

**CONVENIENCE TRANSLATION
OF PUBLICLY ANNOUNCED CONSOLIDATED
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
ORIGINALLY ISSUED IN TURKISH,
SEE NOTE I OF SECTION THREE**

TAIB YATIRIMBANK A.Ş.

**PUBLICLY ANNOUNCED CONSOLIDATED
FINANCIAL STATEMENTS
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT
AT 31 DECEMBER 2013**



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

To the Board of Directors of TAIB YatırımBank A.Ş.

We have audited the accompanying consolidated balance sheet of TAIB YatırımBank A.Ş. ("the Bank") and its consolidated subsidiaries at 31 December 2013 and the related consolidated statements of income, cash flows and changes in shareholders' equity for the period then ended and a summary of significant accounting policies and other explanatory notes to the financial statements.

Disclosure for the responsibility of the Bank's Board of Directors:

The Bank's Board of Directors is responsible for establishing and maintaining effective internal control over financial reporting to prevent the misstatements caused by error or fraud, that are material to the consolidated financial statements; and for selecting and applying appropriate accounting policies in compliance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents published on the Official Gazette No. 26333 dated 1 November 2006, Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards ("TFRS") and other regulations, interpretations and circulars published or declared by the Banking Regulation and Supervision Agency ("the BRSA") on accounting and financial reporting principles.

Disclosure for the Responsibility of the Authorized Audit Firm:

Our responsibility, as independent auditors, is to express an opinion on these consolidated financial statements based on our audit. Our independent audit has been implemented in accordance with the "Regulation on Authorization and Activities of Institutions to Conduct Independent Audit in Banks" published on the Official Gazette No.26333 dated 1 November 2006. We planned and conducted our audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. Our audit includes using the audit techniques for the purpose of obtaining evidence supporting the amounts and disclosures in the financial statements; the selection of these audit techniques is made in accordance with our professional judgment by taking the effectiveness of the controls over financial reporting process into consideration and assessing the appropriateness of the applied accounting policies. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion stated below.



Basis for the qualified opinion:

As explained in Article 8.d. of Note "I. Explanations and notes related to assets" in section no. 5 entitled "Explanations and Notes Related to Consolidated Financial Statements", the Bank has provided impairment provision amounting to TL 5,577 for the goodwill and TL 931 for other intangible assets as of 31 December 2013. Since the Bank has not provided any impairment provision for the carrying value of PDF in the previous years, all the effects of these adjustments have been recognized in the current year's profit and loss statement.

Independent Auditor's Opinion:

In our opinion, except for the effect on consolidated financial statements of the matter referred to in the above paragraph of basis for qualified opinion; the accompanying consolidated financial statements present fairly, in all material respects, the financial position of TAIB Yatırım Bank A.Ş. and its consolidated subsidiaries at 31 December 2013 and the results of its operations and its cash flows for the period then ended in accordance with accounting principles and standards set out by regulations in conformity with articles 37 and 38 of the Banking Act No. 5411 and other regulations, communiqués, interpretations and circulars published by the BRSA on accounting and financial reporting principles.

Additional Paragraph for Convenience Translation:

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 articles 37 and 38 of the Banking Act No. 5411, accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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

Talar Gül, SMMM
Partner

İstanbul, 14 March 2014

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

**THE YEAR END CONSOLIDATED FINANCIAL REPORT OF
TAIB YATIRIMBANK A.Ş. AS OF 31 DECEMBER 2013**

Address of the Bank's Headquarters : Yüzbaşı Kaya Aldoğan Sok. Aksoy İş Merkezi No:7 Kat:3 Zincirlikuyu/İstanbul

Telephone of the Bank : (0 212) 705 89 00
Fax of the Bank : (0 212) 345 07 12
Web site of the Bank : www.yatirimbank.com.tr
E-mail for correspondence : yatinim@yatirimbank.com.tr

The consolidated nine-month financial report includes the following sections in accordance with the Communiqué on Financial Statements and Related Explanations and Notes that will be Publicly Announced as sanctioned by the Banking Regulation and Supervision Agency.

- **SECTION ONE** - GENERAL INFORMATION ABOUT THE PARENT BANK
- **SECTION TWO** - CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- **SECTION THREE** - EXPLANATIONS ON ACCOUNTING POLICIES
- **SECTION FOUR** - INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP
- **SECTION FIVE** - EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
- **SECTION SIX** - OTHER EXPLANATIONS AND NOTES
- **SECTION SEVEN** - EXPLANATIONS ON INDEPENDENT AUDITOR'S REPORT

Investments in associates, subsidiaries and joint ventures whose financial statements have been consolidated in this reporting package are as follows:

Subsidiaries	Investment in Associates	Joint Ventures
PDF Kurumsal Finansman Danışmanlık Hiz. A.Ş.	-	-

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

Erdal AKSOY
Chairman of the Board of Directors

Hikmet Cenk EYNEHAN
General Manager

Erkan AKGÜZEL
Manager Responsible for
Financial Control and
Reporting

Necip Süreyya SERDENGECİ
Member of the Audit Committee

Mesut ÖZDİNÇ
Member of the Audit Committee

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

Name-Surname/Title : Erkan AKGÜZEL / Manager
Telephone Number : (0212) 705 89 11
Fax Number : (0212) 345 07 12

