | - | - | - | |
| 9.2.1 Financial investments | | - | - | - | |
| 9.2.2 Non-financial investments | | - | - | - | |
| X. INVESTMENTS IN SUBSIDIARIES (Net) | I-8 | - | - | - | |
| 10.1 Unconsolidated financial subsidiaries | | - | - | - | |
| 10.2 Unconsolidated non-financial subsidiaries | | - | - | - | |
| XI. JOINTLY CONTROLLED ENTITIES (JOINT VENTURES) (Net) | I-9 | - | - | - | |
| 11.1 Accounted for under equity method | | - | - | - | |
| 11.2 Unconsolidated | | - | - | - | |
| 11.2.1 Financial subsidiaries | | - | - | - | |
| 11.2.2 Non-financial subsidiaries | | - | - | - | |
| XII. LEASE RECEIVABLES (Net) | I-10 | - | - | - | |
| 12.1 Finance lease receivables | | - | - | - | |
| 12.2 Operating lease receivables | | - | - | - | |
| 12.3 Other | | - | - | - | |
| 12.4 Unearned income (-) | | - | - | - | |
| XIII. DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES | I-11 | - | - | - | |
| 13.1 Fair value hedge | | - | - | - | |
| 13.2 Cash flow hedge | | - | - | - | |
| 13.3 Hedge of net investment in foreign operations | | - | - | - | |
| XIV. TANGIBLE ASSETS (Net) | I-12 | 41.342 | - | 41.342 | |
| XV. INTANGIBLE ASSETS (Net) | I-13 | 17.790 | - | 17.790 | |
| 15.1 Goodwill | | - | - | - | |
| 15.2 Other | | 17.790 | - | 17.790 | |
| XVI. INVESTMENT PROPERTY (Net) | I-14 | - | - | - | |
| XVII. TAX ASSET | I-15 | 7.100 | - | 7.100 | |
| 17.1 Current tax asset | | 5.423 | - | 5.423 | |
| 17.2 Deferred tax asset | | 1.677 | - | 1.677 | |
| XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net) | I-16 | - | - | - | |
| 18.1 Held for sale | | - | - | - | |
| 18.2 Discontinued operations | | - | - | - | |
| XIX. OTHER ASSETS | I-17 | 18.272 | 1.317 | 19.589 | |
| TOTAL ASSETS | | 2.699.195 | 934.984 | 3.634.179 | |

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

ODEA BANK ANONİM ŞİRKETİ**UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2012**

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

I. BALANCE SHEET – LIABILITIES AND EQUITY (STATEMENT OF FINANCIAL POSITION)

| | | Audited Current Period 31.12.2012 | | | |
|--|---|---|-----------|---------|-----------|
| | | Note Ref. (Section Five) | TL | FC | Total |
| I. | DEPOSITS | II-1 | 2.142.149 | 374.997 | 2.517.146 |
| 1.1 | Deposits from risk group of the Bank | | 9.083 | 26 | 9.109 |
| 1.2 | Other | | 2.133.066 | 374.971 | 2.508.037 |
| II. | DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING | II-2 | - | 4.390 | 4.390 |
| III. | FUNDS BORROWED | II-3 | - | 360.942 | 360.942 |
| IV. | MONEY MARKET BALANCES | | - | - | - |
| 4.1 | Interbank money market takings | | - | - | - |
| 4.2 | Istanbul Stock Exchange money market takings | | - | - | - |
| 4.3 | Funds provided under repurchase agreements | II-4 | - | - | - |
| V. | MARKETABLE SECURITIES ISSUED (Net) | | - | - | - |
| 5.1 | Bills | | - | - | - |
| 5.2 | Asset backed securities | | - | - | - |
| 5.3 | Bonds | | - | - | - |
| VI. | FUNDS | | - | - | - |
| 6.1 | Borrower funds | | - | - | - |
| 6.2 | Other | | - | - | - |
| VII. | MISCELLANEOUS PAYABLES | | 1.226 | - | 1.226 |
| VIII. | OTHER LIABILITIES | II-5 | 16.511 | 4.928 | 21.439 |
| IX. | FACTORING PAYABLES | | - | - | - |
| X. | LEASE PAYABLES (Net) | II-6 | - | - | - |
| 10.1 | Finance lease payables | | - | - | - |
| 10.2 | Operating lease payables | | - | - | - |
| 10.3 | Other | | - | - | - |
| 10.4 | Deferred finance lease expenses (-) | | - | - | - |
| XI. | DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES | II-7 | - | - | - |
| 11.1 | Fair value hedge | | - | - | - |
| 11.2 | Cash flow hedge | | - | - | - |
| 11.3 | Hedge of net investment in foreign operations | | - | - | - |
| XII. | PROVISIONS | II-8 | 26.041 | 7.357 | 33.398 |
| 12.1 | General loan loss provisions | | 11.132 | 7.357 | 18.489 |
| 12.2 | Restructuring reserves | | - | - | - |
| 12.3 | Reserve for employee benefits | | 859 | - | 859 |
| 12.4 | Insurance technical reserves (Net) | | - | - | - |
| 12.5 | Other provisions | | 14.050 | - | 14.050 |
| XIII. | TAX LIABILITY | II-9 | 3.974 | - | 3.974 |
| 13.1 | Current tax liability | | 3.974 | - | 3.974 |
| 13.2 | Deferred tax liability | | - | - | - |
| XIV. | PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS | II-10 | - | - | - |
| 14.1 | Held for sale | | - | - | - |
| 14.2 | Discontinued operations | | - | - | - |
| XV. | SUBORDINATED LOANS | II-11 | - | 177.849 | 177.849 |
| XVI. | SHAREHOLDERS' EQUITY | II-12 | 513.815 | - | 513.815 |
| 16.1 | Paid-in capital | | 533.520 | - | 533.520 |
| 16.2 | Capital reserves | | (133) | - | (133) |
| 16.2.1 | Share premium | | - | - | - |
| 16.2.2 | Share cancellation profits | | - | - | - |
| 16.2.3 | Marketable securities valuation differences | | (133) | - | (133) |
| 16.2.4 | Tangible assets revaluation differences | | - | - | - |
| 16.2.5 | Intangible assets revaluation differences | | - | - | - |
| 16.2.6 | Investment property revaluation differences | | - | - | - |
| 16.2.7 | Bonus shares obtained from associates, subsidiaries and jointly controlled entities (joint vent.) | | - | - | - |
| 16.2.8 | Hedging funds (Effective portion) | | - | - | - |
| 16.2.9 | Accumulated valuation differences from assets held for sale and from discontinued operations | | - | - | - |
| 16.2.10 | Other capital reserves | | - | - | - |
| 16.3 | Profit reserves | | - | - | - |
| 16.3.1 | Legal reserves | | - | - | - |
| 16.3.2 | Statutory reserves | | - | - | - |
| 16.3.3 | Extraordinary reserves | | - | - | - |
| 16.3.4 | Other profit reserves | | - | - | - |
| 16.4 | Income or (Loss) | | (19.572) | - | (19.572) |
| 16.4.1 | Prior years' income/ (loss) | | - | - | - |
| 16.4.2 | Current year income/ (loss) | | (19.572) | - | (19.572) |
| 16.5 | Minority shares | II-13 | - | - | - |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | | 2.703.716 | 930.463 | 3.634.179 |

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

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET
CONTINGENCIES AND COMMITMENTS AS OF DECEMBER 31, 2012
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

II. STATEMENT OF OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS

| | | Audited Current Period 31.12.2012 | | | |
|--|---|---|---------|---------|-----------|
| | | Note Ref. (Section Five) | TL | FC | Total |
| A. | OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III) | | 500.564 | 942.869 | 1.443.433 |
| I. | GUARANTEES | III-1 | 61.948 | 28.066 | 90.014 |
| 1.1 | Letters of guarantee | | 61.948 | 14.126 | 76.074 |
| 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 | | 61.948 | 14.126 | 76.074 |
| 1.2 | Bank loans | | - | - | - |
| 1.2.1 | Import letter of acceptance | | - | - | - |
| 1.2.2 | Other bank acceptances | | - | - | - |
| 1.3 | Letters of credit | | - | 13.940 | 13.940 |
| 1.3.1 | Documentary letters of credit | | - | 13.940 | 13.940 |
| 1.3.2 | Other letters of credit | | - | - | - |
| 1.4 | Prefinancing given as guarantee | | - | - | - |
| 1.5 | Endorsements | | - | - | - |
| 1.5.1 | Endorsements to the Central Bank of Turkey | | - | - | - |
| 1.5.2 | Other endorsements | | - | - | - |
| 1.6 | Securities issue purchase guarantees | | - | - | - |
| 1.7 | Factoring guarantees | | - | - | - |
| 1.8 | Other guarantees | | - | - | - |
| 1.9 | Other collaterals | | - | - | - |
| II. | COMMITMENTS | III-1 | 29.481 | 43.115 | 72.596 |
| 2.1 | Irrevocable commitments | | 29.481 | 43.115 | 72.596 |
| 2.1.1 | Forward asset purchase and sales commitments | | 19.651 | 41.871 | 61.522 |
| 2.1.2 | Forward deposit purchase and sales commitments | | - | - | - |
| 2.1.3 | Share capital commitment to associates and subsidiaries | | - | - | - |
| 2.1.4 | Loan granting commitments | | 9.547 | - | 9.547 |
| 2.1.5 | Securities underwriting commitments | | - | - | - |
| 2.1.6 | Commitments for reserve deposit requirements | | - | - | - |
| 2.1.7 | Payment commitment for checks | | 283 | - | 283 |
| 2.1.8 | Tax and fund liabilities from export commitments | | - | - | - |
| 2.1.9 | Commitments for credit card expenditure limits | | - | - | - |
| 2.1.10 | Commitments for promotions related with credit cards and banking activities | | - | - | - |
| 2.1.11 | Receivables from short sale commitments | | - | - | - |
| 2.1.12 | Payables for short sale commitments | | - | - | - |
| 2.1.13 | Other irrevocable commitments | | - | 1.244 | 1.244 |
| 2.2 | Revocable commitments | | - | - | - |
| 2.2.1 | Revocable loan granting commitments | | - | - | - |
| 2.2.2 | Other revocable commitments | | - | - | - |
| III. | DERIVATIVE FINANCIAL INSTRUMENTS | III-2 | 409.135 | 871.688 | 1.280.823 |
| 3.1 | Derivative financial instruments for hedging purposes | | - | - | - |
| 3.1.1 | Fair value hedge | | - | - | - |
| 3.1.2 | Cash flow hedge | | - | - | - |
| 3.1.3 | Hedge of net investment in foreign operations | | - | - | - |
| 3.2 | Held for trading transactions | | 409.135 | 871.688 | 1.280.823 |
| 3.2.1 | Forward foreign currency buy/sell transactions | | 15.835 | 157.896 | 173.731 |
| 3.2.1.1 | Forward foreign currency transactions-buy | | 6.800 | 79.844 | 86.644 |
| 3.2.1.2 | Forward foreign currency transactions-sell | | 9.035 | 78.052 | 87.087 |
| 3.2.2 | Swap transactions related to foreign currency, and interest rates | | 270.817 | 592.099 | 862.916 |
| 3.2.2.1 | Foreign currency swaps-buy | | 252.604 | 134.510 | 387.114 |
| 3.2.2.2 | Foreign currency swaps-sell | | 18.213 | 366.589 | 384.802 |
| 3.2.2.3 | Interest rate swaps-buy | | - | 45.500 | 45.500 |
| 3.2.2.4 | Interest rate swaps-sell | | - | 45.500 | 45.500 |
| 3.2.3 | Foreign currency, interest rate and securities options | | 122.483 | 121.693 | 244.176 |
| 3.2.3.1 | Foreign currency options-buy | | 83.885 | 37.876 | 121.761 |
| 3.2.3.2 | Foreign currency options-sell | | 38.598 | 83.817 | 122.415 |
| 3.2.3.3 | Interest rate options-buy | | - | - | - |
| 3.2.3.4 | Interest rate options-sell | | - | - | - |
| 3.2.3.5 | Securities options-buy | | - | - | - |
| 3.2.3.6 | Securities options-sell | | - | - | - |
| 3.2.4 | Foreign currency futures | | - | - | - |
| 3.2.4.1 | Foreign currency futures-buy | | - | - | - |
| 3.2.4.2 | Foreign currency futures-sell | | - | - | - |
| 3.2.5 | Interest rate futures | | - | - | - |
| 3.2.5.1 | Interest rate futures-buy | | - | - | - |
| 3.2.5.2 | Interest rate futures-sell | | - | - | - |
| 3.2.6 | Other | | - | - | - |
| B. | CUSTODY AND PLEDGED ITEMS (IV+V+VI) | | 267.100 | - | 267.100 |
| IV. | ITEMS HELD IN CUSTODY | | 458 | - | 458 |
| 4.1 | Assets under management | | - | - | - |
| 4.2 | Investment securities held in custody | | - | - | - |
| 4.3 | Checks received for collection | | 458 | - | 458 |
| 4.4 | Commercial notes received for collection | | - | - | - |
| 4.5 | Other assets received for collection | | - | - | - |
| 4.6 | Assets received for public offering | | - | - | - |
| 4.7 | Other items under custody | | - | - | - |
| 4.8 | Custodians | | - | - | - |
| V. | PLEDGED ITEMS | | 266.642 | - | 266.642 |
| 5.1 | Marketable securities | | - | - | - |
| 5.2 | Guarantee notes | | 28.512 | - | 28.512 |
| 5.3 | Commodities | | - | - | - |
| 5.4 | Warrants | | - | - | - |
| 5.5 | Properties | | 238.130 | - | 238.130 |
| 5.6 | Other pledged items | | - | - | - |
| 5.7 | Pledged items-depository | | - | - | - |
| VI. | ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES | | - | - | - |
| TOTAL OFF BALANCE SHEET ACCOUNTS (A+B) | | | 767.664 | 942.869 | 1.710.533 |

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

Translated into English from the original Turkish report and financial statements

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENTS OF INCOME FOR THE PERIOD OF
MARCH 15 – DECEMBER 31, 2012

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

III. STATEMENT OF INCOME

| | | Note (Section Five) | Audited Current Period 15.03-31.12.2012 |
|---------------|---|---------------------------|---|
| I. | INTEREST INCOME | IV-1 | 44,145 |
| 1.1 | Interest on loans | | 11,213 |
| 1.2 | Interest received from reserve deposits | | - |
| 1.3 | Interest received from banks | | 31,302 |
| 1.4 | Interest received from money market placements | | 1,025 |
| 1.5 | Interest received from marketable securities portfolio | | 605 |
| 1.5.1 | Held-for-trading financial assets | | 123 |
| 1.5.2 | Financial assets at fair value through profit and loss | | - |
| 1.5.3 | Available-for-sale financial assets | | 482 |
| 1.5.4 | Investments held-to-maturity | | - |
| 1.6 | Finance lease income | | - |
| 1.7 | Other interest income | | - |
| II. | INTEREST EXPENSE | IV-2 | 12,518 |
| 2.1 | Interest on deposits | | 12,196 |
| 2.2 | Interest on funds borrowed | | 322 |
| 2.3 | Interest on money market borrowings | | - |
| 2.4 | Interest on securities issued | | - |
| 2.5 | Other interest expense | | - |
| III. | NET INTEREST INCOME (I - II) | | 31,627 |
| IV. | NET FEES AND COMMISSIONS INCOME | | 5,280 |
| 4.1 | Fees and commissions received | | 5,407 |
| 4.1.1 | Non-cash loans | | 59 |
| 4.1.2 | Other | IV-12 | 5,348 |
| 4.2 | Fees and commissions paid | | 127 |
| 4.2.1 | Non-cash loans | | - |
| 4.2.2 | Other | IV-12 | 127 |
| V. | DIVIDEND INCOME | IV-3 | - |
| VI. | NET TRADING INCOME | IV-4 | 24,922 |
| 6.1 | Securities trading gains/ (losses) | | 305 |
| 6.2 | Gain/(losses) from derivative financial instruments | | 2,875 |
| 6.3 | Foreign exchange gains/ (losses) | | 21,742 |
| VII. | OTHER OPERATING INCOME | IV-5 | - |
| VIII. | NET OPERATING INCOME (III+IV+V+VI+VII) | | 61,829 |
| IX. | PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-) | IV-6 | 18,489 |
| X. | OTHER OPERATING EXPENSES (-) | IV-7 | 63,073 |
| XI. | NET OPERATING INCOME/(LOSS) (VIII-IX-X) | | (19,733) |
| XII. | AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER | | - |
| XIII. | PROFIT / (LOSS) ON INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD | | - |
| XIV. | GAIN / (LOSS) ON NET MONETARY POSITION | | - |
| XV. | PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV) | IV-8 | (19,733) |
| XVI. | TAX PROVISION FOR CONTINUED OPERATIONS (±) | IV-9 | 161 |
| 16.1 | Provision for current income taxes | | (1,516) |
| 16.2 | Provision for deferred taxes | | 1,677 |
| XVII. | NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI) | IV-10 | (19,572) |
| XVIII. | INCOME ON DISCONTINUED OPERATIONS | | - |
| 18.1 | Income on assets held for sale | | - |
| 18.2 | Income on sale of associates, subsidiaries and jointly controlled entities (Joint ventures) | | - |
| 18.3 | Income on other discontinued operations | | - |
| XIX. | LOSS FROM DISCONTINUED OPERATIONS (-) | | - |
| 19.1 | Loss from assets held for sale | | - |
| 19.2 | Loss on sale of associates, subsidiaries and jointly controlled entities (Joint ventures) | | - |
| 19.3 | Loss from other discontinued operations | | - |
| XX. | PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX) | | - |
| XXI. | TAX PROVISION FOR DISCONTINUED OPERATIONS (±) | | - |
| 21.1 | Provision for current income taxes | | - |
| 21.2 | Provision for deferred taxes | | - |
| XXII. | NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI) | | - |
| XXIII. | NET PROFIT/LOSS (XVII+XXII) | IV-11 | (19,572) |

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

Translated into English from the original Turkish report and financial statements

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY
FOR THE PERIOD OF MARCH 15 – DECEMBER 31, 2012
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

IV. STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY

| | Audited Current Period 15.03-31.12.2012 |
|---|---|
| I. Additions to marketable securities revaluation differences for available for sale financial assets | (648) |
| II. Tangible assets revaluation differences | - |
| III. Intangible assets revaluation differences | - |
| IV. Foreign currency translation differences for foreign currency transactions | - |
| V. Profit/Loss from derivative financial instruments for cash flow hedge purposes (Effective portion of fair value differences) | - |
| VI. Profit/Loss from derivative financial instruments for hedge of net investment in foreign operations (Effective portion of fair value differences) | - |
| VII. The effect of corrections of errors and changes in accounting policies | - |
| VIII. Other profit loss items accounted for under equity due to TAS | - |
| IX. Deferred tax of valuation differences | 129 |
| X. Total Net Profit/Loss accounted under equity (I+II+...+IX) | (519) |
| XI. Profit/Loss | (19.186) |
| I.1 Change in fair value of marketable securities (Transfer to Profit/Loss) | 386 |
| I.2 Reclassification and transfer of derivatives accounted for cash flow hedge purposes to Income Statement | - |
| I.3 Transfer of hedge of net investments in foreign operations to Income Statement | - |
| I.4 Other | (19.572) |
| XII. Total Profit/Loss accounted for in the period (X±XI) | (19.705) |

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

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD OF MARCH 15 – DECEMBER 31, 2012
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

| | Note(Section Five) | Paid-in Capital | Effect Of Inflation Accounting On Capital and Other Reserves | Share Premium | Share Certificate Cancellation | Legal Reserves | Statutory Reserves | Extraordinary Reserves | Other Reserves | Current Period Net Income/(Loss) | Prior Period Net Income/(Loss) | Marketable Securities Value Increase/Fund | Tangible And Intangible Assets Revaluation Differences | Bonus Shares Obtained from Associates | Holding Funds | Acc. Valuation Diff. from Assets Held for Sale and Assets from Disc. Op. | Total Equity Before Minority Shares | Minority Shares | Total Equity |
|--|--------------------|-----------------|--|---------------|--------------------------------|----------------|--------------------|------------------------|----------------|----------------------------------|--------------------------------|---|--|---------------------------------------|---------------|--|-------------------------------------|-----------------|--------------|
| I. | | | | | | | | | | | | | | | | | | | |
| Current Period – 15.03-31.12.2012 | | | | | | | | | | | | | | | | | | | |
| Changes in the period | | | | | | | | | | | | | | | | | | | |
| IL | | | | | | | | | | | | | | | | | | | |
| III. | | | | | | | | | | | | | | | | | | | |
| IV. | | | | | | | | | | | | | | | | | | | |
| 4.1 | | | | | | | | | | | | | | | | | | | |
| 4.2 | | | | | | | | | | | | | | | | | | | |
| V. | | | | | | | | | | | | | | | | | | | |
| VI. | | | | | | | | | | | | | | | | | | | |
| VII. | | | | | | | | | | | | | | | | | | | |
| VIII. | | | | | | | | | | | | | | | | | | | |
| IX. | | | | | | | | | | | | | | | | | | | |
| X. | | | | | | | | | | | | | | | | | | | |
| XI. | | | | | | | | | | | | | | | | | | | |
| XII. | | | | | | | | | | | | | | | | | | | |
| 12.1 | | | | | | | | | | | | | | | | | | | |
| 12.2 | | | | | | | | | | | | | | | | | | | |
| XIII. | | | | | | | | | | | | | | | | | | | |
| XIV. | | | | | | | | | | | | | | | | | | | |
| XV. | | | | | | | | | | | | | | | | | | | |
| XVI. | | | | | | | | | | | | | | | | | | | |
| XVII. | | | | | | | | | | | | | | | | | | | |
| XVIII. | | | | | | | | | | | | | | | | | | | |
| 18.1 | | | | | | | | | | | | | | | | | | | |
| 18.2 | | | | | | | | | | | | | | | | | | | |
| 18.3 | | | | | | | | | | | | | | | | | | | |
| Other | | | | | | | | | | | | | | | | | | | |
| Closing Balance | | | | | | | | | | | | | | | | | | | |
| (15.12.11+...+XVI+XVII+XVIII) | | 533.520 | | | | | | | | (19.572) | | (133) | | | | | 513.948 | | 513.948 |

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

Translated into English from the original Turkish report and financial statements

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED STATEMENTS OF CASH FLOW FOR THE PERIOD OF
MARCH 15 - DECEMBER 31, 2012

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

VI. STATEMENT OF CASH FLOW

| | Note (Section Five) | Reviewed Current Period 15.03-31.12.2012 |
|---|---------------------------|--|
| A. CASH FLOWS FROM BANKING OPERATIONS | | |
| 1.1 Operating profit before changes in operating assets and liabilities | | (28.694) |
| 1.1.1 Interest received | | 37.829 |
| 1.1.2 Interest paid | | (3.581) |
| 1.1.3 Dividend received | | - |
| 1.1.4 Fees and commissions received | | 5.584 |
| 1.1.5 Other income | | - |
| 1.1.6 Collections from previously written off loans | | - |
| 1.1.7 Payments to personnel and service suppliers | | (26.924) |
| 1.1.8 Taxes paid | | (3.346) |
| 1.1.9 Others | VI-1 | (38.256) |
| 1.2 Changes in operating assets and liabilities | | 1.209.540 |
| 1.2.1 Net (increase) decrease in financial assets held for trading | | - |
| 1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss | | (1.221) |
| 1.2.3 Net (increase) decrease in due from banks and other financial institutions | | (134.956) |
| 1.2.4 Net (increase) decrease in loans | | (1.728.006) |
| 1.2.5 Net (increase) decrease in other assets | VI-1 | (19.589) |
| 1.2.6 Net increase (decrease) in bank deposits | | - |
| 1.2.7 Net increase (decrease) in other deposits | | 2.508.513 |
| 1.2.8 Net increase (decrease) in funds borrowed | | 360.727 |
| 1.2.9 Net increase (decrease) in matured payables | | - |
| 1.2.10 Net increase (decrease) in other liabilities (*) | VI-1 | 224.072 |
| I. Net cash provided from banking operations | | 1.180.846 |
| B. CASH FLOWS FROM INVESTING ACTIVITIES | | |
| II. Net cash provided from investing activities | | (140.626) |
| 2.1 Cash paid for purchase of jointly controlled entities, associates and subsidiaries | | - |
| 2.2 Cash obtained from sale of jointly controlled entities, associates and subsidiaries | | - |
| 2.3 Fixed assets purchases | | (62.809) |
| 2.4 Fixed assets sales | | - |
| 2.5 Cash paid for purchase of financial assets available for sale | | (77.817) |
| 2.6 Cash obtained from sale of financial assets available for sale | | - |
| 2.7 Cash paid for purchase of investment securities | | - |
| 2.8 Cash obtained from sale of investment securities | | - |
| 2.9 Others | | - |
| C. CASH FLOWS FROM FINANCING ACTIVITIES | | |
| III. Net cash provided from financing activities | | 533.520 |
| 3.1 Cash obtained from funds borrowed and securities issued | | - |
| 3.2 Cash used for repayment of funds borrowed and securities issued | | - |
| 3.3 Capital increase | | - |
| 3.4 Dividends paid | | - |
| 3.5 Payments for finance leases | | - |
| 3.6 Other | | 533.520 |
| IV. Effect of change in foreign exchange rate on cash and cash equivalents | VI-1 | 23.421 |
| V. Net increase / (decrease) in cash and cash equivalents | | 1.597.161 |
| VI. Cash and cash equivalents at beginning of the period | | - |
| VII. Cash and cash equivalents at end of the period | | 1.597.161 |
| (*) Included Subordinated loan obtained in 2012. | | |

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

ODEA BANK ANONİM ŞİRKETİ
UNCONSOLIDATED PROFIT DISTRIBUTION TABLE FOR THE PERIOD OF
MARCH 15 - DECEMBER 31, 2012

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

VII. PROFIT DISTRIBUTION TABLE

| | Audited Current Period 31.12.2012 (*) |
|---|---|
| I. DISTRIBUTION OF CURRENT YEAR INCOME/(LOSS) | - |
| 1.1 CURRENT YEAR INCOME/(LOSS) | (19.572) |
| 1.2 TAXES AND DUTIES PAYABLE (-) | - |
| 1.2.1 Corporate tax (Income tax) | - |
| 1.2.2 Income withholding tax | - |
| 1.2.3 Other taxes and duties | - |
| A. NET INCOME FOR THE YEAR (1.1-1.2) | - |
| 1.3 PRIOR YEARS' LOSSES (-) | - |
| 1.4 FIRST LEGAL RESERVES (-) | - |
| 1.5 OTHER STATUTORY RESERVES (-) | - |
| B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)] | - |
| 1.6 FIRST DIVIDEND TO SHAREHOLDERS (-) | - |
| 1.6.1 To owners of ordinary shares | - |
| 1.6.2 To owners of preferred shares | - |
| 1.6.3 To owners of preferred shares (preemptive rights) | - |
| 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 preferred shares | - |
| 1.9.3 To owners of preferred shares (preemptive rights) | - |
| 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 STATUTORY RESERVES (-) | - |
| 1.12 EXTRAORDINARY RESERVES | - |
| 1.13 OTHER RESERVES | - |
| 1.14 SPECIAL FUNDS | - |
| II. DISTRIBUTION OF RESERVES | - |
| 2.1 DISTRIBUTED RESERVES | - |
| 2.2 SECOND LEGAL RESERVES (-) | - |
| 2.3 DIVIDENDS TO SHAREHOLDERS (-) | - |
| 2.3.1 To owners of ordinary shares | - |
| 2.3.2 To owners of preferred shares | - |
| 2.3.3 To owners of preferred shares (preemptive rights) | - |
| 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 | - |
| 3.1 TO OWNERS OF ORDINARY SHARES | - |
| 3.2 TO OWNERS OF ORDINARY SHARES (%) | - |
| 3.3 TO OWNERS OF PREFERRED SHARES | - |
| 3.4 TO OWNERS OF PREFERRED SHARES (%) | - |
| IV. DIVIDEND PER SHARE | - |
| 4.1 TO OWNERS OF ORDINARY SHARES | - |
| 4.2 TO OWNERS OF ORDINARY SHARES (%) | - |
| 4.3 TO OWNERS OF PREFERRED SHARES | - |
| 4.4 TO OWNERS OF PREFERRED SHARES (%) | - |

(*) As of December 31, 2012 the Bank has loss for the current year.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2012

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

SECTION THREE
ACCOUNTING PRINCIPLES

I. Basis of Presentation

The Bank prepares financial statements and notes according to Communiqué on Banks' Accounting Practice and Maintaining Documents published in the Official Gazette numbered 26333 dated November 1, 2006, Communiqué on Financial Statements to be Publicly Announced and the Related Policies and Disclosures published in the Official Gazette numbered 28337 dated June 28, 2012, Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRS), other regulations, communiqués, circulars and pronouncements made by Banking Regulation and Supervision Agency (BRSA) in respect of accounting and financial reporting and maintains its books of accounts in Turkish Lira. The preparation of financial statements in conformity with TAS requires the use of certain critical accounting estimates by the Bank management to exercise its judgment on the assets and liabilities on the balance sheet and contingent issues as of the balance sheet date. These estimates are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are explained in the related notes and reflected to the income statement.

Changes of TAS/IFRS that have come into effect as from January 1, 2012 (IAS 12 Income Taxes: Recovery of Underlying Assets (Amendment), IFRS 7 Financial Instruments: Disclosures - Transfers of Financial Assets (Amended)) do not have any effect on the accounting policies, financial position and performance of the Bank. These accounting policies and valuation principles are explained in Notes II to XXII.

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of December 31, 2012 as follows.

IAS 1 Presentation of Financial Statements (Amended)- Presentation of Items of Other Comprehensive Income, IAS 27 Separate Financial Statements (Amended), IAS 28 Investments in Associates and Joint Ventures (Amended), IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities (Amended) , IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities, IFRS 13 Fair Value Measurement, IFRIC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine, Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12), Improvements to IFRSs, IFRS 10 Consolidated Financial Statements (Amendment) – Investment Company (The bank will not have any impact on financial position or the performance of the company), IAS 19 Employee Benefits (Amended), IFRS 7 Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities (Amended), IFRS 9 Financial Instruments – Classification and Measurement (The bank is in the process of assessing the impact of the new standards on the financial position or performance). Except for trading and available for sale assets and derivatives that are shown at fair values, financial statements are prepared based on historical cost.

Additional paragraph for convenience translation into English:

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

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
AS OF DECEMBER 31, 2012
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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

The Bank uses financial assets intensely by its nature. The Bank's basic strategy regarding the use of financial assets is intended for ensuring the balance between the profits from and risk levels of assets.

The Bank's main funding source is the deposits accepted for various time periods and apart from deposits, the most important funding sources are equities and generally medium and long term borrowings obtained from foreign financial institutions. In order to use these sources in high-yield and high-quality financial assets, the Bank follows an asset-liability management strategy while managing interest rate risk, liquidity risk, exchange rate risk and credit risk within the framework of risk limits and legal limits determined by the Bank. With an effective asset-liability management strategy, it is aimed to ensure increasing profitability and strengthening equities.

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

As a component of the risk management strategy of the Bank, the management of risk bearing short positions of currency, interest or price movements is performed only by the Treasury and using the limits defined by the Board of Directors.

The Bank accounts for the transactions denominated in foreign currencies in accordance with TAS 21 "The Effects of Changes in Foreign Exchange Rates". As of December 31, 2012 foreign exchange gains and losses arising from transactions that are completed, are translated to TL by using historical foreign currency exchange rates. Balance of the foreign currency denominated monetary assets and liabilities are converted into TL by using foreign currency exchange rates of the Bank for the year end and the resulting exchange differences are recorded as foreign Exchange gains and losses.

III. Explanations on Forward and Option Contracts and Derivative Instruments

The Bank's derivative instruments consist of options, foreign currency and interest swaps and forward foreign currency buy/sell transactions. Derivative instruments are accounted for at their fair values as of the contract date and subsequently valued at fair value. Certain derivative instruments, although economical hedges, are accounted as trading transactions since they are not qualified to be a hedging instrument as per "Financial Instruments: Recognition and Measurement" ("TAS 39").

Contract amounts of derivatives are recorded in off the balance sheet contingencies and commitments.

There are no embedded derivatives separated from the host contract or that are designated as hedging instruments as of the balance sheet date.

IV. Explanations on Interest Income and Expenses

Interest income and expenses are recognized in the statement of income on an accrual basis.

In accordance with the related regulation, interest accruals of the non-performing loans are reversed and interest income related to these loans is recorded as interest income only when collected.

V. Explanations on Fees and Commission Income and Expenses

All fees and commission income/expenses are recognized as income at the time of realization and during the period where the service is provided. Loan related fees and commissions paid to or received from the other institutions are considered as transaction costs and accounted as such fees and commissions received as a result of the service agreements or arising from negotiating or participating in the negotiation of a transaction on behalf of a third party are recognized either in the period when the transaction is realized.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
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VI. Explanations on Financial Assets

Financial instruments comprise financial assets, financial liabilities and derivative instruments. Financial instruments affect liquidity, market, and credit risks on the Bank's balance sheet in all respects.

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

All regular way purchases and sales of financial assets are recognized on the settlement date. The settlement date is the date that the asset is delivered to or by the Bank. Settlement date accounting requires (a) accounting of the asset when acquired by the institution and (b) disposing of the asset out of the balance sheet on the date settled by the institution; and accounting of gain or loss on disposal. Changes in fair value of assets to be received during the period between the trade date and the settlement date are accounted for in the same way as the acquired assets.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

The methods and assumptions used in the recognition and measurement of financial instruments are mentioned below.

Cash, Banks, and Other Financial Institutions

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

Financial Assets at Fair Value Through Profit and Loss

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

Trading securities are initially recognized at cost (which represents the fair value at the time). The positive difference between the cost and fair value of such securities in the accounts is accounted for as interest and income accrual, and the negative difference is accounted for as "Impairment Provision on Marketable Securities" in balance sheet.

Held to Maturity Investments

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

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

Held-to-maturity securities are carried at "amortized cost" using the "effective interest method" after their initial recognition. Interest income related with held-to-maturity securities is recorded in "Interest income" and impairment arising from a decrease in cost or revalued amounts is recorded in "Provision for impairment of loans and other receivables" accounts in balance sheet.

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

VI. Explanations on Financial Assets (continued)

Financial Assets Available for Sale

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

The marketable securities are initially recognized at cost including the transaction costs which represents the fair value at the time.

After the initial recognition, available for sale securities are measured at fair value and the unrealized gains/losses originating from the difference between the amortized cost and the fair value is recorded in "Marketable Securities Value Increase Fund" under the equity. Fair values of debt securities that are traded in an active market are determined based on quoted prices or current market prices.

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

Loans and receivables

Loans are non-derivative financial assets which have fixed or determinable payments and are not traded.

The Bank initially records loans and receivables at fair value including the related transaction costs. In subsequent periods, they are accounted in accordance with TAS.

Foreign currency indexed loans are converted into TL from the foreign currency rate as of the opening date and followed in TL accounts. Repayments are measured with the foreign currency rate at the payment date, the foreign currency gains and losses are reflected to the statement of income.

Foreign exchange gains and losses on the foreign currency indexed loans are presented under foreign exchange gains and losses in the statement of income.

VII. Explanations on Impairment of Financial Assets

At each balance sheet date, the Bank evaluates the carrying amounts of its financial asset or a group of financial assets to determine whether there is an objective indication that those assets have suffered an impairment loss. If any such indication exists, the Bank determines the related impairment.