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

TAIB YATIRIMBANK A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2013

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

SECTION ONE

GENERAL INFORMATION

I. The Parent Bank's foundation date, start-up statute, history about the changes in this mentioned statute:

Parent Bank's commercial title	TAIB YatırımBank A.Ş.
Reporting Period	1 January - 31 December 2013
Address of the Bank's Headquarters	Yüzbaşı Kaya Aldoğan Sk.Aksoy İş Merkezi No:7 Kat: 3
Telephone	Zincirlikuyu/İstanbul
Fax	(0 212) 705 89 00
Website	(0 212) 345 07 12
E-mail	www.yatirimbank.com.tr
	yatirim@yatirimbank.com.tr

TAIB YatırımBank A.Ş. ("the Parent Bank") was incorporated on 25 December 1987 as an investment bank with the permission of the Council of Ministers decision no. 6224 which allows the transfer of the Banks' net profit after statutory liabilities and in case of liquidation the transfer of capital to foreign shareholders, and started its financial operations on 1 March 1988. As of 31 December 2013, the Parent Bank operates in its head office in Istanbul and there are no other branches.

II. Explanation about the Parent Bank's capital structure, shareholders of the Parent Bank who are in charge of the management and/or auditing of the Parent Bank directly or indirectly, changes in these matters (if any) and the group the Parent Bank belongs to:

Within the scope of the decision made by the previous parent company of the Bank regarding the sale of shares in the Bank, a share purchase sales agreement was signed with Aksoy Holding A.Ş. on 13 May 2013. With its letter dated 26 June 2013, the BRSA notified the Bank that permission had been given for the direct transfer of 99.4689% of the Bank's shares to Aksoy Holding A.Ş., in accordance with the application made by Aksoy Holding A.Ş. to the BRSA and the agreement signed between the previous partner company of the Bank and Aksoy Holding A.Ş. In the extraordinary general assembly meeting of the Parent Bank on 31 July 2013, decision no. 32 of the board of directors, dated 31 July 2013, regarding the share transfer transaction made to Aksoy Holding A.Ş. by the previous parent of the Bank was approved, and the share transfer in question was accepted on the conditions that the closing transactions are completed, the share transfer realised and the share transfer transactions completed on 2 August 2013.

In the extraordinary general assembly meeting of the Parent Bank on 31 October 2013, it was decided that the principal capital of the Parent Bank should be increased to TL 39,000 from TL37,000, and in accordance with the BRSA letter on suitability for capital increase, the principal capital of the Partner Bank was increased to TL 39,000 on 13 November 2013.

In the extraordinary general assembly meeting of the Parent Bank on 21 November 2013, it was decided that the principal capital of the Parent Bank should be increased to TL 80,000 from TL 39,000 and in accordance with the BRSA letter on suitability for capital increase, the principal capital of the Partner Bank was increased to TL 80,000 on 29 November 2013.

Following the capital increase, the partnership structure of the Parent Bank as of 31 December 2013, is stated below:

Name/ Commercial Title	31 December 2013	
	Capital	Share Rate
Aksoy Holding A.Ş.	79,795	%99.7439
Other	205	%0.2561

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
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TAIB YATIRIMBANK A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2013

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

III. Explanation on the Board of Directors, members of the audit committee, president and executive vice presidents, changes in these matters (if any) and shares of the Parent Bank they possess:

Title	Name	Education	Percentage
Chairman of the Board of Directors ⁽¹⁾	Erdal Aksoy	Undergraduate	-
Member of the Board of Directors ⁽²⁾	Saffet Batu Aksoy	Undergraduate	-
Member of the Board of Directors/ Member of the Audit Committee ⁽³⁾	Necip Süreyya Serdengeçti	Graduate	-
Member of the Board of Directors ⁽⁴⁾	Adnan Aykol	Undergraduate	-
Member of the Board of Directors ⁽⁵⁾	Afaq Mustafayeva	Undergraduate	-
Member of the Board of Directors/ Member of the Audit Committee ⁽⁶⁾	Mesut Özding	Graduate	-
Member of the Board of Directors/ General Manager ⁽⁷⁾	Hikmet Cenk Eynehan	Graduate	-
Executive Vice President Responsible for Financial Planning and Controlling, Operation and Information Technologies ⁽⁸⁾	Filiz İdil	Undergraduate	-

(1) Erdal Aksoy has been appointed as a Board Member on 20 August 2013 and he has been assigned as Board Chairman on 19 December 2013.

(2) Saffet Batu Aksoy has been appointed as a Board Member on 2 August 2013 and he has been assigned as Vice President of the Executive Board on 19 December 2013.

(3) Necip Süreyya Serdengeçti has been appointed as a Board Member on 16 September 2013 and he has been assigned as Supervisory Board President on 19 December 2013.

(4) Adnan Akol has been appointed as a Board Member on 20 August 2013.

(5) Afaq Mustafayeva has been appointed as a Board Member on 10 October 2013.

(6) Mesut Özding has been appointed as a Board Member and Supervisory Board Member on 16 September 2013

(7) Hikmet Cenk Eynehan has been appointed as a Board Member and General Manager on 2 August 2013

(8) Filiz İdil has left with the decision of the Board of Directors No.7 on 12 February 2014.

The shares of the above individuals in the Bank are insignificant.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
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IN TURKISH, SEE NOTE I OF SECTION THREE**

TAIB YATIRIMBANK A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2013

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

GENERAL INFORMATION (Continued)

IV. Explanation on shareholders having control shares in the Parent Bank:

Name/Commercial title	Share Amounts (nominal)	Share Percentage	Paid-in Capital (nominal)	Unpaid portion
Erdal Aksoy	46,581	58.23%	46,581	-
Banu Aksoy Tarakçıoğlu	15,963	19.95%	15,963	-
Saffet Batu Aksoy	15,963	19.95%	15,963	-

V. Information on the Parent Bank's service type and field of operations:

The Parent Bank operates as an investment bank and as of 31 December 2013 the Parent Bank has 22 employees (31 December 2012: 15) and the Group has 24 employees (31 December 2012: 18).