The Bank classifies its loans by considering the "Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables" ("Provisioning Regulation") published in the Official Gazette No. 26333 dated November 1, 2006 as non performing loans in the existence of evidence for loans not be collected and classifies related loans and provides specific provision for related loans. Principals of related loans are collected primarily then interest receivables are collected

The collections made related to loans for which provision is made in the current period are reversed from the "Provision for Loans and Other Receivables" account in the income statement. The collections made related to loans written off or provisioned in prior years are recorded to "Collections Related to the Prior Period Expenses" under "Other Operating Income" account and related interest income is credited to the "Interest Received from Non-performing Loans" account.

"Provision for Loans and Other Receivables" account in the income statement is closed by reversing of provisions for possible losses.

As of 31 December 2012, the Bank has not any specific provision for its loans.

The Bank provides general provision by considering the "Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables" ("Provisioning Regulation") published in the Official Gazette No. 26333 dated November 1, 2006.

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
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VIII. Explanations on Offsetting of Financial Assets and Liabilities

Financial assets and liabilities are offset when the Bank has a legally enforceable right to set off, and the intention of collecting or paying the net amount of related assets and liabilities or the right to offset the assets and liabilities simultaneously. Otherwise, there is not any offsetting transaction about financial assets and liabilities.

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

The sales and purchase of government securities under repurchase agreements made with the customers are being recorded in balance sheet accounts in accordance with the Uniform Chart of Accounts. Accordingly in the financial statements, the government bonds and treasury bills sold to customers under repurchase agreements are classified under securities held for trading, available for sale and held to maturity depending on the portfolio they are originally included in and are valued according to the valuation principles of the related portfolios. Funds obtained from repurchase agreements are classified as a separate sub-account under money markets borrowings account in the liabilities. These transactions are short-term and consist of domestic public sector debt securities.

Funds given against securities purchased under agreements to resell ("reverse repo") are accounted under "Receivables from reverse repurchase agreements" on the balance sheet. The difference between the purchase and determined resell price is accrued over the life of repurchase agreements.

The income and expenses from these transactions are reflected to the "Interest Income on Marketable Securities" and "Interest Expense on Money Market Borrowings" accounts in the income statement.

As of December 31, 2012, the Bank has TL 935.738 of reverse repo transactions

As of December 31, 2012, the Bank does not have any marketable securities lending transaction.

X. Explanations on Assets Held for Sale and Discontinued Operations

Assets held for sale with high probability of sale, are those under a plan prepared by the management regarding the sale of the asset to be disposed (or else the group of assets), together with an active program for determination of buyers as well as for the completion of the plan. Also the asset (or else the group of assets) shall be actively marketed in conformity with its fair value. On the other hand, the sale is expected to be journalized as a completed sale within one year after the classification date; and the necessary transactions and procedures to complete the plan should demonstrate the fact that the possibility of making significant changes or canceling the plan is low.

The Bank does not have any assets held for sale as of December 31, 2012.

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

ODEA BANK ANONİM ŞİRKETİ

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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XI. Explanations on Goodwill and Other Intangible Assets

There is no goodwill regarding the investments in associates and subsidiaries.

Other intangible assets are accounted for at cost less accumulated amortization. Other intangible assets are amortized with straight-line method based on their economic lives.

As of the balance sheet date, all softwares are purchased and there are no completed or continuing software development projects by the Bank.

XII. Explanations on Tangible Fixed Assets

Tangible fixed assets are accounted for at acquisition cost less accumulated depreciation.

Depreciation of assets held less than one year as of the balance sheet date is accounted for proportionately. Depreciation method is not changed in the current period. The annual rates used, which approximate rates based on the estimated economic useful lives of the related assets, are as follows:

| | % |
|--------------------------------|----|
| Buildings | 2 |
| Safety box | 2 |
| ATM | 10 |
| Furniture, fixtures and others | 20 |
| Office equipments | 25 |

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

Normal maintenance and repair cost of the properties are expensed.

There is no pledge, mortgage, or any other lien on tangible fixed assets.

XIII. Explanations on Leasing Transactions

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

In addition to the interest expense, the Bank records depreciation expense for the depreciable leased assets in each period.

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

As of the balance sheet date, the Bank does not have authorization for any financial leasing transactions as lessor.

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XIV. Explanations on Provisions and Contingent Liabilities

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

As of balance sheet date, there is not any case opened against to the Bank.

XV. Explanations on Liabilities Regarding Employee Benefits

Defined Benefit Plans

In accordance with existing social legislation in Turkey, the Bank is required to make lump-sum termination indemnities over a 30 day salary to each employee who has completed over one year of service, whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The Bank is also required to make a payment for the period of notice calculated over each service year of the employee whose employment is terminated for reasons other than resignation or misconduct. Total benefit is calculated in accordance with TAS No:19 "Turkish Accounting Standard on Employee Benefits".

Such benefit plans are unfunded since there is no funding requirement in Turkey. The cost of providing benefits to the employees for the services rendered by them under the defined benefit plan is determined by independent actuaries annually using the projected unit credit method. All actuarial gains and losses are recognized in the income statement.

The Bank has no retirement fund or foundation that the employees are the member of.

Defined Contribution Plans

The Bank pays contributions to the Social Security Institution of Turkey on a mandatory basis. The Bank has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due.

Short-term Employee Benefits

In accordance with TAS No:19 "Turkish Accounting Standard on Employee Benefits"; defined liabilities that arise from unused leave payments are accrued in the related period and are not discounted.

XVI. Explanations on Taxation

Corporate tax:

According to the Article 32 of the Corporate Tax Law No 5520, accepted in the meeting of Grand National Assembly of Turkey (TBMM) on June 13, 2006 and announced in the Official Gazette dated June 21, 2006, the corporate tax rate has been decreased from 30% to 20%, effective from January 1, 2006 as per the Article 37 of the Corporate Tax Law.

The tax legislation, requires advance tax of 20% to be calculated and paid based on earnings generated for each quarter. Such advance taxes calculated and paid are offset against the final tax liability for the year.

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

According to the Corporate Tax Law, tax losses can be carried forward for a maximum period of five years following the year in which the losses are incurred. Tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

ODEA BANK ANONİM ŞİRKETİ

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

XVI. Explanations on Taxation (continued)

The Bank makes necessary provisions over results of current period operations related with Income Tax and Corporate Tax liabilities.

Deferred Tax Liability / Asset:

The Bank calculates and reflects deferred tax asset or liability on timing differences which will result in taxable or deductible amounts in determining taxable profit of future periods.

In accordance with TAS No: 12 "Turkish Accounting Standard on Income Taxes" and the circular of BRSA numbered BDDK.DZM.2/13/1-a-3 dated December 8, 2004, the Bank calculates deferred tax asset on carryforward tax losses and all deductible temporary differences except for general loan reserves, if sufficient taxable profit in future periods to recover such amounts is probable; as well as deferred tax liability on all taxable temporary differences. Deferred tax assets and liabilities are reflected in the accompanying financial statements on a net basis.

The deferred tax resulting from differences related to items that are debited or credited directly to equity is netted with these accounts.

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

The net deferred tax asset is included in deferred tax asset and the net deferred tax liability is reflected under deferred tax liability on the balance sheet. The deferred tax income stated under the deferred tax provision amounting to TL1.677 in the statement of income.

XVII. Additional Explanations on Borrowings

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

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

The Bank has not issued convertible bonds

XVIII. Explanations on Issued Share Certificates

The Bank does not have any issued debt securities. As of the date of approval of these financial statements, there is no subsequent dividend announcement of the Bank.

XIX. Explanations on Avalized Drafts and Acceptances

Avalized draft and acceptances are realized simultaneously with the payment dates of the customers and they are presented as probable commitments in off-balance sheet accounts.

Translated into English from the original Turkish report and financial statements

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
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XX. Explanations on Government Grants

There are no government grants utilized by the Bank.

XXI. Explanations on Segment Reporting

Since the Bank is not listed, disclosure requirements of IFRS 8 are not applicable for the Bank.

XXII. Explanations on Other Matters

None, other than above explanations.

Explanation for convenience translation to English

The accounting principles used in the preparation of the accompanying financial statements differ from International Financial Reporting Standards (IFRS). The effects of the differences between these accounting principles and the accounting principles generally accepted in the countries in which the accompanying financial statements are to be used and IFRS have not been quantified in the accompanying financial statements.

ODEA BANK ANONİM ŞİRKETİ

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AS OF DECEMBER 31, 2012

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SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE

I. Explanations Related to the Capital Adequacy Standard Ratio

The method used for risk measurement in determining capital adequacy standard ratio, the capital adequacy ratio is calculated in accordance with the "Regulation Regarding the Measurement and Evaluation of Banks' Capital Adequacy Ratio" (the "Regulation"), "Regulation Credit Risk Mitigation Techniques", "Regulation on calculation of Risk-Weighted Amounts of Securitizations" published in the Official Gazette No. 28337 dated June 28, 2012 ("Regulation") and "Regulation Regarding Banks' Shareholders' Equity" published in the Official Gazette No. 26333 as of November 1, 2006. As of December 31, 2012 the Bank's capital adequacy ratio is 36,42 %.

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

In the computation of credit risk amount, the Bank classifies its loans in relevant risk weighted assets taking into considerations its risk class, and the remaining risk mitigating items. In taking into consideration of risk mitigation items, "comprehensive financial collateral" method is used.

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

In the calculation of the value at credit risk for the non-cash loans and commitments and the receivables from counterparties in such transactions are weighted after netting with specific provisions that are classified under liabilities and calculated based on the "Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables". The net amounts are then multiplied by the rates stated in the 3rd clause of Article 5 of the Regulation, reduced as per the "Regulation on Credit Risk Mitigation Techniques" and then included in the relevant exposure category defined in the Article 6 of the Regulation and weighted as per Appendix-1 of the Regulation.

In the calculation of the value at credit risk for the derivative financial the receivables from counterparties are multiplied by the rates defined in the Appendix-2 of the Regulation, reduced as per the "Regulation on Credit Risk Mitigation Techniques" and then included in the relevant exposure category defined in the Article 6 of the Regulation and weighted as per Appendix-1 of the Regulation.

ODEA BANK ANONİM ŞİRKETİ**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****AS OF DECEMBER 31, 2012**(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)**Explanations Related to the Capital Adequacy Standard Ratio (continued)****I. Information related to the capital adequacy ratio:**

| | Risk Weights | | | | | | | |
|--|--------------|-----|---------|--------|-----|-----------|-------|------|
| | 0% | 10% | 20% | %50 | 75% | 100% | 150% | 200% |
| The amount subject to credit risk | | | | | | | | |
| Risk Types | | | | | | | | |
| Contingent and Non-Contingent Receivables from central governments or central banks | 481.574 | - | - | - | - | 153 | - | - |
| Contingent and Non-Contingent Receivables on Regional or Local governments | - | - | - | - | - | - | - | - |
| Contingent and Non-Contingent Receivables on Administrative Units and Non-commercial Enterprises | - | - | - | - | - | - | - | - |
| Contingent and Non-Contingent Receivables on Multilateral Development Banks | - | - | - | - | - | - | - | - |
| Contingent and Non-Contingent Receivables on International Organizations | - | - | - | - | - | - | - | - |
| Contingent and Non-Contingent Receivables on Banks and Capital Market Intermediary | - | - | - | 27.329 | - | 5.500 | - | - |
| Contingent and Non-Contingent Corporate Receivables | - | - | - | - | - | 1.568.311 | - | - |
| Contingent and Non-Contingent Retail Receivables | - | - | - | - | - | - | - | - |
| Contingent and Non-Contingent Receivables Secured by Mortgages | - | - | - | 16.795 | - | 1.014 | - | - |
| Past Due Receivables | - | - | - | - | - | - | - | - |
| Receivables defined in high risk category by Regulator | - | - | - | - | - | - | 1.342 | 526 |
| Secured by mortgages | - | - | - | - | - | - | - | - |
| Securitization positions | - | - | - | - | - | - | - | - |
| Short-Term Receivables from Banks, brokerage houses and corporate | - | - | 325.922 | - | - | 81.786 | - | - |
| Investments similar to collective investment funds | - | - | - | - | - | - | - | - |
| Other Receivables | 13.087 | - | - | - | - | 82.836 | - | - |

Summary information related to the capital adequacy ratio:

| | December 31, 2012 |
|--|-------------------|
| Capital Requirement for Credit Risk (Value at Credit Risk*0.08) (CRCR) | 146.393 |
| Capital requirement for market risk (II) (MRCR) | 2.668 |
| Capital requirement for operational risk (III) (ORCR) | - |
| Shareholders' Equity | 678.578 |
| Shareholders' Equity/((CRCR+MRCR+ORCR) * 12.5) * 100 | 36,42 |

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
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I. Explanations Related to the Capital Adequacy Standard Ratio (continued)

Information related to the components of shareholders' equity:

| | December 31, 2012 |
|---|----------------------|
| CORE CAPITAL | 533.520 |
| Paid in Capital | 533.520 |
| Nominal capital | - |
| Capital commitments (-) | - |
| Inflation adjustment to share capital | - |
| Share premium | - |
| Cancellation profits | - |
| Legal reserves | - |
| Inflation adjustment of legal reserves | - |
| Profit | - |
| Current period net profit | - |
| Prior years' profit | - |
| Provision for possible losses up to 25% of the Core Capital | - |
| Profit on disposal of associates, subsidiaries and immovables | - |
| Primary subordinated debts up to 15% of the Core Capital | - |
| Losses that cannot be covered by reserves (-) | 19.572 |
| Current period loss (net) | 19.572 |
| Prior years' losses | - |
| Leasehold improvements (-) | 13.696 |
| Intangible assets (-) | 17.790 |
| Deferred tax asset exceeding 10% of the Core Capital (-) | - |
| Excess amount in the Article 56, Clause 3 of the Banking Law (-) | - |
| Total Core Capital | 482.462 |
| SUPPLEMENTARY CAPITAL | |
| General loan loss reserves | 18.489 |
| 45% of the revaluation reserve for movable fixed assets | - |
| 45% of the of revaluation reserve for properties | - |
| Bonus shares of investment in associates, subsidiaries and joint ventures | - |
| Primary subordinated loans excluded in the calculation of the Core Capital | - |
| Secondary subordinated loans | 177.760 |
| 45% value increase of available for sale financial assets and associates and subsidiaries | (133) |
| Inflation adjustment of capital reserve, profit reserve and prior years' income or loss (except inflation adjustment of legal reserves, status reserves and extraordinary reserves) | - |
| Total Supplementary Capital | 196.116 |
| CAPITAL | 678.578 |
| DEDUCTIONS FROM THE CAPITAL | |
| Investments in Unconsolidated Financial Institutions (Domestic, Foreign) and Banks | - |
| The Secondary Subordinated Loans extended to Banks, Financial Institutions (Domestic or Foreign) or Significant Shareholders of the Bank and Debt Instruments That Have Primary Secondary Subordinated Loan Nature Purchased From Them | - |
| Investment in Financial Institutions (Domestic, Foreign) and Banks, in which less than 10% equity interest is exercised and that exceeds 10% and more of the total core and supplementary capital of the Bank | - |
| Loans extended as contradictory to the articles 50 and 51 of the law | - |
| The net book value of Bank's Immovables that are 50% of shareholders' equity and immovables or commodities that are received on behalf of the receivables from customers and are to be disposed according to banking law article 57 as they have been held for more than five years from the acquisition date | - |
| Other | - |
| Total Shareholders' Equity | 678.578 |

Explanations on Internal Capital Management

To define Odea Bank's internal capital requirement assessment process; "Internal capital requirements assessment process" and "risk strategy" were prepared and approved by the Board of Directors in August 2012. In the related process and strategy; criterias are defined which provides maintaining of continuity of capital adequacy in compliance with risk profile and appetite. The assessment methodology of internal capital requirements is a developing process, accordingly the future improvement areas are determined and the working plans are set.

Capital adequacy ratio is calculated by Risk Management Group on a monthly basis, when requested by Senior Management capital requirement according to strategic plans is explained and studies on internal capital management is conducted. Capital requirement internal assessment process is designed and conducted by Risk Management Group. Risk Management Group informs Senior Management and Board of Directors about these issues directly or through Risk Committee.

ODEA BANK ANONİM ŞİRKETİ

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AS OF DECEMBER 31, 2012

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

II. Explanations Related to Credit Risk

Credit risk is the risk that the Bank is a party in a contract whereby the counterparty fails to meet its obligation and cause to incur a financial loss.

The credit allocation is performed on a debtor and a debtor group basis within the limits and updated on a defined frequency based on market developments. In the credit allocation process, many financial and non-financial criteria are taken into account within the framework of the internal rating procedures of the Bank. These criteria include geographical and sector concentrations. The sector concentrations for loans are monitored closely. In accordance with the Bank's loan policy, the rating of the companies, credit limits and guarantees are considered together, and credit risks incurred are monitored.

Risks and limits related to treasury activities and customer based commercial activities are monitored daily. Moreover, the limits of the correspondent banks that are determined by their ratings and the control of the maximum acceptable risk level in relation to the equity of the Bank are monitored daily. Risk limits are determined in connection with these daily transactions, and risk concentration is monitored systematically concerning off-balance sheet operations.

The credit worthiness of the debtors of the loans and other receivables is monitored regularly as prescribed in the Communiqué on "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves". Most of the statement of accounts for the loans has been tried to derive from audited financial statements. The unaudited documents result from the timing differences between the loan allocation and the audit dates of the financial statements of the companies and subsequently the audited financial statements are obtained from the companies when the companies are audited. Credit limits are determined according to the audited statement of accounts, and guarantee factors are developed in accordance with the decision of the credit committee considering the characteristics of the transactions and the financial structures of the companies.

| Risk Types(*) | Average Net Loan Amount After Provisions |
|--|---|
| Contingent and Non-Contingent Receivables from central governments or central banks | 481.727 |
| Contingent and Non-Contingent Receivables from regional or local governments | - |
| Contingent and Non-Contingent Receivables from Administrative Units and Non-commercial Enterprises | - |
| Contingent and Non-Contingent Receivables from Multilateral Development Banks | - |
| Contingent and Non-Contingent Receivables from International Organizations | - |
| Contingent and Non-Contingent Receivables from banks and brokerage houses | 38.632 |
| Contingent and Non-Contingent Corporates | 1.759.801 |
| Contingent and Non-Contingent Retail Receivables | - |
| Contingent and Non-Contingent Receivables Secured by Mortgages | 17.809 |
| Past Due Receivables | - |
| Receivables defined in high risk category by Regulator | 2.213 |
| Secured by mortgages | - |
| Securitization positions | - |
| Short-Term Receivables from Banks, brokerage houses and corporates | 464.831 |
| Investments similar to collective investment funds | - |
| Other Receivables | 95.923 |
| Total | 2.860.936 |

(*) In alignment with "Regulation on Measurement and Evaluation of Capital Adequacy of Banks" published in the Official Gazette No. 28337 dated June 28, 2012 from July 2012 on, Basel 2 has been applied in terms of capital adequacy.

For the forward transactions and other similar positions of the Bank, operational limits are set by the Board of Directors and the transactions take place within these limits.

The fulfillment of the benefits and acquirements related to forward transactions is normally realized at maturity. However, in order to minimize the risk, counter positions of existing risks are entered into in the market.

Indemnified non-cash loans are subject to the same risk weight as outstanding loans matured but not yet paid.

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II. Explanations Related to Credit Risk (continued)

As of December 31, 2012 the share of cash loans of the Bank from its top 100 and top 200 customers respectively in the total balance sheet are TL 1.281.437 and TL 1.506.611, the share of total cash loans are 73,99% and 81,6%.

As of December 31, 2012 the share of non- cash loans of the Bank from its total 49 customers in the total balance sheet is TL 90,014.

As of December 31, 2012, the general loan loss provision related with the credit risk is TL 18,489.

Significant Risks that are significant on the profile of the regions

| | Due from Central Governments or Central Banks | Regional Governments or Local Government Receivables | Receivables on Administrative Units and Non- commercial Enterprises | Receivables on Multilateral Development Banks | Receivables on International Organizations | Receivables on Banks and Brokerage Houses | Contingent and Non-Contingent Corporates | Contingent and Non-Contingent Retail Receivables | Contingent and Non- Contingent Receivables Secured by Mortgages | Past Due Receivables | Receivables defined in high risk category by Regulator | Collateralized Mortgage Marketable Securities | Short-Term Receivables from Banks, brokerage houses and Corporates | Investment similar to collective investment funds | Other Receivable | Total |
|---|---|--|---|--|--|--|--|---|--|-------------------------|---|--|--|---|---------------------|------------------|
| Domestic | 481.727 | - | - | - | - | 27.253 | 1.557.377 | - | 17.809 | - | 2.213 | - | 340.633 | - | 95.923 | 2.522.936 |
| European Union Countries | - | - | - | - | - | 54 | 27.995 | - | - | - | - | - | 37.648 | - | - | 65.697 |
| OECD Countries | - | - | - | - | - | - | - | - | - | - | - | - | 2.320 | - | - | 2.320 |
| Off-shore Banking Regions | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| USA, Canada | - | - | - | - | - | - | - | - | - | - | - | - | 27.107 | - | - | 27.107 |
| Other Countries | - | - | - | - | - | 5.522 | 131.662 | - | - | - | - | - | - | - | - | 137.184 |
| Associates, Subsidiaries and Jointly Controlled Entities | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Unallocated Assets/ Liabilities | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | 481.727 | - | - | - | - | 32.829 | 1.717.034 | - | 17.809 | - | 2.213 | - | 407.708 | - | 95.923 | 2.755.244 |

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II. Explanations Related to Credit Risk (continued)

Sector concentrations for cash loans:

| Sectors/Counterparties | Due from Central Governments or Government Banks | Regional Governments or Local Government Receivables | Receivables on Administrative Units and Non-commercial Enterprises | Receivables on Multilateral Development Banks | Receivables on International Organizations | Receivables on Banks and Brokerage Houses | Contingent and Non-Contingent Receivables from Corporates | Contingent and Non-Contingent Receivables from Retail | Contingent and Non-Contingent Receivables Secured by Mortgages | Past Due Receivables | Receivables defined in high risk category by Regulator | Collateralized Mortgage Securities | Short-Term Receivables from Banks, Brokerage houses and Corporates | Investment similar to collective investment funds | Other Receivables | TL | FC | Total |
|--|--|--|--|---|--|---|---|---|--|----------------------|--|------------------------------------|--|---|-------------------|-----------|---------|-----------|
| 1 Agriculture | - | - | - | - | - | - | 19.858 | - | - | - | - | - | - | - | - | 16.146 | 3.712 | 19.858 |
| 1.1 Farming and Raising Livestock | - | - | - | - | - | - | 19.708 | - | - | - | - | - | - | - | - | 15.996 | 3.712 | 19.708 |
| 1.2 Forests, TL, Wood and Paper | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 1.3 Fishery | - | - | - | - | - | - | 150 | - | - | - | - | - | - | - | - | 150 | - | 150 |
| 2 Manufacturing | - | - | - | - | - | - | 696.306 | - | - | - | - | - | - | - | - | 352.588 | 349.447 | 702.035 |
| 2.1 Mining and Quarry | - | - | - | - | - | - | 47.914 | - | 5.729 | - | - | - | - | - | - | 33.262 | 14.652 | 47.914 |
| 2.2 Production | - | - | - | - | - | - | 603.318 | - | 5.729 | - | - | - | - | - | - | 318.770 | 290.277 | 609.047 |
| 2.3 Electricity, Gas and Water | - | - | - | - | - | - | 45.074 | - | - | - | - | - | - | - | - | 556 | 44.518 | 45.074 |
| 3 Construction | - | - | - | - | - | - | 225.687 | - | 4.743 | - | - | - | - | - | - | 188.251 | 42.179 | 230.430 |
| 4 Services | - | - | - | - | - | - | 523.930 | - | 7.337 | - | - | - | 407.708 | - | - | 728.923 | 242.882 | 971.804 |
| 4.1 Wholesale and Retail Trade | - | - | - | - | - | - | 32.829 | - | 6.342 | - | - | - | - | - | - | 355.071 | 57.303 | 412.374 |
| 4.2 Hotel, Tourism, Food and Beverage Services | - | - | - | - | - | - | 406.032 | - | - | - | - | - | - | - | - | 39.739 | 892 | 40.631 |
| 4.3 Transportation and Communication | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4.4 Financial Institutions | - | - | - | - | - | - | 26.751 | - | - | - | - | - | 407.708 | - | - | 291.600 | 175.688 | 467.288 |
| 4.5 Real Estate and Renting Services | - | - | - | - | - | - | 36.494 | - | - | - | - | - | - | - | - | 27.495 | 8.999 | 36.494 |
| 4.6 Self-Employment Services | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4.7 Education Services | - | - | - | - | - | - | 6.288 | - | 995 | - | - | - | - | - | - | 7.283 | - | 7.283 |
| 4.8 Health and Social Services | - | - | - | - | - | - | 7.734 | - | - | - | - | - | - | - | - | 7.734 | - | 7.734 |
| 5 Other | 481.727 | - | - | - | - | - | 251.254 | - | - | - | 2.213 | - | - | - | - | 95.923 | 317.217 | 831.117 |
| 6 Total | 481.727 | - | - | - | - | - | 1.717.035 | - | 17.809 | - | 2.213 | - | 407.708 | - | - | 1.799.807 | 955.437 | 2.755.244 |

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II. Explanations Related to Credit Risk (continued)

Maturity Distribution of Remaining Maturities of time exposures:

| Risk Types | Time to Maturity | | | | |
|--|------------------|---------------|----------------|----------------|----------------|
| | 1 Month | 1-3 Months | 3-6 Months | 6-12 Months | Over 1 Year |
| Due from central governments or central banks | 230.032 | - | - | 78.132 | - |
| Regional or Local Government Receivables | - | - | - | - | - |
| Receivables on Administrative Units and Non-commercial Enterprises | - | - | - | - | - |
| Receivables on Multilateral Development Banks | - | - | - | - | - |
| Receivables on International Organizations | - | - | - | - | - |
| Receivables on Banks and Brokerage Houses | - | - | 7.740 | 19.589 | 5.500 |
| Receivables from Corporates | 132.218 | 39.193 | 310.491 | 533.011 | 698.899 |
| Retail Receivables | - | - | - | - | - |
| Receivables Secured by Mortgages | - | - | 8.619 | 3.650 | 5.540 |
| Past Due Receivables | - | - | - | - | - |
| Receivables defined in high risk category by Regulators | - | - | - | - | 2.213 |
| Secured by mortgages | - | - | - | - | - |
| Short-Term Receivables from Banks, brokerage houses and Corporates | 332.867 | 7.189 | - | - | - |
| Investment similar to collective investment funds | - | - | - | - | - |
| Other Receivables | - | - | - | - | - |
| Total | 695.117 | 46.382 | 326.850 | 634.382 | 712.152 |

Risk by Risk Weights Balances:

| Risk Weights (*) | | 0% | 10% | 20% | 50% | 75% | 100% | 150% | 200% | 1250% | Deductions from the shareholders' equity |
|------------------|--|---------|-----|---------|--------|-----|-----------|-------|------|-------|--|
| 1 | Amount before the credit risk mitigation | 494.661 | - | 325.922 | 44.124 | - | 1.888.324 | 1.482 | 731 | - | - |
| 2 | Amount after the credit risk mitigation | 494.661 | - | 325.922 | 44.124 | - | 1.739.600 | 1.342 | 526 | - | - |

(*) Balances with financial collateral are shown as 0% risk weight.

As of balance sheet date; ratings determined by independent credit rating agencies are not considered in the capital requirement calculations.

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II. Explanations Related to Credit Risk (continued)

Important sectors or type of information according to counterparty

| Sectors/ Counterparties | Loans (*) | | Value Adjustments | Provisions |
|--|-----------|----------------|-------------------|------------|
| | Impaired | Non-Performing | | |
| 1 Agricultural | - | - | - | - |
| 1.1 Farming and Raising Livestock | - | - | - | - |
| 1.2 Fores TL, Wood and Paper | - | - | - | - |
| 1.3 Fishery | - | - | - | - |
| 2 Manufacturing | - | - | - | - |
| 2.1 Mining and Quarry | - | - | - | - |
| 2.2 Production | - | - | - | - |
| 2.3 Electricity, Gas and Water | - | - | - | - |
| 3 Construction | - | - | - | - |
| 4 Services | - | - | - | - |
| 4.1 Wholesale and Retail Trade | - | - | - | - |
| 4.2 Hotel, Tourism, Food and Beverage Services | - | - | - | - |
| 4.3 Transportation and Communication | - | - | - | - |
| 4.4 Financial Institutions | - | - | - | - |
| 4.5 Real Estate and Renting Services | - | - | - | - |
| 4.6 Self-Employment Services | - | - | - | - |
| 4.7 Education Services | - | - | - | - |
| 4.8 Health and Social Services | - | - | - | - |
| 5 Other | - | - | - | - |
| Total | - | - | - | - |

(*) As of December 31, 2012 the Bank has not specific provision for its loans.

Information on Credit Value Adjustments and Change in loan loss provisions

| | Opening Balance | The amount of provision in the period | Reversal of Provision | Other Provisions | Closing Balance |
|-----------------------|-----------------|---------------------------------------|-----------------------|------------------|-----------------|
| 1 Specific Provisions | - | - | - | - | - |
| 2 General Provisions | - | 18.489 | - | - | 18.489 |

Below table represents maximum credit risk exposures of balance sheet accounts:

| Gross Maximum Exposure | December 31, 2012 |
|--|-------------------|
| Receivables from Central Bank | 403.596 |
| Due from banks | 387.412 |
| Receivables from Money market transactions | 935.738 |
| Financial assets held for trading | - |
| Derivative financial instruments | 5.611 |
| Financial assets available-for-sale | 78.132 |
| Held to maturity investment | - |
| Loans | 1.731.688 |
| Total | 3.542.177 |
| Contingent liabilities | 90.014 |
| Irrevocable commitments | 72.596 |
| Total | 162.610 |
| Total credit risk exposure | 3.704.787 |

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II. Explanations Related to Credit Risk (continued)

Credit quality per class of financial assets as of December 31, 2012 is as follows:

| | Neither past due nor impaired | Past due or individually impaired | Total |
|--|----------------------------------|---|------------------|
| Due from banks | 387.412 | - | 387.412 |
| Financial assets designated at fair value through profit or loss | 5.611 | - | 5.611 |
| Loans to customers | 1.731.688 | - | 1.731.688 |
| <i>Corporate lending</i> | 1.113.729 | - | 1.113.729 |
| <i>Small business lending</i> | 612.271 | - | 612.271 |
| <i>Retail loans</i> | 5.688 | - | 5.688 |
| <i>Other</i> | - | - | - |
| Total | 2.124.711 | - | 2.124.711 |
| Financial Investments | 78.132 | - | 78.132 |
| Quoted on a stock exchange - <i>domestic public sector debt securities</i> | 78.132 | - | 78.132 |
| Quoted on a stock exchange - <i>Other debt securities</i> | - | - | - |
| Unquoted on a stock exchange - <i>Debt securities</i> | - | - | - |
| Total | 78.132 | - | 78.132 |
| Total | 2.202.843 | - | 2.202.843 |

Internal credit rating system

| | Risk Class | Internal Rating Grade |
|-------------|----------------------|-----------------------|
| High | Risk rating class 1 | 1 |
| | Risk rating class 2 | 2 |
| Good | Risk rating class 3 | 3 |
| | Risk rating class 4 | 4 |
| Standard | Risk rating class 5 | 5 |
| | Risk rating class 6 | 6 |
| | Risk rating class 7 | 7 |
| | Risk rating class 8 | 8 |
| Substandard | Risk rating class 9 | 9 |
| | Risk rating class 10 | 10 |

Internal credit rating system is used by The Bank. As a basis for the rating classification; financial data of customers has been processed by the MRA - Moody's Risk Analyst software and output rate is considered.

On the basis of main groups collateral's, data compiled for the sub-standard of risk ratings , are as it follows:

- Risk rating class 9: The existing risk amount is USD 37,3 million for 9 customers in this class. Distribution of the risk among collaterals are; 53% mortgage, 7% deposit, 4 % cheques.
- Risk rating class 10 : The existing risk amount is USD 123 thousand for 1 customers in this class.

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III. Explanations Related to Market Risk

The Bank has defined market risk management operations and taken the necessary precautions in order to hedge market risk within its financial risk management purposes, in accordance with the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks" which was published in the Official Gazette on June 28, 2012 numbered 28337 and "Regulation Regarding Banks' Shareholders' Equity".

The Board of Directors determines the limits for the basic risk that the Bank is exposed to. Those limits are revised periodically in line with the market forces and strategies of the Bank. Additionally, the Board of Directors has ensured that the risk management division and senior management has taken necessary precautions to describe, evaluate, control and manage risks faced by the Bank.

Interest rate and exchange rate risks, arising from the volatility in the financial markets are measured, and in the computation of capital adequacy, the amount subject to risk calculated by using the standard method (summarized below) is taken into consideration.

The risks of on-balance sheet and off-balance sheet accounts positions depending on fluctuations in the financial markets are measured by the bank. Information regarding market risk which has taken into account in the calculation of the regulatory capital is presented below:

Information Related to Market Risk

| | Amount |
|--|---------------|
| (I) Capital Requirement to be Employed For General Market Risk - Standard Method | 738 |
| (II) Capital Requirement to be Employed For Specific Risk - Standard Method | - |
| Standard Method For Specific Risk of Necessary Capital Requirement on Securitization Positions | - |
| (III) Capital Requirement to be Employed For Currency Risk – Standard Method | 989 |
| (IV) Capital Requirement to be Employed For Commodity Risk – Standard Method | - |
| (V) Capital Requirement to be Employed For Settlement Risk - Standard Method | - |
| (VI) Total Capital Requirement to be Employed For Market Risk Resulting From Options - Standard Method | 1 |
| (VII) Capital Requirement to be Employed For Counterparty Risk - Standard Method | 940 |
| (VIII) Total Capital Requirement to be Employed For Market Risk in Banks Using Risk Measurement Model | - |
| (IX) Total Capital Requirement to be Employed For Market Risk (I+II+III+IV+V+VI) | 2.668 |
| (X) Amount Subject to Market Risk (12.5 x VIII) or (12.5 x VII) | 33.350 |

Average market risk table of calculated market risk at month ends:

| | December 31, 2012(*) | | |
|------------------------------------|----------------------|--------------|--------------|
| | Average | Maximum | Minimum |
| Interest Rate Risk | 944 | 1.767 | 327 |
| Common Stock Risk | - | - | - |
| Currency Risk | 2.021 | 3.668 | 988 |
| Commodity Risk | - | - | - |
| Settlement Risk | - | - | - |
| Option Risk | - | 1 | 1 |
| Counterparty Risk | 562 | 941 | 327 |
| Total Value Subject to Risk | 3.527 | 6.377 | 1.643 |

- (*) In alignment with "Regulation on Measurement and Evaluation of Capital Adequacy of Banks" published in the Official Gazette No. 28337 dated 28/06/2012, from July 2012 on, Basel 2 has been applied in terms of capital adequacy. Up until July 2012, for capital adequacy ratio calculation, "Regulation on Procedures and Principles for Determination of Quantification of Loans and Other Receivables by Banks and Provisions to be set aside" published in the Official Gazette No.26333 dated November 1, 2006 was applied.