VI. Differences between the communiqué on preparation of consolidated financial statements of banks and Turkish Accounting Standards and explanation about the institutions subject to line-by-line method or proportional consolidation and institutions which are deducted from equity or not included in these three methods:

Subsidiary PDF Kurumsal Finansman Danışmanlık Hizmetleri A.Ş. is included in the financial statements using full consolidation method.

VII. Existing or Potential, Actual or Legal obstacles on Immediate Equity Transfer Between the Bank and its subsidiaries or Repayment of the Debt:

The Parent Bank and its subsidiary PDF Kurumsal Danışmanlık Hizmetleri A.Ş. ("PDF") are explained in detail in Note I. "Explanations and Notes Related to Assets" of Section 5 "Explanations and Notes Related to Consolidated Financial Statements" and in Note "II. Explanations and Notes Related to Liability Accounts" of Section 5 "Explanations and Notes Related to Consolidated Financial Statements".

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

**TAIB YATIRIMBANK A.Ş.
CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AT 31 DECEMBER 2013 AND 31 DECEMBER 2012**

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

**SECTION TWO
CONSOLIDATED FINANCIAL STATEMENTS**

I. CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

	ASSETS	Note (Section Five-I)	31 December 2013			31 December 2012		
			TL	FC	Total	TL	FC	Total
I.	CASH AND BALANCES WITH CENTRAL BANK	(1)	97	48	145	93	68	161
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	(2)	-	-	-	1,587	-	1,587
2.1	Trading Financial Assets		-	-	-	1,587	-	1,587
2.1.1	Government Debt Securities		-	-	-	1,587	-	1,587
2.1.2	Share Certificates		-	-	-	-	-	-
2.1.3	Trading Derivative Financial Assets		-	-	-	-	-	-
2.1.4	Other Marketable Securities		-	-	-	-	-	-
2.2	Financial Assets Designated at Fair Value through Profit or Loss		-	-	-	-	-	-
2.2.1	Government Debt Securities		-	-	-	-	-	-
2.2.2	Share Certificates		-	-	-	-	-	-
2.2.3	Loans		-	-	-	-	-	-
2.2.4	Other Marketable Securities		-	-	-	-	-	-
III.	BANKS	(3)	3,052	391	3,443	6	2,694	2,700
IV.	MONEY MARKETS		15,903	-	15,903	5,801	-	5,801
4.1	Interbank Money Market Placements		-	-	-	-	-	-
4.2	Receivables from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3	Receivables from Reverse Repurchase Agreements		15,903	-	15,903	5,801	-	5,801
V.	AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)	(4)	293	-	293	-	-	-
5.1	Share Certificates		-	-	-	-	-	-
5.2	Government Debt Securities		293	-	293	-	-	-
5.3	Other Marketable Securities		-	-	-	-	-	-
VI.	LOANS	(5)	26,681	-	26,681	-	-	-
6.1	Loans		26,681	-	26,681	-	-	-
6.1.1	Loans to Bank's Risk Group		-	-	-	-	-	-
6.1.2	Government Debt Securities		-	-	-	-	-	-
6.1.3	Other		26,681	-	26,681	-	-	-
6.2	Loans under Follow-up		-	-	-	60	-	60
6.3	Specific Provisions (-)		-	-	-	(60)	-	(60)
VII.	FACTORING RECEIVABLES		-	-	-	-	-	-
VIII.	HELD-TO-MATURITY SECURITIES (Net)	(6)	-	-	-	-	-	-
8.1	Government Debt Securities		-	-	-	-	-	-
8.2	Other Marketable Securities		-	-	-	-	-	-
IX.	INVESTMENTS IN ASSOCIATES (Net)	(7)	-	-	-	-	-	-
9.1	Consolidated Based on Equity Method		-	-	-	-	-	-
9.2	Unconsolidated		-	-	-	-	-	-
9.2.1	Financial Investments in Associates		-	-	-	-	-	-
9.2.2	Non-financial Investments in Associates		-	-	-	-	-	-
X.	SUBSIDIARIES (Net)	(8)	-	-	-	-	-	-
10.1	Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
10.2	Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
XI.	JOINT VENTURES (Net)	(9)	-	-	-	-	-	-
11.1	Consolidated Based on Equity Method		-	-	-	-	-	-
11.2	Unconsolidated		-	-	-	-	-	-
11.2.1	Financial Joint Ventures		-	-	-	-	-	-
11.2.2	Non-financial Joint Ventures		-	-	-	-	-	-
XII.	LEASE RECEIVABLES (Net)	(10)	-	-	-	-	-	-
12.1	Financial Lease Receivables		-	-	-	-	-	-
12.2	Operational Lease Receivables		-	-	-	-	-	-
12.3	Other		-	-	-	-	-	-
12.4	Unearned Income (-)		-	-	-	-	-	-
XIII.	HEDGING DERIVATIVE FINANCIAL ASSETS	(11)	-	-	-	-	-	-
13.1	Fair Value Hedge		-	-	-	-	-	-
13.2	Cash Flow Hedge		-	-	-	-	-	-
13.3	Foreign Net Investment Hedge		-	-	-	-	-	-
XIV.	PROPERTY AND EQUIPMENT (Net)	(12)	103	-	103	93	-	93
XV.	INTANGIBLE ASSETS (Net)	(13)	41	-	41	6,521	-	6,521
15.1	Goodwill		-	-	-	5,577	-	5,577
15.2	Other		41	-	41	944	-	944
XVI.	INVESTMENT PROPERTY (Net)	(14)	-	-	-	-	-	-
XVII.	TAX ASSET		3,087	-	3,087	12	-	12
17.1	Current Tax Asset		149	-	149	10	-	10
17.2	Deferred Tax Asset		2,938	-	2,938	2	-	2
XVIII.	ASSETS HELD FOR RESALE AND DISCONTINUED OPERATIONS (Net)	(16)	-	-	-	-	-	-
18.1	Held for Resale		-	-	-	-	-	-
18.2	Discontinued Operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	(17)	348	27	375	236	87	323
	TOTAL ASSETS		49,605	466	50,071	14,349	2,849	17,198