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III. Explanations Related to Market Risk (continued)

Quantitative Counterparty Risk Information

| | Amount |
|--------------------------------------|--------|
| Interest Rate Based Contracts | 80 |
| Exchange Rate Based Contracts(*) | 6.732 |
| Commodity Based Contracts | - |
| Common Stock Based Contracts | - |
| Gross Profit Fair Value(**) | 5.441 |
| Benefits to Clarify | - |
| Net Amount of Current Risk | - |
| Guarantees Held | 382 |
| The Net Position of Derivatives(***) | 11.871 |
| Other | - |

(*)Principal

(**) Positive Replacement Cost

(***) Calculated Counterparty Credit Risk

For counterparty credit risks, limits are set by Board of Directors. Counterparty credit risk is managed by the Financial Institutions Department of the Bank by taking into account the counterparty's financial reports, general overview, rating, current and expected transaction volumes with the Bank. Within the scope Regulation on the Internal Systems of Banks and Regulation on Measurement and Assessment of Capital Adequacy of Bank's, published in the Official Gazette No. 28337 dated June 28, 2012, "Counterparty Credit Risk Management Policy" is prepared, approved by the Board of Directors and published in the Bank.

Other price risks:

The Bank does not have share certificates quoted on a stock exchange hence it is not subject to share price risk.

IV. Explanations Related to Operational Risk

Basic indicators approach:

The annual gross income is composed of net interest income and net non-interest income after deducting realised gains/losses from the sale of securities available-for-sale and held-to-maturity, extraordinary income and income derived from insurance claims at year-end.

The value at operational risk is calculated according to the basic indicator approach of "Regulation regarding Measurement and Assessment of Capital Adequacy Ratios of Banks" published in the Official Gazette No. 28337 dated June 28, 2012.

| | 2 PY Amount | 1 PY Amount | CY Amount | Total / Total number of years for which gross income is positive | Rate (%) | Total |
|--|-------------|-------------|-----------|--|----------|-------|
| Gross income | - | - | - | - | - | - |
| The amount subject to operational risk (Total*12,5)(*) | - | - | - | - | - | - |

(*) With the approval of BRSA dated November 19, 2012 and numbered 23254, the Bank did not calculate the amount subject to operational risk for interim periods of the year 2012.

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V. Explanations Related to Currency Risk

Foreign currency risk indicates the probability of loss that banks are subject to due to the exchange rate movements in the market. While calculating the share capital requirement, all foreign currency assets, liabilities and forward transactions of the Bank are taken into consideration and value at risk is calculated by using the standard method.

The Board of Directors sets limits for the positions and stop losses which are followed up daily and weekly. Any possible changes in the foreign currency transactions in the Bank's positions are also monitored.

The announced current foreign exchange buying rates of the Bank at December 31, 2012 and the previous five working days in full TL are as follows (Bank's FC evaluation rates):

| | December 24, 2012 | December 25, 2012 | December 26, 2012 | December 27, 2012 | December 28, 2012 | December 31, 2012 |
|---------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| USD | 1,7893 | 1,7877 | 1,7848 | 1,7829 | 1,7826 | 1,7776 |
| CHF | 1,9549 | 1,9516 | 1,9484 | 1,9544 | 1,9430 | 1,9394 |
| GBP | 2,895 | 2,8796 | 2,8787 | 2,8823 | 2,8708 | 2,8733 |
| 100 JPY | 2,1151 | 2,1049 | 2,0866 | 2,075 | 2,0656 | 2,0605 |
| EURO | 2,3651 | 2,3586 | 2,3566 | 2,3657 | 2,3517 | 2,3452 |

The simple arithmetic averages of the major current foreign exchange buying rates of the Bank for the thirty days before December 31, 2012 are as follows:

| | Monthly Average Foreign Exchange Rate |
|---------|--|
| USD | 1,7805 |
| CHF | 1,9283 |
| GBP | 2,871 |
| 100 JPY | 2,12 |
| EURO | 2,3339 |

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V. Explanations Related to Currency Risk (continued)

| December 31, 2012 | EUR | USD | OTHER | TOTAL |
|--|-----------------|------------------|----------------|------------------|
| Assets | | | | |
| Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey | 1.019 | 136.868 | 17 | 137.904 |
| Banks | 59.097 | 80.842 | 4.458 | 144.397 |
| Financial Assets at Fair Value Through Profit and Loss | 1.720 | 1.051 | 2 | 2.773 |
| Money Market Placements | - | - | - | - |
| Available-For-Sale Financial Assets | - | - | - | - |
| Loans (*) | 179.993 | 707.022 | - | 887.015 |
| Subsidiaries, Associates and Jointly Controlled Entities | - | - | - | - |
| Held-To-Maturity Investments | - | - | - | - |
| Derivative Financial Assets for Hedging Purposes | - | - | - | - |
| Tangible Assets | - | - | - | - |
| Intangible Assets | - | - | - | - |
| Other Assets | 255 | 1.062 | - | 1.317 |
| Total Assets | 242.084 | 926.845 | 4.477 | 1.173.406 |
| Liabilities | | | | |
| Bank Deposits | - | - | - | - |
| Other Deposits | 130.993 | 243.988 | 16 | 374.997 |
| Derivative financial liabilities | - | 4.390 | - | 4.390 |
| Funds Provided From Other Financial Institutions | 23.461 | 337.481 | - | 360.942 |
| Subordinated Loan | - | 177.849 | - | 177.849 |
| Miscellaneous Payables | 48 | 4.880 | - | 4.928 |
| Derivative Financial Liabilities for Hedging Purposes | - | - | - | - |
| Other Liabilities (***) | - | - | - | - |
| Total Liabilities | 154.502 | 768.588 | 16 | 923.106 |
| Net Balance Sheet Position | 87.582 | 158.257 | 4.461 | 250.300 |
| Net Off-Balance Sheet Position | (86.763) | (189.769) | (5.039) | (281.571) |
| Financial Derivative Assets | 52.075 | 198.419 | 47.236 | 297.730 |
| Financial Derivative Liabilities | 129.457 | 394.009 | 50.492 | 573.958 |
| Forward deposit purchase commitments | - | 18.264 | - | 18.264 |
| Forward deposit sales commitments | 9.381 | 12.443 | 1783 | 23.607 |
| Non-Cash Loans (**) | 5.934 | 22.132 | - | 28.066 |

(*) Foreign currency indexed loans amounting to TL 238.422 are included in the loan portfolio.

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

(***) GLLP with FC were not included in currency risk calculation.

Foreign currency sensitivity:

The Bank holds EUR and USD currencies positions mainly. The following table details the Bank's sensitivity to a 10% increase or decrease in the TL against USD and EUR. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. Positive/(Negative) number indicates a change in profit or loss and other equity where USD and EUR increase 10% against TL.

| Change in currency rate in % | | Effect on profit or loss (*) | Effect on equity |
|------------------------------|-------|------------------------------|-------------------|
| | | December 31, 2012 | December 31, 2012 |
| USD | 10% | 3.151 | 3.151 |
| USD | (10)% | (3.151) | (3.151) |
| EUR | 10% | 82 | 82 |
| EUR | (10)% | (82) | (82) |

(*) represents before tax amounts

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VI. Explanations Related to Interest Rate Risk

Interest rate risk shows the probability of loss related to the changes in interest rates depending on the Bank's position, and it is managed by the Asset-Liability Committee. The interest rate sensitivity of assets, liabilities and off-balance sheet items related to this risk are measured by using the standard method and included in the market risk for capital adequacy.

Risk Management Group performs duration, maturity and sensitivity analysis to protect the effect of interest rate volatility and reported to the Asset-Liability Committee.

Simulations on interest income are performed in connection with the forecasted economic indicators used in the budget of the Bank. The negative effects of the fluctuations in the market interest rates on the financial position and the cash flows are minimized by revising budgeted targets.

The Bank management follows the market interest rates daily and revises the interest rates of the Bank whenever necessary.

Since the Bank monitors maturity mismatches very closely a significant interest rate risk exposure is not expected.

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

| | Up to 1 Month | 1-3 Months | 3-12 Months | 1-5 Years | Over 5 Years | Non-interest bearing | Total |
|--|------------------|--------------------|----------------|----------------|-----------------|-------------------------|------------------|
| December 31, 2012 | | | | | | | |
| Assets | | | | | | | |
| Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey | 230.032 | - | - | - | - | 179.745 | 409.777 |
| Banks | 319.760 | - | - | - | - | 67.652 | 387.412 |
| Financial Assets at Fair Value Through Profit and Loss | 703 | 1.949 | 2.794 | 92 | 73 | - | 5.611 |
| Money Market Placements | 935.738 | - | - | - | - | - | 935.738 |
| Available-For-Sale Financial Assets | - | - | 78.132 | - | - | - | 78.132 |
| Loans | 325.718 | 202.403 | 751.578 | 365.120 | 86.869 | - | 1.731.688 |
| Held-To-Maturity Investments | - | - | - | - | - | - | - |
| Other Assets | - | - | - | - | - | 85.821 | 85.821 |
| Total Assets | 1.811.951 | 204.352 | 832.504 | 365.212 | 86.942 | 333.218 | 3.634.179 |
| Liabilities | | | | | | | |
| Bank Deposits | - | - | - | - | - | - | - |
| Customer Deposits | 777.406 | 1.039.885 | 556.213 | 5.779 | - | 137.863 | 2.517.146 |
| Money Market Borrowings | - | - | - | - | - | - | - |
| Miscellaneous Payables | - | - | - | - | - | 1.226 | 1.226 |
| Subordinated Loans | - | - | - | - | 177.849 | - | 177.849 |
| Funds Provided From Other Financial Institutions | - | 281.351 | 79.591 | - | - | - | 360.942 |
| Other Liabilities (*) | 35 | 3.177 | 1.179 | - | - | 572.625 | 577.016 |
| Total Liabilities | 777.441 | 1.324.413 | 636.983 | 5.779 | 177.849 | 711.714 | 3.634.179 |
| Balance Sheet Long Position | 1.034.510 | - | 195.521 | 359.433 | - | - | 1.589.464 |
| Balance Sheet Short Position | - | (1.120.061) | - | - | (90.907) | (378.496) | (1.589.464) |
| Off-Balance Sheet Long Position | 43.780 | 281.953 | 325.210 | 17.797 | 17.776 | - | 686.516 |
| Off-Balance Sheet Short Position | 43.223 | 283.005 | 264.523 | 3.555 | - | - | 594.306 |
| Total Position | 1.035.067 | (1.121.113) | 256.208 | 373.675 | (73.131) | (378.496) | 92.210 |

(*) The other liabilities line in the non-interest bearing column consist of shareholders' equity amounting to TL 513.815, TL 3.974 tax liabilities, TL 33.398 provisions, and TL 21.438 other liabilities.

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VI. Explanations Related to Interest Rate Risk (continued)

Average interest rates applied to monetary financial instruments:

| | EURO % | USD % | JPY % | TL % |
|--|-----------|----------|----------|---------|
| December 31, 2012 | | | | |
| Assets | | | | |
| Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey | - | - | - | 5,00 |
| Banks | 0,25 | 0,28 | - | 5,73 |
| Financial Assets at Fair Value Through Profit and Loss | - | - | - | - |
| Money Market Placements | - | - | - | 5,90 |
| Available-For-Sale Financial Assets | - | - | - | 6,03 |
| Loans | 5,32 | 5,60 | - | 12,36 |
| Held-To-Maturity Investments | - | - | - | - |
| Liabilities | | | | |
| Bank Deposits | - | - | - | - |
| Customer Deposits | 3,42 | 3,44 | - | 8,93 |
| Subordinated Loans (Note II.11) | - | 3,00 | - | - |
| Miscellaneous Payables | - | - | - | - |
| Marketable Securities Issued | - | - | - | - |
| Funds Provided From Other Financial Institutions | 1,20 | 1,18 | - | - |

Nature of interest rate risk resulted from banking book:

The interest rate risk for all on-balance sheet and off-balance sheet items, which are interest sensitive, and for banking accounts has been calculated. In calculation of interest rate risk, the bank has no any assumptions for early repayment of loans and demand deposits. Interest rate risk arising from banking accounts is calculated and is reported to BRSA monthly.

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

| Unit of Currency | Applicable Shock (+ / -)base point)* | Profit/ Loss | Profit / Equity Capital – Loss / Equity Capital |
|-----------------------------------|--------------------------------------|-----------------|---|
| TL | 500 | (42.702) | (6,3)% |
| | (400) | 39.470 | 5,8% |
| EUR | 200 | (9.480) | (1,4)% |
| | (200) | 3.131 | 0,5% |
| USD | 200 | (4.538) | (0,7)% |
| | (200) | 1.018 | 0,1% |
| Total (For Negative Shock) | | (56.720) | (8,4)% |
| Total (For Positive Shock) | | 43.619 | 6,4% |

* The intensity and direction of a currency different rows were entered separately for each shock.

VII. Explanations Related to Share Certificates Position Risk

The Bank has no outstanding share certificate position.

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VIII. Explanations Related to Liquidity Risk

Liquidity risk occurs when there is insufficient cash or cash inflows to meet the cash outflows completely and timely.

Liquidity risk may also occur when the market penetration is not adequate, when the open positions cannot be closed quickly at suitable prices and sufficient amounts due to barriers and break-ups at the markets.

The Bank's policy is to establish an asset structure that can meet all kinds of liabilities by liquid sources at all times. In this context, liquidity problem has not been faced in any period. In order to maintain this, the Board of Directors of the Bank continuously determines standards for the liquidity ratios, and monitors them.

According to the general policies of the Bank, the maturity and interest rate structure of assets, and liabilities is always monitored. A positive difference is tried to be established between the yields of assets and liabilities on the balance sheet and their costs. In this sense, various crisis scenarios which are prepared by Risk Management Group are presented to Senior Management and Audit Committee.

When the funding and liquidity sources are considered, the Bank covers majority of its liquidity need by deposits, and in addition to this source, it makes use of pre-financing and syndication products to generate additional sources.

Presentation of assets and liabilities according to their remaining maturities:

| December 31, 2012 | Demand | Up to 1 Month | 1-3 Month | 3-12 Months | 1-5 Years | Over 5 Years | Undistributed (*) | Total |
|--|----------------|----------------------|--------------------|--------------------|------------------|---------------------|--------------------------|------------------|
| Assets | | | | | | | | |
| Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey | 179.745 | 230.032 | - | - | - | - | - | 409.777 |
| Banks | 67.652 | 319.760 | - | - | - | - | - | 387.412 |
| Financial Assets at Fair Value Through Profit and Loss | - | 703 | 1.949 | 2.794 | 92 | 73 | - | 5.611 |
| Money Market Placements | - | 935.738 | - | - | - | - | - | 935.738 |
| Available-For-Sale Financial Assets | - | - | - | 78.132 | - | - | - | 78.132 |
| Loans | - | 140.859 | 41.131 | 851.941 | 665.111 | 32.646 | - | 1.731.688 |
| Held-To-Maturity Investments | - | - | - | - | - | - | - | - |
| Other Assets | - | - | - | - | - | - | 85.821 | 85.821 |
| Total Assets | 247.397 | 1.627.092 | 43.080 | 932.867 | 665.203 | 32.719 | 85.821 | 3.634.179 |
| Liabilities | | | | | | | | |
| Bank Deposits | - | - | - | - | - | - | - | - |
| Customer Deposits | 137.863 | 777.406 | 1.039.885 | 556.213 | 5.779 | - | - | 2.517.146 |
| Funds Provided From Other Financial Institutions | - | - | 281.351 | 79.591 | - | - | - | 360.942 |
| Money Market Borrowings | - | - | - | - | - | - | - | - |
| Subordinated Loans | - | - | - | - | - | 177.849 | - | 177.849 |
| Miscellaneous Payables | 1.226 | - | - | - | - | - | - | 1.226 |
| Other Liabilities (**) | 35 | 3.177 | 1.179 | - | - | - | 572.625 | 577.016 |
| Total Liabilities | 139.124 | 780.583 | 1.322.415 | 635.804 | 5.779 | 177.849 | 572.625 | 3.634.179 |
| Liquidity Gap | 108.273 | 846.509 | (1.279.335) | (297.063) | 659.424 | (145.130) | (486.804) | - |

(*) The assets which are necessary to provide banking services and can not be liquidated in the short term, such as tangible assets, investments in subsidiaries and associates and non-performing loans are classified under undistributed.

(**) Shareholders' equity is shown under other liabilities in undistributed column.

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VIII. Explanations Related to Liquidity Risk (continued)

Analysis of financial liabilities by remaining contractual maturities:

| | Up to 1 Month | 1-3 Months | 3-12 Months | 1-5 Years | Over 5 Years | Adjustments (*) | Total |
|---|------------------|------------------|------------------|---------------|-----------------|--------------------|------------------|
| As of December 31, 2012 | | | | | | | |
| Bank Deposits | - | - | - | - | - | - | - |
| Customer deposits | 137.863 | 1.463.988 | 940.817 | 10.176 | - | - | 2.552.844 |
| Subordinated Loans | - | - | - | - | 239.131 | - | 239.131 |
| Funds Provided From Other Financial Institutions | - | 94.983 | 267.038 | - | - | - | 362.021 |
| Total | 137.863 | 1.558.971 | 1.207.855 | 10.176 | 239.131 | - | 3.153.996 |

Analysis of contractual expiry by maturity of the Bank's derivative financial instruments:

| | Up to 1 Month | 1-3 Months | 3-12 Months | 1-5 Years | Over 5 Years | Total |
|------------------------------------|------------------|----------------|----------------|--------------|-----------------|----------------|
| As of December 31, 2012 | | | | | | |
| Gross settled | | | | | | |
| Foreign exchange forward contracts | 5.895 | 144.680 | 23.156 | - | - | 173.731 |
| Currency swaps | 57.834 | 330.219 | 383.863 | - | - | 771.916 |
| Total | 63.729 | 474.899 | 407.019 | - | - | 945.647 |

IX. Explanations Related to Securitization Positions

None.

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X. Explanations Related to Credit Risk Mitigation Techniques

All available financial collaterals, which have been used in comprehensive financial collateral method, are used by the Bank according to the credit risk mitigation technique. As the Bank has only cash blockage, treasury bills and government bonds, as collateral only those types of collaterals are included in the calculation.

Collateral on the basis of risk classes

| Risk Types | Current period risk amount(*) | Financial Collateral | Other / Physical Collateral | Guaranties and Credit Derivatives |
|--|-------------------------------|----------------------|-----------------------------|-----------------------------------|
| Contingent and Non-Contingent Receivables from central governments or central banks | 481.727 | - | - | - |
| Contingent and Non-Contingent Receivables on Regional and Local governments | - | - | - | - |
| Contingent and Non-Contingent Receivables on Administrative Units and Non-commercial Enterprises | - | - | - | - |
| Contingent and Non-Contingent Receivables on Multilateral Development Banks | - | - | - | - |
| Contingent and Non-Contingent Receivables on International Organizations | - | - | - | - |
| Contingent and Non-Contingent Receivables on Banks and brokerage houses | 38.682 | - | - | - |
| Contingent and Non-Contingent receivables from corporates | 1.759.801 | 148.723 | - | - |
| Contingent and Non-Contingent Retail Receivables | - | - | - | - |
| Contingent and Non-Contingent Receivables Secured by Mortgages | 17.809 | - | - | - |
| Past Due Receivables | - | - | - | - |
| Receivables defined in high risk category by Regulator | 2.213 | 345 | - | - |
| Securities collateralized by mortgages | - | - | - | - |
| Securitization positions | - | - | - | - |
| Short-Term Receivables from Banks, brokerage houses and Corporate | 464.831 | - | - | - |
| Investment similar to collective investment funds | - | - | - | - |
| Other Receivables | 95.923 | - | - | - |
| Total | 2.860.936 | 149.068 | - | - |

(*) The figures represent total risk amounts before Credit Risk Mitigation and before credit conversion factor.

XI. Explanations Related to Risk Management Objectives and Policies

Risk management strategies and practices are defined as follows: The Bank's Risk Management Unit was established as an independent unit which reports to the Member of Audit Committee who is responsible for the Audit, Internal Control and Risk Management.

Risk management is committed to control processes in order to determine the limits and measurement of operational risks, including the risks comprising of credit, market, interest rate, concentration, counterparty, banking accounts and IT risks.

Objective of risk policies: In line with "Regulation on Internal Systems of Banks (published in the Official Gazette dated June 28, 2012 numbered 28337)", sustaining the Bank's operations in accordance with the Banks's strategic plans, mission, targets, profitability and productivity principles by determining Bank's risk strategy and maximum risk level in line with the volume, qualification and complexity of the Bank's operations. Moreover, ensuring to conserve the interests of depositors and the Bank's shareholder's interest at a maximum level.

Risk Management regularly reports to Senior Management and the Audit Committee all the risks the bank is exposed to and concentrations, and the Bank's own internal limits of the legal limits are monitored daily, weekly, monthly and quarterly. These reports consist of, market risk limits, liquidity and interest rate, credit risk analysis and capital adequacy analysis and daily value at risk (VAR) analysis. These reports are also presented to Asset-Liability Management Committee on a weekly and Audit committee on a monthly basis. Financial instruments in the Bank's portfolio are closely monitored and reported on a daily basis against volatility and market values of market risk instruments.

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XI. Explanations Related to Risk Management Objectives and Policies (continued)

Monthly scenario analyzes on economic capital, capital adequacy, liquidity and profitability scenarios and credit risk on Bank's loan portfolio including benchmark of similar banks are presented to the Audit Committee. Management follows the Bank's performance and the limits by using these detailed reports.

Risk Management Group calculates Basel II capital adequacy calculation, namely Credit Risk, Market Risk and Operational Risk, in accordance with "Regulation on Measurement and Assessment of Capital Adequacy of Bank's" published in the Official Gazette dated June 28, 2012 numbered 28337."

At the Bank, by considering Regulation on the Internal Systems of Banks published in the Official Gazette No. 28337 dated June 28, 2012 banking processes and policies were established. Consequently, related procedures/policies are formed and then approved by the Board of Directors at August 2012.

In order to manage operational risks that the Bank is exposed to more effectively and form an integrated risk management point of view, Operational Risk Policy and IT Continuity Plan was updated.

In order to define, measure, limit and report market risk the Bank is exposed to, Market Risk Policy is formed. When the Bank manages its treasury securities portfolio within the limits determined by the Board of Directors, Risk Management Group checks whether Treasury Department is within these risk limits.

Liquidity Risk is the risk that the Bank cannot fulfill its payment obligations fully and on time due to its insufficient cash inflow or due to inadequate available cash resulting from the mismatch between cash inflows and outflows. In order to define, measure, follow, report the liquidity risk the Bank is exposed to and take necessary actions for the results, Liquidity Risk Policy is formed. When Liquidity Risk Policy is formed, to manage the net liquidity position and liquidity requirement on an ongoing and forward-looking basis is aimed at.

Concentration risk is the risk within credit risk that is exposed according to individual debtor and debtor groups, to debtor groups that indicate similar characteristics in terms of economic and regional sector qualities, on the basis of the assets subject to the collateral securities similar to the risk that is to be considered also within the scope of the market risk and operational risk. In order to define, measure, follow and manage the concentration risk the Bank is exposed to, Concentration Risk Policy is formed. Concentration limits are monitored in compliance with the credit, deposit and related policies.

Counterparty credit risk refers to the default risk of the counterparty of the transaction before the last payment in the cash flow of this transaction of which brings an obligation to both sides. In order to define, measure, follow and manage the counterparty credit risk the Bank is exposed to Counterparty Credit Risk and Clearing Risk Policy is formed. Counterparty credit risk management is conducted by the Financial Institutions Department of the Bank by taking into account the counterparty's financial reports, general overview, rating, current and expected transaction volumes. The limits for counterparties are determined by the Board of Directors.

"Banking Book" includes all Assets and Liabilities (including credit) except trading securities portfolio. In order to define, measure, follow, report the interest rate risk related to banking book risk the Bank is exposed to and take necessary actions for the results, interest rate risk policy related to banking book is formed. Interest rate risk is managed by senior management in order to avoid losses from adverse interest rate movements.

Regarding internal assessment process which aims at the Bank has capital requirement according to its risk profile, Capital Requirement Internal Management Procedure is prepared. Within internal capital management scope, the Bank has established a stress test based management by taking into account the estimated maximum loss amount that may occur in credit, operational, market and other risks as well as the changes in the market.

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XI. Explanations Related to Risk Management Objectives and Policies (continued)

Risk Management Procedure is formed in such a way that it includes all the definitions above.

Structure and organization of risk management system, in respect of Risk Management Unit is committed to board of directors. Commitment to the board of directors is realized through Audit Committee.

Hedging Risk and Process of Risk Mitigation Policies and Process Related to Control Their Effectiveness Continuously: Bank carries out risk mitigation processes and risk hedging for credit risk in accordance with credit risk policies. Risks related to market risk are measured and monitored in accordance with application procedures and policies. In this respect the limits are allocated by the Board of Directors. Limits are monitored, reported, in the event of any limit exceed it is reported to relevant committees and units through documentation by electronic mail. In addition, information about limits on use and loan segment concentration is presented to Audit Committee and the Board of Directors on quarterly.

XII. Explanations Related to Presentation of Financial Assets and Liabilities at Fair Value

| | Book Value | Fair Value |
|--|------------------------------|------------------------------|
| | December 31, 2012 | December 31, 2012 |
| Financial Assets | 3.132.970 | 3.132.970 |
| Money Market Placements | 935.738 | 935.738 |
| Banks | 387.412 | 387.412 |
| Available-For-Sale Financial Assets | 78.132 | 78.132 |
| Held-To-Maturity Investments | - | - |
| Loans | 1.731.688 | 1.731.688 |
| Financial Liabilities | 3.078.602 | 3.078.602 |
| Bank Deposits | - | - |
| Other Deposits | 2.517.146 | 2.517.146 |
| Funds Borrowed From Other Financial Institutions | 360.942 | 360.942 |
| Subordinated Loans | 177.849 | 177.849 |
| Miscellaneous Payables | 22.665 | 22.665 |

The following methods and assumptions were used to estimate the fair value of the financial instruments:

i. Financial assets:

Money market placements and banks are carried at amortised cost values on the face of the financial statements and due to their short term nature, their fair values are considered to approximate their respective carrying values. The discount rate used to calculate the fair value of held to maturity investments and loans and receivables as of December 31, 2012 is the market rates available for the loan and security types. Because of the Bank has started its operations since October 2, 2012 it is assumed that fair value and book value of assets is close.

ii. Financial liabilities:

The fair value of bank deposits and sundry creditors are considered to approximate their respective carrying values amortised cost values due to their short term nature. The discount rate used to calculate the fair value of other deposits and funds borrowed as of December 31, 2012 is the market rates available for the borrowing and deposits types. Because of the Bank has started its operations since October 2, 2012 it is assumed that fair value and book value of liabilities is close.

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XII. Explanations Related to Presentation of Financial Assets and Liabilities at Fair Value (continued)

The following table shows an analysis of financial instruments recorded at fair value, between those whose fair value is recorded on quoted market prices, those involving valuation techniques where all model inputs are observable in the market, and those where the valuation techniques involves the use of non observable inputs.

| December 31,2012 | Level 1 (Quoted) | Level 2 (Valuation techniques – market observable) | Level 3 (Valuation techniques – non market observable) | Fair value not available |
|--|---------------------|--|--|--------------------------------|
| Financial Assets | | | | |
| Financial Assets at Fair Value through Profit and Loss | - | 5.611 | - | - |
| Available-For-Sale Financial Assets | 78.132 | - | - | - |
| Financial Liabilities | - | - | - | - |
| Derivative financial liabilities held for trading | - | 4.390 | - | - |

XIII. Explanations Related To Transactions Made on Behalf of Others and Fiduciary Transactions

The Bank provides security purchase-sell and safe keeping services in the name of real persons and legal entities. Details of investment securities held in custody are given in the Statement of Off Balance Sheet Contingencies and Commitments.

XIV. Explanations Related to Hedge Accounting

None.

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SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON FINANCIAL STATEMENTS

I. Explanations and Disclosures Related to the Assets

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

| | December, 31 2012 | |
|--|--------------------------|----------------|
| | TL | FC |
| Cash in Vault/Foreign Currency | 3.386 | 2.795 |
| Balances with the Central Bank of Turkey | 268.487 | 135.109 |
| Other | - | - |
| Total | 271.873 | 137.904 |

b) Information related to the account of the Central Bank of Turkey:

| | December, 31 2012 | |
|------------------------------|--------------------------|----------------|
| | TL | FC |
| Unrestricted demand deposits | 38.455 | 153 |
| Unrestricted time deposits | 230.032 | - |
| Restricted time deposits | - | 134.956 |
| FC Reserve deposits | | |
| Total | 268.487 | 135.109 |

c) Explanations related to reserve deposits:

The Banks operating in Turkey , according to Communiqué on Amendments to be made on Communiqué on Required Reserves" of Central Bank provide reserve requirements for TL, foreign currency liabilities in the rates for TL liabilities vary between 5% and 11% for TL deposits and other liabilities according to their maturities as of balance sheet date and for foreign currency liabilities vary between 6% and 11,5% for deposit and other foreign currency liabilities according to their maturities as of balance sheet date. The reserve requirements can be maintained as TL, USD, EUR and standard gold. Interest received from TL and foreign currency reserve deposits has been abolished.

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

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

a.1) Information on financial assets at fair value through profit and loss given as collateral or blocked: None.

a.2) Financial assets at fair value through profit and loss subject to repurchase agreements: None.

b) Positive differences related to derivative financial assets held-for-trading:

| | December 31, 2012 | |
|----------------------|-------------------|--------------|
| | TL | FC |
| Forward Transactions | 111 | 1.590 |
| Swap Transactions | 2.610 | 779 |
| Futures Transactions | - | - |
| Options | 117 | 404 |
| Other | - | - |
| Total | 2.838 | 2.773 |

3. a) Information on banks:

| | December 31, 2012 | |
|---------------------------------|-------------------|----------------|
| | TL | FC |
| Banks | | |
| Domestic | 243.015 | 77.322 |
| Foreign | - | 67.075 |
| Branches and head office abroad | - | - |
| Total | 243.015 | 144.397 |

b) Information on foreign bank accounts:

| | Unrestricted Amount | Restricted Amount |
|--------------------------|---------------------|-------------------|
| | December 31, 2012 | December 31, 2012 |
| European Union Countries | 37.648 | - |
| USA and Canada | 27.107 | - |
| OECD Countries (*) | 2.320 | - |
| Other | - | - |
| Total | 67.075 | - |

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

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

a.1) Information on financial assets available-for-sale given as collateral or blocked:

| | December 31, 2012 | |
|--|-------------------|----------|
| | TL | FC |
| Share certificates | - | - |
| Bond, Treasury bill and similar securities | 78.132 | - |
| Other | - | - |
| Total | 78.132 | - |

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

a.2) Information on financial assets available for sale subject to repurchase agreements:

None:

b) Information on financial assets available for sale portfolio:

| | December 31, 2012 |
|----------------------------|----------------------|
| Debt securities | 78.132 |
| Quoted on a stock exchange | 78.132 |
| Not quoted | - |
| Share certificates | - |
| Quoted on a stock exchange | - |
| Not quoted | - |
| Impairment provision (-) | - |
| Total | 78.132 |

5. Information on loans:

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

| | December 31, 2012 | |
|--|-------------------|----------|
| | Cash | Non-cash |
| Direct loans granted to shareholders | - | - |
| Corporate shareholders | - | - |
| Real person shareholders | - | - |
| Indirect loans granted to shareholders | - | - |
| Loans granted to employees | 191 | - |
| Total | 191 | - |

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
AS OF DECEMBER 31, 2012

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

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

- b) 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 | | |
|--------------------------------------|-----------------------------|-----------------------------|-------|--|-----------------------------|-------|
| | | Restructured or Rescheduled | Other | Loans and Other Receivables | Restructured or Rescheduled | Other |
| Cash Loans | Loans and Other Receivables | | | | | |
| Non-specialized loans | 168.370 | - | - | - | - | - |
| Discount notes | 7.752 | - | - | - | - | - |
| Export loans | 154.931 | - | - | - | - | - |
| Import loans | - | - | - | - | - | - |
| Loans given to financial sector | - | - | - | - | - | - |
| Foreign loans | - | - | - | - | - | - |
| Consumer loans | 5.687 | - | - | - | - | - |
| Credit cards | - | - | - | - | - | - |
| Precious metals loans | - | - | - | - | - | - |
| Other | - | - | - | - | - | - |
| Specialized loans | - | - | - | - | - | - |
| Other receivables | 1.563.318 | - | - | - | - | - |
| Total | 1.731.688 | - | - | - | - | - |

- c) Restructured or rescheduled loans according to their maturity structure: None.

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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

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

| | Short Term | Medium and Long Term | Total |
|--|------------|----------------------|--------------|
| Consumer Loans-TL | 459 | 5.037 | 5.496 |
| Housing Loans | - | 3.005 | 3.005 |
| Car Loans | - | - | - |
| General Purpose Loans | 459 | 2.032 | 2.491 |
| Other | - | - | - |
| Consumer Loans -Indexed to FC | - | - | - |
| Housing Loans | - | - | - |
| Car Loans | - | - | - |
| General Purpose Loans | - | - | - |
| Other | - | - | - |
| Consumer Loans-FC | - | - | - |
| Housing Loans | - | - | - |
| Car Loans | - | - | - |
| General Purpose Loans | - | - | - |
| Other | - | - | - |
| Individual Credit Cards-TL | - | - | - |
| With Installments | - | - | - |
| Without Installments | - | - | - |
| Individual Credit Cards-FC | - | - | - |
| With Installments | - | - | - |
| Without Installments | - | - | - |
| Personnel Loans-TL | 11 | 180 | 191 |
| Housing Loans | - | - | - |
| Car Loans | - | - | - |
| General Purpose Loans | 11 | 180 | 191 |
| Other | - | - | - |
| Personnel Loans- Indexed to FC | - | - | - |
| Housing Loans | - | - | - |
| Car Loans | - | - | - |
| General Purpose Loans | - | - | - |
| Other | - | - | - |
| Personnel Loans-FC | - | - | - |
| Housing Loans | - | - | - |
| Car Loans | - | - | - |
| General Purpose Loans | - | - | - |
| Other | - | - | - |
| Personnel Credit Cards-TL | - | - | - |
| With Installments | - | - | - |
| Without Installments | - | - | - |
| Personnel Credit Cards-FC | - | - | - |
| With Installments | - | - | - |
| Without Installments | - | - | - |
| Overdraft Accounts-TL(Real Persons) | - | - | - |
| Overdraft Accounts-FC(Real Persons) | - | - | - |
| Total | 470 | 5.217 | 5.687 |

ODEA BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
AS OF DECEMBER 31, 2012

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

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

e) Information on commercial loans with installments and corporate credit cards:

| | Short Term | Medium and Long Term | Total |
|--|---------------|----------------------|----------------|
| Commercial loans with installment facility-TL | 8.060 | 165.262 | 173.322 |
| Business Loans | - | - | - |
| Car Loans | - | 3.109 | 3.109 |
| General Purpose Loans | 8.060 | 111.998 | 120.058 |
| Other | - | 50.155 | 50.155 |
| Commercial loans with installment facility - Indexed to FC | 1.002 | 95.581 | 96.583 |
| Business Loans | - | - | - |
| Car Loans | - | 666 | 666 |
| General Purpose Loans | 1.002 | 94.915 | 95.917 |
| Other | - | - | - |
| Commercial loans with installment facility –FC | - | - | - |
| Business Loans | - | - | - |
| Car Loans | - | - | - |
| General Purpose Loans | - | - | - |
| Other | - | - | - |
| Corporate Credit Cards-TL | - | - | - |
| With Installments | - | - | - |
| Without Installments | - | - | - |
| Corporate Credit Cards-FC | - | - | - |
| With Installments | - | - | - |
| Without Installments | - | - | - |
| Overdraft Accounts-TL(Legal Entities) | 15.277 | - | 15.277 |
| Overdraft Accounts-FC(Legal Entities) | - | - | - |
| Total | 24.339 | 260.843 | 285.182 |

f) Loans according to types of borrowers:

| | December 31, 2012 |
|----------------|-------------------|
| Government | - |
| Private Sector | 1.731.688 |
| Total | 1.731.688 |

g) Distribution of domestic and foreign loans:

| | December 31, 2012 |
|----------------|-------------------|
| Domestic loans | 1.573.273 |
| Foreign loans | 158.415 |
| Total | 1.731.688 |

h) Loans granted to subsidiaries and associates: None.

i) Specific provisions provided against loans :None.