The accompanying explanations and notes on pages between 13 and 69, form an integral part of these financial statements.

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

**TAIB YATIRIMBANK A.Ş.
CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AT 31 DECEMBER 2013 AND 31 DECEMBER 2012**

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

I. CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) (Continued)

	LIABILITIES	Note (Section Five-II)	31 December 2013			31 December 2012		
			TL	FC	Total	TL	FC	Total
I.	DEPOSITS							
1.1	Deposits of Bank's Risk Group	(1)	-	-	-	-	-	-
1.2	Other		-	-	-	-	-	-
II.	TRADING DERIVATIVE FINANCIAL LIABILITIES	(2)	-	-	-	-	-	-
III.	BORROWINGS	(3)	-	-	-	1,561	-	1,561
IV.	MONEY MARKETS							
4.1	Funds from Interbank Money Market		-	-	-	-	-	-
4.2	Funds from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3	Funds Provided Under Repurchase Agreements		-	-	-	-	-	-
V.	MARKETABLE SECURITIES ISSUED (Net)							
5.1	Bills		-	-	-	-	-	-
5.2	Asset Backed Securities		-	-	-	-	-	-
5.3	Bonds		-	-	-	-	-	-
VI.	FUNDS		4	-	4	-	-	-
6.1	Borrower Funds		4	-	4	-	-	-
6.2	Other		-	-	-	-	-	-
VII.	MISCELLANEOUS PAYABLES		270	-	270	119	24	143
VIII.	O							
	OTHER LIABILITIES	(4)	103	-	103	-	-	-
IX.	FACTORING PAYABLES							
X.	LEASE PAYABLES (Net)	(5)	-	-	-	-	-	-
10.1	Financial Lease Payables		-	-	-	-	-	-
10.2	Operational Lease Payables		-	-	-	-	-	-
10.3	Other		-	-	-	-	-	-
10.4	Deferred Financial Lease Expenses (-)		-	-	-	-	-	-
XI.	HEDGING DERIVATIVE FINANCIAL LIABILITIES	(6)	-	-	-	-	-	-
11.1	Fair Value Hedge		-	-	-	-	-	-
11.2	Cash Flow Hedge		-	-	-	-	-	-
11.3	Foreign Net Investment Hedge		-	-	-	-	-	-
XII.	PROVISIONS	(7)	688	-	688	525	342	867
12.1	General Loan Loss Provision		302	-	302	58	27	85
12.2	Restructuring Provisions		-	-	-	-	-	-
12.3	Reserve for Employee Rights		189	-	189	306	-	306
12.4	Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5	Other Provisions		197	-	197	161	315	476
XIII.	TAX LIABILITY	(8)	201	-	201	211	-	211
13.1	Current Tax Liability		201	-	201	211	-	211
13.2	Deferred Tax Liability		-	-	-	-	-	-
XIV.	PAYABLES FOR ASSET HELD FOR RESALE AND DISCONTINUED OPERATIONS (Net)	(9)	-	-	-	-	-	-
14.1	Held for Resale		-	-	-	-	-	-
14.2	Discontinued Operations		-	-	-	-	-	-
XV.	SUBORDINATED LOANS	(10)	-	-	-	-	-	-
XVI.	SHAREHOLDERS' EQUITY	(11)	48,805	-	48,805	14,416	-	14,416
16.1	Paid-in Capital		80,000	-	80,000	37,000	-	37,000
16.2	Capital Reserves		-	-	-	-	-	-
16.2.1	Share Premium		-	-	-	-	-	-
16.2.2	Share Cancellation Profits		-	-	-	-	-	-
16.2.3	Marketable Securities Valuation Reserve		-	-	-	-	-	-
16.2.4	Tangible Assets Revaluation Reserve		-	-	-	-	-	-
16.2.5	Intangible Assets Revaluation Reserve		-	-	-	-	-	-
16.2.6	Investment Property Revaluation Reserve		-	-	-	-	-	-
16.2.7	Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-
16.2.8	Hedging Reserves (Effective portion)		-	-	-	-	-	-
16.2.9	Value Differences of Assets Held for Resale and Discontinued Operations		-	-	-	-	-	-
16.2.10	Other Capital Reserves		-	-	-	-	-	-
16.3	Profit Reserves		445	-	445	445	-	445
16.3.1	Legal Reserves		48	-	48	48	-	48
16.3.2	Status Reserves		397	-	397	397	-	397
16.3.3	Extraordinary Reserves		-	-	-	-	-	-
16.3.4	Other Profit Reserves		-	-	-	-	-	-
16.4	Income or (Loss)		(31,640)	-	(31,640)	(23,029)	-	(23,029)
16.4.1	Prior Years' Income/(Loss)		(24,606)	-	(24,606)	(20,860)	-	(20,860)
16.4.2	Current Year Income/(Loss)		(7,034)	-	(7,034)	(2,169)	-	(2,169)
16.5	Minority Shares		-	-	-	-	-	-
	TOTAL LIABILITIES		50,071	-	50,071	16,832	366	17,198

The accompanying explanations and notes on pages between 13 and 69, form an integral part of these financial statements.

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

**TAIB YATIRIMBANK A.Ş.
CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AT 31 DECEMBER 2013 AND 31 DECEMBER 2012**

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

II. CONSOLIDATED OFF-BALANCE SHEET

	OFF-BALANCE SHEET COMMITMENTS	Note (Section Five-IV)	31 December 2013			31 December 2012		
			TL	FC	Total	TL	FC	Total
A.	OFF-BALANCE SHEET COMMITMENTS (I-II+III)		2	2,193	2,195	668	536	1,204
I.	GUARANTEES AND WARRANTIES	(1)	2	2,193	2,195	132	-	132
1.1.	Letters of Guarantee		2	2,193	2,195	132	-	132
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		2	2,193	2,195	132	-	132
1.2.	Bank Acceptances		-	-	-	-	-	-
1.2.1.	Import Letter of Acceptance		-	-	-	-	-	-
1.2.2.	Other Bank Acceptances		-	-	-	-	-	-
1.3.	Letters of Credit		-	-	-	-	-	-
1.3.1.	Documentary Letters of Credit		-	-	-	-	-	-
1.3.2.	Other Letters of Credit		-	-	-	-	-	-
1.4.	Pre-financing Given as Guarantee		-	-	-	-	-	-
1.5.	Endorsements		-	-	-	-	-	-
1.5.1.	Endorsements to the Central Bank of the Republic 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		-	-	-	536	536	1,072
2.1.	Irrevocable Commitments		-	-	-	536	536	1,072
2.1.1.	Asset Purchase and Sales Commitments		-	-	-	536	536	1,072
2.1.2.	Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3.	Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4.	Commitments for Loan Limits		-	-	-	-	-	-
2.1.5.	Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6.	Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7.	Commitments for Cheques		-	-	-	-	-	-
2.1.8.	Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9.	Commitments for Credit Card Limits		-	-	-	-	-	-
2.1.10.	Promotion Commitments for Credit Cards and Banking Services		-	-	-	-	-	-
2.1.11.	Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12.	Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13.	Other Irrevocable Commitments		-	-	-	-	-	-
2.2.	Revocable Commitments		-	-	-	-	-	-
2.2.1.	Revocable Commitments for Loan Limits		-	-	-	-	-	-
2.2.2.	Other Revocable Commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	(2)	-	-	-	-	-	-
3.1.	Hedging Derivative Financial Instruments		-	-	-	-	-	-
3.1.1.	Transactions for Fair Value Hedge		-	-	-	-	-	-
3.1.2.	Transactions for Cash Flow Hedge		-	-	-	-	-	-
3.1.3.	Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2.	Trading Derivative Financial Instruments		-	-	-	-	-	-
3.2.1.	Forward Foreign Currency Buy/Sell Transactions		-	-	-	-	-	-
3.2.1.1.	Forward Foreign Currency Transactions-Buy		-	-	-	-	-	-
3.2.1.2.	Forward Foreign Currency Transactions-Sell		-	-	-	-	-	-
3.2.2.	Swap Transactions Related to Foreign Currency and Interest Rates		-	-	-	-	-	-
3.2.2.1.	Foreign Currency Swap-Buy		-	-	-	-	-	-
3.2.2.2.	Foreign Currency Swap-Sell		-	-	-	-	-	-
3.2.2.3.	Interest Rate Swap-Buy		-	-	-	-	-	-
3.2.2.4.	Interest Rate Swap-Sell		-	-	-	-	-	-
3.2.3.	Foreign Currency, Interest rate and Securities Options		-	-	-	-	-	-
3.2.3.1.	Foreign Currency Options-Buy		-	-	-	-	-	-
3.2.3.2.	Foreign Currency Options-Sell		-	-	-	-	-	-
3.2.3.3.	Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4.	Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5.	Securities Options-Buy		-	-	-	-	-	-
3.2.3.6.	Securities Options-Sell		-	-	-	-	-	-
3.2.4.	Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1.	Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2.	Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5.	Interest Rate Futures		-	-	-	-	-	-
3.2.5.1.	Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2.	Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6.	Other		-	-	-	-	-	-
B.	CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		13,603	8,534	22,137	605	-	605
IV.	ITEMS HELD IN CUSTODY		56	-	56	465	-	465
4.1.	Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2.	Investment Securities Held in Custody	(4)	-	-	-	465	-	465
4.3.	Cheques Received for Collection		56	-	56	-	-	-
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.	PLEDGES RECEIVED		13,547	8,534	22,081	140	-	140
5.1.	Marketable Securities		10	-	10	140	-	140
5.2.	Guarantee Notes		13,537	4,699	18,236	-	-	-
5.3.	Commodity		-	-	-	-	-	-
5.4.	Warranty		-	-	-	-	-	-
5.5.	Immovable		-	3,835	3,835	-	-	-
5.6.	Other Pledged Items		-	-	-	-	-	-
5.7.	Pledged Items-Depository		-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
	TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		13,605	10,727	24,332	1,273	536	1,809

The accompanying explanations and notes on pages between 13 and 69, form an integral part of these financial statements.