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

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

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

j.1) Information on loans and other receivables included in non-performing loans which are restructured or rescheduled: None.

j.2) The movement of non-performing loans: None.

j.3) Information on foreign currency non-performing loans and other receivables: None.

j.4) Information regarding gross and net amounts of non-performing loans with respect to user groups: None.

k) Main principles of liquidation policies of nonperforming loans and receivables:

According to the “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves” published on Official Gazette No. 26333 dated November 1, 2006; legal action is carried on considering firms, guarantors and existing collaterals and provisions are made for non-performing loans in accordance with the relevant decree. As of December 31, 2012 the Bank does not have non-performing loans and receivables.

l) Explanations on write-off policy:

As of December 31, 2012 there is no write-off amount evaluated according to decision of the Board of Directors.

6. Information on held-to-maturity investments:

a.1) Information on held-to-maturity investments given as collateral or blocked: None.

a.2) Held-to-maturity investments subject to repurchase agreements: None.

b) Information on public sector debt investments held-to-maturity: None.

c) Information on held-to-maturity investments: None.

d) Movement of held-to-maturity investments: None.

7. Information on associates (Net):

The Bank has no associates in the current period

8. Information on subsidiaries (Net):

The Bank has no subsidiaries in the current period.

9. Information on jointly controlled entities:

The Bank has no jointly controlled entities in the current period.

10. Information on lease receivables (Net):

The Bank has no lease receivables in the current period.

11. Information on derivative financial assets for hedging purposes:

The Bank has no financial assets for hedging purposes in the current period.

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AS OF DECEMBER 31, 2012

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

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

12. Information on tangible assets (Net) :

| | Closing Balance December 31, 2011 | Additions | Disposals | Other | Change in estimate | Ending Balance December 31, 2012 |
|------------------------|--|---------------|-----------|----------|-----------------------|--|
| Cost: | | | | | | |
| Land and buildings | - | 9.174 | - | - | - | 9.174 |
| Leased tangible assets | - | - | - | - | - | - |
| Vehicles | - | - | - | - | - | - |
| Other | - | 34.727 | - | - | - | 34.727 |
| Total Cost | - | 43.901 | - | - | - | 43.901 |

| | Closing Balance December 31, 2011 | Additions | Disposals | Other | Change in estimate | Ending Balance December 31, 2011 |
|---------------------------------------|--|----------------|-----------|----------|-----------------------|--|
| Accumulated Depreciation: | | | | | | |
| Land and buildings | - | (31) | - | - | - | (31) |
| Leased tangible assets | - | - | - | - | - | - |
| Vehicles | - | - | - | - | - | - |
| Other | - | (2.528) | - | - | - | (2.528) |
| Total Accumulated Depreciation | - | (2.559) | - | - | - | (2.559) |
| Net Book Value | - | 41.342 | - | - | - | 41.342 |

a) Disclosure for impairment losses or releases individually material for financial statements:

a.1) Conditions for allocating/releasing any impairment: None.

a.2) Amount of impairment losses provided or released in financial statements during current period: None.

b) Other impairment losses provided or released in current period that are immaterial for the financial statement individually: None.

c) Pledges, Commitments and other restrictions to acquire tangible assets: None.

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
AS OF DECEMBER 31, 2012

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

13. Information on intangible assets:

| | Closing Balance December 31, 2012 | Additions | Disposals | Other | Change in estimate | Ending Balance December 31, 2012 |
|-------------------------|--|---------------|-----------|----------|-----------------------|--|
| Cost: | | | | | | |
| Software cost | - | 16.516 | - | - | - | 16.516 |
| Other intangible assets | - | 2.392 | - | - | - | 2.392 |
| Total Cost | - | 18.908 | - | - | - | 18.908 |

| | Closing Balance December 31, 2012 | Period Charge | Disposals | Other | Change in estimate | Ending Balance December 31, 2012 |
|---------------------------------------|--|------------------|-----------|----------|-----------------------|--|
| Accumulated Depreciation: | | | | | | |
| Software cost | - | (1.061) | - | - | - | (1.061) |
| Other intangible assets | - | (57) | - | - | - | (57) |
| Total Accumulated Depreciation | - | (1.118) | - | - | - | (1.118) |
| Net Book Value | - | 17.790 | - | - | - | 17.790 |

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

14. Investment Property (Net): None.

15. Explanations on deferred tax assets:

- a) As of December 31, 2012, there is no deferred tax asset calculated on tax losses and tax deductions or exemptions. Deferred tax asset is calculated on the other deductible temporary differences is TL 1.677.
- b) Temporary differences over which deferred tax asset is not computed and recorded in the balance sheet in prior periods: None.
- c) Allowance for deferred tax and deferred tax assets from reversal of allowance: None.
- d) Movement of deferred tax:

| | December 31, 2012 |
|---|----------------------|
| At January 1 | - |
| Effect of change in tax rate | - |
| Deferred tax (charge)/benefit | |
| Deferred tax income (Net) | 1.677 |
| Deferred tax accounted for under Shareholders' Equity | - |
| Deferred Tax Asset | 1.677 |

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
AS OF DECEMBER 31, 2012

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

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

| | December 31, 2012 | |
|---|--------------------------|---------------------|
| | Tax Base | Deferred Tax |
| Reserve for Employee Benefits | 859 | 172 |
| Free reserves provided for possible risks | - | - |
| Other provisions | 14.050 | 2.810 |
| Net Book Value and Tax Value Differences of Assets: | - | - |
| Tangible Fixed Assets | - | - |
| Deferred Commissions | - | - |
| Financial Assets | 5.666 | 1.133 |
| Tax Losses | - | - |
| Deferred Tax Assets | 20.575 | 4.115 |
| Net Book Value and Tax Value Differences of Assets: | - | - |
| Tangible Fixed Assets | 6.580 | 1.316 |
| Financial Assets | 5.611 | 1.122 |
| Other | - | - |
| Deferred tax liability (-) | 12.191 | 2.438 |
| Deferred tax Asset (Net) | 8.384 | 1.677 |

16. Information on assets held for sale and discontinued operations: None.

17. Information on other assets:

a) Breakdown of other assets:

| | December 31, 2012 |
|-----------------------------|--------------------------|
| Settlement Accounts | 2.226 |
| Advances and Deposits Given | 6.768 |
| Prepaid Expenses | 10.595 |
| Total | 19.589 |

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

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
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II. Explanations and Disclosures Related to the Liabilities

1. Information on maturity structure of deposits:

a.1) December 31, 2012 :

| | Demand | 7 Day Call Accounts | Up to 1 month | 1-3 Months | 3-6 Months | 6 Month-1 Year | 1 Year And over | Accumulating Deposits | Total |
|-----------------------------|----------------|------------------------|------------------|------------------|----------------|-------------------|--------------------|--------------------------|------------------|
| Saving deposits | 4.075 | | 5.720 | 590.746 | 535.552 | 203.348 | 9.306 | - | 1.348.747 |
| Foreign currency deposits | 84.851 | | 4.790 | 216.556 | 64.648 | 4.153 | - | - | 374.998 |
| Residents in Turkey | 84.851 | | 4.790 | 216.441 | 64.648 | 4.153 | - | - | 374.883 |
| Residents abroad | - | | - | 115 | - | - | - | - | 115 |
| Public sector deposits | - | | - | - | - | - | - | - | - |
| Commercial deposits | 48.937 | | 124.336 | 558.051 | 54.417 | 2.018 | - | - | 787.759 |
| Other institutions deposits | - | | - | 4.007 | 1.635 | - | - | - | 5.642 |
| Precious metals deposits | - | | - | - | - | - | - | - | - |
| Interbank deposits | - | | - | - | - | - | - | - | - |
| Central Bank of Turkey | - | | - | - | - | - | - | - | - |
| Domestic Banks | - | | - | - | - | - | - | - | - |
| Foreign Banks | - | | - | - | - | - | - | - | - |
| Participation Banks | - | | - | - | - | - | - | - | - |
| Other | - | | - | - | - | - | - | - | - |
| Total | 137.863 | | 134.846 | 1.369.360 | 656.252 | 209.519 | 9.306 | - | 2.517.146 |

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

i. Information on saving deposits:

| Saving Deposits (*) | Under the Guarantee of Insurance | Exceeding the Limit of Insurance |
|--|-------------------------------------|-------------------------------------|
| | December 31, 2012 | December 31, 2012 |
| Saving deposits | 33.127 | 1.315.620 |
| Foreign currency saving deposits | 2.296 | 98.774 |
| Other deposits in the form of saving deposits | - | - |
| Foreign branches' deposits under foreign authorities' insurance | - | - |
| Off-shore banking regions' deposits under foreign authorities' insurance | - | - |
| Total | 35.423 | 1.414.394 |

(*) Accruals were included to deposits under the guarantee of insurance in accordance with BRSA declaration numbered 1584 dated February 23, 2005.

As of reporting period Tasarruf Mevduatı Sigorta Fonu has not yet notified the Bank for the rate based on calculation of Saving Deposit Premium provision. Therefore; as of December 31, 2012 such calculation could not be performed by the Bank.

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

ii. Deposit amounts not under the guarantee of saving deposit:

Deposits of real persons not under the guarantee of saving deposit insurance:

| | December 31, 2012 |
|--|-------------------|
| Deposits and accounts in branches abroad | - |
| Deposits of ultimate shareholders and their close families | - |
| Deposits of chairman, members of the Board of Directors and assistant general managers and their close families | 9.109 |
| Deposits obtained through illegal acts defined in the 282 nd Article of the 5237 numbered Turkish Criminal Code dated September 26, 2004. | - |
| Saving deposits in banks established in Turkey exclusively for off shore banking activities | - |

2. Information on derivative financial liabilities:

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

| | December 31, 2012 | |
|----------------------|-------------------|--------------|
| | TL | FC |
| Forward Transactions | - | 2.073 |
| Swap Transactions | - | 1.669 |
| Futures Transactions | - | 648 |
| Options | - | - |
| Other | - | - |
| Total | - | 4.390 |

3. a) Information on banks and other financial institutions:

| | December 31, 2012 | |
|--|-------------------|----------------|
| | TL | FC |
| From Domestic Banks and Institutions | - | - |
| From Foreign Banks, Institutions and Funds | - | 360.942 |
| Total | - | 360.942 |

b) Maturity analysis of borrowings:

| | December 31, 2012 | |
|----------------------|-------------------|----------------|
| | TL | FC |
| Short-term | - | 360.942 |
| Medium and long-term | - | - |
| Total | - | 360.942 |

c) Additional explanations related to the concentrations of the Bank's major liabilities:

The Bank has diversified its fund sources with customer deposits and funds borrowed from foreign banks.

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

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

- 4. Information on funds provided from repurchase agreement transactions :None.**
- 5. Other liabilities which exceed 10% of the balance sheet total (excluding off-balance sheet commitments) and the breakdown of these which constitute at least 20% of grand total:**

None.
- 6. Explanations on lease obligations (Net):**
 - a) The general explanations on criteria used in determining installments of financial lease agreements, renewal and purchasing options and restrictions in the agreements that create significant obligations to the Bank: None.
 - b) Explanations regarding operational leases: Bank has operational lease agreements for some branches.
 - c) Explanations on the lessor and lessee in sale and lease back transactions, agreement conditions, and major agreement terms: None.

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

7. Information on derivative financial liabilities for hedging purposes: None.

8. Information on provisions:

a) Information on general provisions:

| | December 31, 2012 |
|---|-------------------|
| General Provisions | |
| I. Provisions for First Group Loans and Receivables | 18.074 |
| - Additional provision for intentioned loans | - |
| II. Provisions for Second Group Loans and Receivables | - |
| - Additional provision for intentioned loans | - |
| Provisions for Non-cash Loans | 415 |
| Total | 18.489 |

General provision movement for first, second group of loans and receivables and non-cash loans is as follows:

| | First Group Loans and Receivables | Second Group Loans and Receivables | Non-Cash Loans |
|--------------------------|---|--|-------------------|
| January 1, 2012 | - | - | - |
| Additions | 18.074 | - | 415 |
| Disposals | - | - | - |
| December 31, 2012 | 18.074 | - | 415 |

b) Foreign exchange losses on the foreign currency indexed loans and finance lease receivables: The foreign exchange losses amounting to TL1.510 on the foreign currency indexed loans are netted off from loans on the balance sheet.

c) Provisions for non-cash loans that are not indemnified or converted into cash: None.

d) Information on employee termination benefits and unused vacation accrual:

According to statutory regulations since employees of the Bank have not yet deserve the employee termination benefit; the Bank has not calculated provision for employee termination benefit.

d.1) Movement of employee termination benefits:

None.

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

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

d.2) Information on employee termination benefits and unused vacation accrual:

| | December 31, 2012 |
|---|--------------------------|
| Employee termination benefit provision | - |
| Unused vacation provision | 859 |
| Total of provision for employee benefits | 859 |

In accordance with TAS No:19 "Turkish Accounting Standard on Employee Benefits"; total benefit is calculated for each employee who has completed over one year of service, whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The cost of providing benefits to the employees for the services rendered by them under the defined benefit plan is determined by independent actuaries annually using the projected unit credit method. All actuarial gains and losses are recognized in the income statement. According to statutory regulations since employees of the Bank have not yet deserve the employee termination benefit; the Bank has not calculated provision for employee termination benefit.

e) Information on other provisions:

e.1) Provisions for possible losses: None.

e.2) The breakdown of the sub accounts if other provisions exceed 10% of the grand total of provisions:
Other provisions consist of provision for personnel premium amounting to TL 14.050.

f) Liabilities on pension rights: None.

f.1) Liabilities for pension funds established in accordance with "Social Security Institution": None.

f.2) Liabilities resulting from all kinds of pension funds, foundations etc, which provide post retirement benefits for the employees: None.

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

9. Explanations on taxes payable:

a) Information on current tax liability:

a.1) Information on corporate tax:

As of 31 December 2012, prepaid tax expenses has deducted from corporate tax liabilities. In the current period the Bank has tax asset amounting to TL 5.423 under the asset side of the balance sheet.

a.2) Explanations on taxes payable:

| | December 31, 2012 |
|---------------------------|-------------------|
| Taxation on securities | 520 |
| BSMV | 628 |
| Corporate Tax Payable (*) | - |
| Payroll Tax | - |
| Property Tax | 147 |
| Value Added Tax Payable | 566 |
| Stamp Tax | - |
| Other | 1.463 |
| Total | 3.324 |

(*) As of December 31, 2012 corporate tax payable amounting to TL 1.482 has been netted off with prepaid tax.

a.3) Information on premiums:

| | December 31, 2012 |
|--|-------------------|
| Social Security Premiums-Employer | 283 |
| Social Security Premiums-Employee | 308 |
| Bank Social Aid Pension Fund Premium-Employer | 39 |
| Bank Social Aid Pension Fund Premium-Employee | 20 |
| Pension Fund Membership Fees and Provisions-Employee | - |
| Pension Fund Membership Fees and Provisions-Employer | - |
| Unemployment Insurance-Employee | - |
| Unemployment Insurance-Employer | - |
| Other | - |
| Total | 650 |

b) Explanations on deferred tax liabilities, if any: None.

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

10. Information on liabilities regarding assets held for sale and discounted operations: None.

11. Information on Subordinated Loans:

| | December 31, 2012 |
|---------------------|-------------------|
| From domestic banks | - |
| From foreign banks | 177.849 |
| Total | 177.849 |

On December 27, 2012 the Bank obtained a subordinated loan from Parent Bank - Bank Audi SAL amounting to USD 100 million, with 10 years maturity and a repayment option at the end of five years. The interest rate was determined 3% for the first five years unless usage of repayment option interest rate to be 4%. With the written approval of BRSA dated 25 December 2012, the loan has been approved as subordinated loan and can be taken into consideration as supplementary capital within the limits of the Regulation Regarding Banks' Shareholders' Equity.

12. Information on Shareholders' Equity:

a) Presentation of Paid-in capital:

As of December 31, 2012 the nominal value of the Bank's paid-in-capital is amounting to TL 533.520 and consists of 533.520 million shares.

| TL | December 31, 2012 |
|-----------------|-------------------|
| Common stock(*) | 533.520 |
| Preferred stock | - |

(*) Nominal Capital

b) The Bank does not apply registered share capital system.

c) Information on share capital increases and their sources; other information on increased capital shares in the current period: Bank has started to its operation in 2012 and USD 300 million capital has been invested for establishment.

d) Information on share capital increases from revaluation funds in the current period: None.

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

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

The Bank has started its operations in 2012 and expectations are made for Bank's future interest income via simulations of net interest income and scenario analysis.

g) Information on preferred shares: None.

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

h) Information on marketable securities value increase fund: None.

| | December 31, 2012 |
|--|--------------------------|
| From Associates, Subsidiaries, and Jointly Controlled Entities (Joint Vent.) | - |
| Valuation Difference | (133) |
| Foreign Exchange Difference | - |
| Total | (133) |

Information on legal reserves : None.

Information on extraordinary reserves: None.

13. Information on minority shares:

None.

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

1. Information on off-balance sheet liabilities:

1. a) Nature and amount of irrevocable loan commitments:

| | December 31, 2012 |
|--|-------------------|
| Loan granting commitments | 9.547 |
| Commitments for checks | 283 |
| Forward asset purchase and sales commitments | 61.522 |
| Other irrevocable commitments | 1.244 |
| Total | 72.596 |

b) Possible losses and commitments related to off-balance sheet items including items listed below:

The Bank, within the context of banking activities, undertakes certain commitments, consisting of loan commitments, letters of guarantee, acceptance credits and letters of credit.