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

TAIB YATIRIMBANK A.Ş.

**CONSOLIDATED INCOME STATEMENT (STATEMENT OF PROFIT AND LOSS)
FOR THE YEARS ENDED 31 DECEMBER 2013 AND 31 DECEMBER 2012**

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

III. CONSOLIDATED INCOME STATEMENT (STATEMENT OF PROFIT AND LOSS)

	INCOME AND EXPENSE ITEMS	Note (Section Five-III)	1 January - 31 December 2013	1 January - 31 December 2012
I.	INTEREST INCOME	(1)	1,233	820
1.1	Interest on Loans		95	-
1.2	Interest Received from Reserve Requirements		-	-
1.3	Interest Received from Banks		59	-
1.4	Interest Received from Money Market Transactions		940	69
1.5	Interest Received from Marketable Securities Portfolio		139	749
1.5.1	Trading Financial Assets		131	388
1.5.2	Financial Assets at Fair Value through Profit or Loss		-	-
1.5.3	Available-for-sale Financial Assets		8	361
1.5.4	Held-to-maturity Investments		-	-
1.6	Financial Lease Income		-	-
1.7	Other Interest Income		-	2
II.	INTEREST EXPENSE (-)	(2)	88	507
2.1	Interest on Deposits (-)		-	-
2.2	Interest on Funds Borrowed (-)		87	488
2.3	Interest Expense on Money Market Transactions (-)		1	19
2.4	Interest on Securities Issued (-)		-	-
2.5	Other Interest Expenses (-)		-	-
III.	NET INTEREST INCOME (I - II)		1,145	313
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSE		(69)	(25)
4.1	Fees and Commissions Received		27	50
4.1.1	Non-cash Loans		24	3
4.1.2	Other		3	47
4.2	Fees and Commissions Paid (-)		96	75
4.2.1	Non-cash Loans (-)		-	1
4.2.2	Other (-)	(12)	96	74
V.	DIVIDEND INCOME	(3)	-	-
VI.	TRADING INCOME/(LOSS) (Net)	(4)	31	69
6.1	Trading Gains/(Losses) on Securities		8	75
6.2	Trading Gains/(Losses) on Derivative Financial Instruments		-	-
6.3	Foreign Exchange Gains/(Losses)		23	(6)
VII.	OTHER OPERATING INCOME	(5)	786	4,363
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		1,893	4,720
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)	6,660	83
X.	OTHER OPERATING EXPENSES (-)	(7)	5,205	6,783
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		(9,972)	(2,146)
XII.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-
XIII.	INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		-	-
XIV.	INCOME/(LOSS) ON NET MONETARY POSITION		-	-
XV.	INCOME/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS (XI+...+XIV)	(8)	(9,972)	(2,146)
XVI.	TAX PROVISION FOR CONTINUING OPERATIONS (-)	(9)	2,938	(23)
16.1	Current Tax Provision		-	-
16.2	Deferred Tax Provision		2,938	(23)
XVII.	NET INCOME/(LOSS) FROM CONTINUING OPERATIONS (XV-XVI)	(10)	(7,034)	(2,169)
XVIII.	INCOME FROM DISCONTINUED OPERATIONS		-	-
18.1	Income from Non-Current Assets Held for Resale		-	-
18.2	Sale Income from Associates, Subsidiaries and Joint Ventures		-	-
18.3	Other Income from Discontinued Operations		-	-
XIX.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
19.1	Expense from Non-Current Assets Held for Resale		-	-
19.2	Sale Losses from Associates, Subsidiaries and Joint Ventures		-	-
19.3	Other Expenses from Discontinued Operations		-	-
XX.	INCOME/(LOSS) BEFORE TAX FROM DISCONTINUED OPERATIONS (XVIII-XIX)	(8)	-	-
XXI.	TAX PROVISION FOR DISCONTINUED OPERATIONS (-)	(9)	-	-
21.1	Current tax provision		-	-
21.2	Deferred tax provision		-	-
XXII.	NET INCOME/(LOSS) FROM DISCONTINUED OPERATIONS (XX-XXI)	(10)	-	-
XXIII.	NET INCOME/(LOSS) (XVII+XXII)	(11)	(7,034)	(2,169)
23.1	Income/(Loss) of the Group		(7,034)	(2,169)
23.2	Income/(Loss) of Minority Interest		-	-
	Earnings/(Loss) per share		(0,1770)	(0,0634)

The accompanying explanations and notes on pages between 13 and 69, form an integral part of these financial statements.

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

**TAIB YATIRIMBANK A.Ş.
CONSOLIDATED STATEMENT OF INCOME AND EXPENSE ITEMS
ACCOUNTED IN CONSOLIDATED EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2013 AND 31 DECEMBER 2012**