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

| | December 31, 2012 |
|----------------------------------|-------------------|
| Bank acceptance loans | - |
| Letters of credit | 13.940 |
| Other guarantees and collaterals | 76.074 |
| Total | 90.014 |

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

| | December 31, 2012 |
|--------------------------------|-------------------|
| Definite letter of guarantess | 58.682 |
| Temporary letter of guarantees | 6.023 |
| Other letter of guarantees | 11.369 |
| Total | 76.074 |

c) c.1) Total amount of non-cash loans:

| | December 31, 2012 |
|---|-------------------|
| Non-cash loans given against achieving cash loans | |
| With maturity of 1 year or less than 1 year | 1.327 |
| With maturity of more than 1 year | - |
| Other non-cash loans | 88.687 |
| Total | 90.014 |

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

c.2) Information on sectoral risk breakdown of non-cash loans and irrevocable loan commitments (excluding forward asset sales and purchase commitments):

| | December 31, 2012 | | | |
|--------------------------------------|-------------------|---------------|---------------|---------------|
| | TL | (%) | FC | (%) |
| Agricultural | - | - | - | - |
| Farming and raising livestock | - | - | - | - |
| Fores TL | - | - | - | - |
| Fishery | - | - | - | - |
| Manufacturing | 7.151 | 11,54 | 12.104 | 43,13 |
| Mining | - | - | 889 | 3,17 |
| Production | 6.239 | 10,07 | 11.215 | 39,96 |
| Electric, gas and water | 912 | 1,47 | - | - |
| Construction | 27.716 | 44,74 | 11.899 | 42,40 |
| Services | 27.081 | 43,72 | 4.063 | 14,48 |
| Wholesale and retail trade | 8.334 | 13,45 | 3.569 | 12,72 |
| Hotel, food and beverage services | 212 | 0,34 | - | - |
| Transportation and telecommunication | 10 | 0,02 | - | - |
| Financial institutions | 11.550 | 18,64 | 379 | 1,35 |
| Real estate and renting services | 6.975 | 11,26 | 115 | 0,40 |
| Self-employment services | - | - | - | - |
| Education services | - | - | - | - |
| Health and social services | - | - | - | - |
| Other | - | - | - | - |
| Total | 61.948 | 100,00 | 28.066 | 100,00 |

c.3) Information on I st and II nd group non-cash loans:

| Non-cash loans | I st Group | | II nd Group | |
|--|---------------|---------------|-------------|----------|
| | TL | FC | TL | FC |
| Letters of guarantee | 61.948 | 14.126 | - | - |
| Bank acceptances | - | - | - | - |
| Letters of credit | - | 13.940 | - | - |
| Endorsements | - | - | - | - |
| Securities issue purchase and guarantees | - | - | - | - |
| Other commitments and contingencies | - | - | - | - |
| Total | 61.948 | 28.066 | - | - |

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

2. Information related to derivative financial instruments:

| | Derivative transactions according to purposes | |
|---|---|-------------------|
| | Trading | Hedging |
| | December 31, 2012 | December 31, 2012 |
| Types of trading transactions | | |
| Foreign currency related derivative transactions (I): | | - |
| Forward transactions | 173.731 | - |
| Swap transactions | 771.916 | - |
| Futures transactions | - | - |
| Option transactions | 244.176 | - |
| Interest related derivative transactions (II) : | | - |
| Forward rate transactions | - | - |
| Interest rate swap transactions | 91.000 | - |
| Interest option transactions | - | - |
| Futures interest transactions | - | - |
| Other derivative transactions for trade (III) | - | - |
| A. Total trading derivative transactions (I+II+III) | 1.280.823 | - |
| Types of hedging transactions | - | - |
| Fair value hedges | - | - |
| Cash flow hedges | - | - |
| Net investment hedges | - | - |
| B.Total hedging related derivatives | - | - |
| Total Derivative Transactions (A+B) | 1.280.823 | - |

Forward foreign currency and swap transactions are for protection from currency fluctuations. According to TAS, they do not qualify as hedging instruments but trading and are remeasured at fair value.

As of December 31, 2012 breakdown of the Bank's foreign currency forward and swap transactions based on currencies are disclosed below in their TL equivalents:

| | Forward Buy | Forward Sell | Swap Buy | Swap Sell | Option Buy | Option Sell | Interest Swap Buy | Interest Swap Sell |
|-------------------|---------------|---------------|----------------|----------------|----------------|----------------|-------------------|--------------------|
| December 31, 2012 | | | | | | | | |
| TL | 6.800 | 9.035 | 252.604 | 18.213 | 83.885 | 38.598 | 33.774 | 33.774 |
| USD | - | 32.717 | 132.165 | 248.864 | 32.479 | 78.655 | 11.726 | 11.726 |
| EUR | 32.610 | 23.452 | 2.345 | 89.118 | 5.397 | 5.162 | - | - |
| Other | 47.234 | 21.883 | - | 28.607 | - | - | - | - |
| Total | 86.644 | 87.087 | 387.114 | 384.802 | 121.761 | 122.415 | 45.500 | 45.500 |

3. Information related to credit derivatives and risk exposures:

None.

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

4. Explanations on contingent liabilities and assets:

- a.1) The Bank's share in contingent liabilities arising from entities under common control (joint ventures) together with other venturer: None.
- a.2) Share of jointly controlled entity (joint venture) in its own contingent liabilities: None.
- a.3) The Bank's contingent liabilities resulting from liabilities of other venturers in jointly controlled entities (joint ventures): None.

b) Accounting and presentation of contingent assets and liabilities in the financial statements:

- b.1) Contingent assets are accounted for, if probability of realization is almost certain. If probability of realization is high, then it is explained in the footnotes: None.
- b.2) A provision is made for contingent liabilities, if realization is probable and the amount can reliably be determined. If realization is remote or the amount cannot be determined reliably, then it is explained in the footnotes: None.

5. Custodian and intermediary services:

The Bank provides security purchase-sell and safe keeping services in the name of real persons and legal entities. Details of investment securities held in custody are given in the Statement of Off Balance Sheet Contingencies and Commitments.

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

IV. Explanations and Disclosures Related to the Statement of Income

1. a) Information on interest on loans:

| | December 31, 2012 | |
|----------------------------------|--------------------------|--------------|
| | TL | FC |
| Interest on loans (*) | | |
| Short term loans | 6.290 | 744 |
| Medium and long term loans | 1.801 | 2.378 |
| Interest on non-performing loans | - | - |
| Total | 8.091 | 3.122 |

(*) Includes fees and commissions obtained from cash loans.

b) Information on interest received from banks:

| | December 31, 2012 | |
|---|--------------------------|--------------|
| | TL | FC |
| The Central Bank of Republic of Turkey (CBRT) | 1.854 | 5.390 |
| Domestic banks | 24.058 | - |
| Foreign banks | - | - |
| Branches and head office abroad | - | - |
| Total | 25.912 | 5.390 |

c) Interest received from marketable securities portfolio:

| | December 31, 2012 | |
|--|--------------------------|-----------|
| | TL | FC |
| Trading securities | 123 | - |
| Financial assets at fair value through profit and loss | - | - |
| Available-for-sale securities | 482 | - |
| Held-to-maturity securities | - | - |
| Total | 605 | - |

d) Information on interest income received from associates and subsidiaries: None.

2. a) Information on interest on funds borrowed:

| | December 31, 2012 | |
|---------------------------------|--------------------------|------------|
| | TL | FC |
| Interest on funds borrowed (*) | | |
| Banks | - | - |
| The Central Bank of Turkey | - | - |
| Domestic banks | - | - |
| Foreign banks | - | 322 |
| Branches and head office abroad | - | - |
| Other financial institutions | - | - |
| Total | - | 322 |

(*) Includes fees and commission expenses for borrowings.

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

- b. Information on interest expense to associates and subsidiaries: None.
- c. Information on interest expense to marketable securities issued: None.
- d. Distribution of interest expense on deposits based on maturity of deposits:

| December 31 , 2012 | | | | | | | | |
|---------------------------|--------------------|------------------|-------------------|-------------------|-----------------|------------------------|---------------------------|--------|
| Account Name | Time Deposits | | | | | | Accumulati ng Deposits | Total |
| | Demand Deposits | Up to 1 Month | Up to 3 Months | Up to 6 Months | Up to 1 Year | More than 1 Year | | |
| TL | | | | | | | | |
| Bank deposits | - | 3 | - | - | - | - | - | 3 |
| Saving deposits | - | 22 | 3.248 | 2.219 | 806 | 20 | - | 6.315 |
| Public sector deposits | - | - | - | - | - | - | - | - |
| Commercial deposits | - | 409 | 4.305 | 284 | - | 18 | - | 5.016 |
| Other deposits | - | - | 7 | 19 | - | - | - | 26 |
| 7 days call accounts | - | - | - | - | - | - | - | - |
| Precious metal deposits | - | - | - | - | - | - | - | - |
| Total | - | 434 | 7.560 | 2.522 | 806 | 38 | - | 11.360 |
| Foreign Currency | | | | | | | | |
| Foreign currency deposits | - | 10 | 769 | 53 | 4 | - | - | 836 |
| Bank deposits | - | - | - | - | - | - | - | - |
| 7 days call accounts | - | - | - | - | - | - | - | - |
| Precious metal deposits | - | - | - | - | - | - | - | - |
| Total | - | 10 | 769 | 53 | 4 | - | - | 836 |
| Grand Total | - | 444 | 8.329 | 2.575 | 810 | 38 | - | 12.196 |

3. Information on Dividend Income: None.

4. Information on net trading income:

| December 31, 2012 | |
|--|---------------|
| Income | 43.806 |
| Gains on capital market operations | 329 |
| Gains on derivative financial instruments | 7.571 |
| Foreign exchange gains | 35.906 |
| Losses (-) | 18.884 |
| Losses on capital market operations | 24 |
| Losses on derivative financial instruments | 4.696 |
| Foreign exchange losses | 14.164 |

5. Information on other operating income: None.

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

6. Provision for impairment of loans and other receivables:

| | December 31, 2012 |
|--|-------------------|
| Specific provisions for loans and other receivables | - |
| III. Group Loans and Receivables | - |
| IV. Group Loans and Receivables | - |
| V. Group Loans and Receivables | - |
| General loan loss provision expenses | 18.489 |
| Provision expenses for possible losses | - |
| Marketable securities impairment losses | - |
| Financial assets at fair value through profit and loss | - |
| Investment securities available for sale | - |
| Impairment provision expense on investments | - |
| Associates | - |
| Subsidiaries | - |
| Jointly controlled entities | - |
| Investments held to maturity | - |
| Other | - |
| Total | 18.489 |

7. Information on other operating expenses:

| | December 31, 2012 |
|---|-------------------|
| Personnel expenses | 27.461 |
| Unused vacation provision | 859 |
| Taxes and duties | 1.768 |
| Bank social aid fund deficit provision | - |
| Impairment expenses of fixed assets | - |
| Depreciation expenses of fixed assets | 2.559 |
| Impairment expenses of intangible assets | - |
| Impairment expense of goodwill | - |
| Amortization expenses of intangible assets | 1.118 |
| Impairment for investments accounted for under equity method | - |
| Impairment expenses of assets to be disposed | - |
| Depreciation expenses of assets to be disposed | - |
| Impairment expenses of assets held for sale and discontinued operations | - |
| Other operating expenses | 13.016 |
| Rent expenses | 3.839 |
| Maintenance expenses | 86 |
| Advertisement expenses | 1.041 |
| Other expenses | 8.050 |
| Loss on sales of assets | - |
| Other(*) | 16.292 |
| Total | 63.073 |

(*) As of 31 December 2012, other operating expenses consist of other provision expenses amounting to TL 14.050.

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

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

As of 31 December 2012, the Bank' loss before tax from continued operations is TL 19.733.

9. Information on tax provision for continued and discontinued operations:

- a) As of December 31, 2012; current tax expense is TL 1.516 and deferred tax income is TL 1.677.
- b) The Bank has deferred tax income amounting to TL 1.677 through the existence or closing of temporary differences except financial loss.
- c) There is no deferred tax income calculated for temporary differences on carried forward tax losses or tax exemptions or deductions which is included in the current year statement of income.
- c) Tax reconciliation:

| | December 31, 2012 |
|--|------------------------------|
| Loss before tax | 19.733 |
| Tax at the domestic income tax rate of 20% | 3.947 |
| Disallowables and others, net | (3.786) |
| Tax Expense Calculated | 161 |

10. Information on net profit/(loss) from continued and discontinued operations:

As of December 31, 2012 the Bank's net loss from continued operations is TL 19.572.

11. The explanations on net income / loss for the period:

- a) The nature 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 understanding of the Bank's performance for the period : None.
- b) Financial Effect of changes in accounting estimates on income statement for the current and, if any, for subsequent periods: None.
- c) Profit or loss attributable to minority shares: None.

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

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

Other fees and commission income amounting to TL 5.348 consist of commissions obtained from the Bank's loan intermediary service.

V. Explanations and Disclosures Related to Statement of Changes in Shareholders' Equity

- a) Decrease resulting from revaluation of financial assets available for sale is TL 133.
- b) Increase in cash flow risk hedging items: None.
- c) The reconciliation related with foreign currency translation reserves at the beginning and end of the period: None.
- d) Dividends declared subsequent to the balance sheet date, but before the announcement of the financial statements: None.
- e) Amounts transferred to legal reserves: None.
- f) Information on shares issued:

The Bank does not have any issued debt securities. As of the date of approval of these financial statements, there is no subsequent dividend announcement of the Bank after the balance sheet date.

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VI. Explanations and Disclosures Related To Statement Of Cash Flows

1. The effects of the other items stated in the statement of cash flows and the changes in foreign currency exchange rates on cash and cash equivalents:

“Others” line amounting to TL 38.255 in “Bank Operating profit before changes in operating assets and liabilities” consists of fees and commissions paid, gain/losses from derivative financial instruments and other operating expenses except for personnel expenses, unused vacation provision, depreciation expenses and taxes paid.

“Net increase/decrease in other liabilities” line amounting to TL 41.548 in “Changes in bank operations assets and liabilities” consists of changes in miscellaneous payables, other liabilities and tax liability.

“Net increase/decrease in other assets” line amounting to TL 19.589 consists of changes in other assets.

2. Cash and cash equivalents at beginning and end of periods:

The reconciliation of the components of cash and cash equivalents, accounting policies used to determine these components, the effect of any change made in accounting principle in the current period, the recorded amounts of the cash and cash equivalent assets at the balance sheet and the recorded amounts in the statement of cash flow:

| End of the period | December 31, 2012 |
|---|-------------------|
| Cash | 274.789 |
| Cash in TL/foreign currency | 6.181 |
| Central Bank of Republic of Turkey | 268.608 |
| Other | - |
| Cash equivalents | 1.322.372 |
| Receivables from banks and other financial institutions | 387.372 |
| Receivables from money market placements | 935.000 |
| Total cash and cash equivalents | 1.597.161 |

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VII. Explanations on the Risk Group of the Bank

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

a) December 31, 2012:

| Risk Group of The Bank | Subsidiaries, associates and jointly controlled entities | | Direct and indirect shareholders of the Bank | | Other entities included in the risk group | |
|---------------------------------------|--|----------|--|----------|---|----------|
| | Cash | Non-cash | Cash | Non-cash | Cash | Non-cash |
| Loans and other receivables | | | | | | |
| Balance at beginning of period | - | - | - | - | - | - |
| Balance at end of period | - | - | - | 11.000 | - | - |
| Interest and commission income | - | - | - | - | - | - |

b.1) Information on related party deposits balances:

| Risk Group of The Bank | Subsidiaries, associates and jointly controlled entities | | Direct and indirect shareholders of the Bank | | Other entities included in the risk group | |
|--------------------------------|--|---|--|---|---|-------|
| | December 31, 2012 | | December 31, 2012 | | December 31, 2012 | |
| Deposits | | | | | | |
| Balance at beginning of period | | - | | - | | - |
| Balance at end of period | | - | | - | | 9.040 |
| Interest on deposits | | - | | - | | 69 |

The Bank has obtained Subordinated Loan amounting to TL 177.849 and short term loan amounting to TL 177.830 from risk group of the Bank and interest expense has realized amounting to TL 319 in 2012.

b.2) Information on forward and option agreements and other similar agreements made with related parties:

| Risk Group of The Bank | Subsidiaries, associates and jointly controlled entities | | Direct and indirect shareholders of the Bank | | Other entities included in the risk group | |
|---|--|---|--|---------|---|---|
| | December 31, 2012 | | December 31, 2012 | | December 31, 2012 | |
| Financial assets at fair value through profit and loss | | | | | | |
| Balance at beginning of period | | - | | - | | - |
| Balance at end of period | | - | | 821.874 | | - |
| Total Loss/ Profit | | - | | 3.018 | | - |

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VIII. Explanations on the Bank's domestic branches, agencies and branches abroad and off- shore branches

1. Explanations on the Bank's domestic branches, agencies and branches abroad and off- shore branches:

| | Number | Employees | | | |
|--------------------|--------|-----------|---------|--------------|---------|
| | | | | | |
| Domestic branches | 6 | 396 | | | |
| | | | Country | | |
| | | | | | |
| Rep-offices abroad | - | - | - | | |
| | | | | Total Assets | Capital |
| | | | | | |
| Branches abroad | - | - | - | - | - |
| | | | | | |
| Off-shore branches | - | - | - | - | - |

2. Explanations on Branch and Agency Openings or Closings of the Bank:

None.

IX. Explanations and disclosures related to subsequent events

None.

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SECTION SIX

OTHER EXPLANATIONS

I. Other Explanations on the Operations of the Bank:

None.

SECTION SEVEN

INDEPENDENT AUDITOR'S REPORT

I. Explanations on the Independent Auditor's Report:

The unconsolidated financial statements for the year ended December 31, 2012 have been audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A member firm of Ernst & Young Global Limited). The independent auditor's report dated March 8, 2013 is presented preceding the unconsolidated financial statements.

II. Explanations and notes prepared by independent auditor:

None.