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

IV. STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED IN CONSOLIDATED EQUITY

		1 January - 31 December 2013	1 January - 31 December 2012
	INCOME AND EXPENSE ITEMS ACCOUNTED IN EQUITY		
I.	ADDITIONS TO THE MARKETABLE SECURITIES VALUATION RESERVE FROM THE AVAILABLE FOR SALE FINANCIAL ASSETS	-	25
II.	REVALUATION DIFFERENCES OF TANGIBLE ASSETS	-	-
III.	REVALUATION DIFFERENCES OF INTANGIBLE ASSETS	-	-
IV.	FOREIGN EXCHANGE TRANSLATION DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	-	-
V.	INCOME/LOSS ON CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Changes)	-	-
VI.	PROFIT/LOSS FROM FOREIGN INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Changes)	-	-
VII.	EFFECTS OF CHANGES IN ACCOUNTING POLICY AND ERRORS	-	-
VIII.	OTHER INCOME AND EXPENSE ITEMS ACCOUNTED IN EQUITY ACCORDING TO TAS	-	-
IX.	DEFERRED TAX ON VALUATION DIFFERENCES	-	(5)
X.	NET INCOME/LOSS ACCOUNTED DIRECTLY IN EQUITY (I+II+...+IX)	-	20
XI.	CURRENT PERIOD INCOME/LOSS	(7,034)	(2,169)
I.1	Net Change in Fair Value of Marketable Securities (Transfer to Income Statement)	-	(10)
I.2	Portion of Cash Flow Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	-	-
I.3	Portion of Foreign Investment Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	-	-
I.4	Other	(7,034)	(2,159)
		-	-
XII.	TOTAL INCOME/LOSS RELATED TO THE CURRENT PERIOD (X+XI)	(7,034)	(2,149)

The accompanying explanations and notes on pages between 13 and 69, form an integral part of these financial statements.

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

**TAIB YATIRIMBANK A.Ş.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012**

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

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

		Note (Section Five-V)	Paid-in Capital	Adjustment to Share Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordina- ry Reserves	Other Reserves	Current Period Net Income/ (Loss)	Prior Period Net Income/ (Loss)	Marketable Securities Valuation Reserve	Tangible and Intangible Assets Revaluati- on Reserve	Bonus Shares Obtained from Investments	Hedging Reserves	Valuation Difference of AHS and Discontin- ued Operations	Total Sharehol- ders' Equity	Minority Interest	Total Share- holders' Equity
	31 December 2012																			
I.	Balance at the beginning of the period		34,200	-	-	-	48	397	-	-	(6,373)	(14,487)	(10)	-	-	-	-	13,775	-	13,775
II.	Adjustment in accordance with TMS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Effect of adjustment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Effect of changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	New balance (I-II)		34,200	-	-	-	48	397	-	-	(6,373)	(14,487)	(10)	-	-	-	-	13,775	-	13,775
	Changes in the Period																			
IV.	Increase/Decrease due to the Merger																			
V.	Marketable Securities Valuation Differences	(1)	-	-	-	-	-	-	-	-	-	-	10	-	-	-	-	10	-	10
VI.	Hedging Reserves (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1	Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2	Foreign Investment Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Revaluation Differences of Tangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Revaluation Differences of Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus Shares Obtained form Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Foreign Exchange Difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Changes due to the Disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Changes due to the Reclassification of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Effects of Changes in Equity of Investments in Associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Capital Increase		2,800	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,800	-	2,800
14.1	Cash		2,800	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,800	-	2,800
14.2	Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Share Premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Share Cancellation Profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Adjustment to Share Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX.	Current Year Income or Loss		-	-	-	-	-	-	-	-	(2,169)	-	-	-	-	-	-	(2,169)	-	(2,169)
XX.	Profit Distribution	(3)	-	-	-	-	-	-	-	-	6,373	(6,373)	-	-	-	-	-	-	-	-
20.1	Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2	Transfers to Reserves	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.3	Other		-	-	-	-	-	-	-	-	6,373	(6,373)	-	-	-	-	-	-	-	-
	Period End Balance (III+IV+V+...+XVIII+XIX+XX)		37,000	-	-	-	48	397	-	-	(2,169)	(20,860)	-	-	-	-	-	14,416	-	14,416

The accompanying explanations and notes on pages between 13 and 69, form an integral part of these financial statements.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
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**TAIB YATIRIMBANK A.Ş.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013**

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

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Continued)

	31 December 2013	Note (Section Five-V)	Paid-in Capital	Adjustme nt to Share Capital	Share Premium	Share Cancellatio n Profits	Legal Reserves	Status Reserves	Extraordina ry Reserves	Other Reserves	Current Period Net Income/ (Loss)	Prior Period Net Income/ (Loss)	Marketable Securities Valuation Reserve	Tangible and Intangible Assets Revaluati on Reserve	Bonus Shares Obtained from Investments	Hedging Reserves	Valuation Difference of AHS and Discontin ued Operations	Total Sharehol ders' Equity	Minority Interest	Total Share- holders' Equity
I.	Prior Period End Balance		37,000	-	-	-	48	397	-	-	(2,169)	(20,860)	-	-	-	-	-	14,416	-	14,416
	Changes in the Period																			
II.	Increase/Decrease due to the Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Marketable Securities Valuation Differences	(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV.	Hedging Reserves (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1	Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Foreign Investment Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Revaluation Differences of Tangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Revaluation Differences of Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Foreign Exchange Difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Changes due to the Disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Changes due to the Reclassification of the Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Effects of Changes in Equity of Investments in Associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Capital Increase	(4)	43,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	43,000	-	43,000
12.1	Cash		41,423	-	-	-	-	-	-	-	-	-	-	-	-	-	-	41,423	-	41,423
12.2	Internal Resources		1,577	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,577	-	1,577
XIII.	Share Premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share Cancellation Profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Adjustment to Share Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Other		-	-	-	-	-	-	-	-	-	(1,577)	-	-	-	-	-	(1,577)	-	(1,577)
XVII.	Current Year Income or Loss		-	-	-	-	-	-	-	-	(7,034)	-	-	-	-	-	-	(7,034)	-	(7,034)
XVIII.	Profit Distribution	(3)	-	-	-	-	-	-	-	-	2,169	(2,169)	-	-	-	-	-	-	-	-
18.1	Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2	Transfers to Reserves	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.3	Other		-	-	-	-	-	-	-	-	2,169	(2,169)	-	-	-	-	-	-	-	-
	Period End Balance (I+ ...+ XVIII)		80,000	-	-	-	48	397	-	-	(7,034)	(24,606)	-	-	-	-	-	48,805	-	48,805

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TAIB YATIRIMBANK A.Ş.

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEARS ENDED
31 DECEMBER 2013 AND 31 DECEMBER 2012**

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

VI. CONSOLIDATED STATEMENT OF CASH FLOWS

		Note (Section Five-VI)	1 January - 31 December 2013	1 January - 31 December 2012
A.	CASH FLOWS FROM BANKING OPERATIONS			
1.1	Operating Profit Before Changes in Operating Assets and Liabilities		(3,034)	(2,102)
1.1.1	Interest Received		1,166	821
1.1.2	Interest Paid		43	629
1.1.3	Dividend Received		-	-
1.1.4	Fees and Commissions Received		27	49
1.1.5	Other Income		815	4,363
1.1.6	Collections from Previously Written-off Loans and Other Receivables		-	-
1.1.7	Payments to Personnel and Service Suppliers		2,671	2,922
1.1.8	Taxes Paid		-	682
1.1.9	Other	(2)	(2,328)	(3,102)
1.2	Changes in Operating Assets and Liabilities		(27,186)	1,416
1.2.1	Net (Increase)/Decrease in Trading Securities		1,571	-
1.2.2	Net (Increase)/Decrease in Fair Value Through Profit/Loss Financial Assets		-	5,514
1.2.3	Net (Increase)/Decrease in Due from Banks		(3)	(32)
1.2.4	Net (Increase)/Decrease in Loans		(26,611)	23
1.2.5	Net (Increase)/Decrease in Other Assets		(234)	(121)
1.2.6	Net Increase/(Decrease) in Bank Deposits		-	-
1.2.7	Net Increase/(Decrease) in Other Deposits		-	-
1.2.8	Net Increase/(Decrease) in Funds Borrowed		(1,561)	(4,239)
1.2.9	Net Increase/(Decrease) in Payables		-	-
1.2.10	Net Increase/(Decrease) in Other Liabilities	(2)	(348)	271
I.	Net Cash Provided from Banking Operations		(30,220)	(686)
B.	CASH FLOWS FROM INVESTING ACTIVITIES			
II.	Net Cash Provided from Investing Activities		(384)	4,886
2.1	Cash Paid for Acquisition of Investments, Associates and Subsidiaries		-	-
2.2	Cash Obtained from Disposal of Investments, Associates and Subsidiaries		-	12
2.3	Purchases of Property and Equipment		110	10
2.4	Disposals of Property and Equipment		11	1
2.5	Cash Paid for Purchase of Investments Available-for-Sale		285	-
2.6	Cash Obtained from Sale of Investments Available-for-Sale		-	4,883
2.7	Cash Paid for Purchase of Investment Securities		-	-
2.8	Cash Obtained from Sale of Investment Securities		-	-
2.9	Other		-	-
C.	CASH FLOWS FROM FINANCING ACTIVITIES			
III.	Net Cash Provided from Financing Activities		41,423	2,810
3.1	Cash Obtained from Funds Borrowed and Securities Issued		-	2,800
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued		-	-
3.3	Issued Capital Instruments		41,423	-
3.4	Dividends Paid		-	-
3.5	Payments for Finance Leases		-	-
3.6	Other		-	10
IV.	Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	(2)	2	2
V.	Net Increase/(Decrease) in Cash and Cash Equivalents (I+II+III+IV)		10,821	7,012
VI.	Cash and Cash Equivalents at the Beginning of the Period	(1)	8,629	1,617
VII.	Cash and Cash Equivalents at the End of the Period (V+VI)	(1)	19,450	8,629

The accompanying explanations and notes on pages between 13 and 69, form an integral part of these financial statements.

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**TAIB YATIRIMBANK A.Ş.
PROFIT APPROPRIATION STATEMENT
FOR THE YEARS ENDED 31 DECEMBER 2013 AND 2012**

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

VII. PROFIT APPROPRIATION STATEMENT

		31 December 2013(*)	31 December 2012(*)
I.	DISTRIBUTION OF CURRENT YEAR INCOME(**)		
1.1	CURRENT YEAR INCOME	(12,020)	(1,478)
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(***)	2,938	-
A.	NET INCOME FOR THE YEAR (1.1-1.2)	(9,082)	(1,478)
1.3	PRIOR YEAR LOSSES (-)	-	-
1.4	FIRST LEGAL RESERVES (-)	-	-
1.5	OTHER STATUTORY RESERVES (-)	-	-
B.	NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5))]	(9,082)	(1,478)
1.6	FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1	To Owners of Ordinary Shares	-	-
1.6.2	To Owners of Privileged Shares	-	-
1.6.3	To Owners of Preferred Shares	-	-
1.6.4	To Profit Sharing Bonds	-	-
1.6.5	To Holders of Profit and (Loss) Sharing Certificates	-	-
1.7	DIVIDENDS TO PERSONNEL (-)	-	-
1.8	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9	SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1	To Owners of Ordinary Shares	-	-
1.9.2	To Owners of Privileged Shares	-	-
1.9.3	To Owners of Preferred Shares	-	-
1.9.4	To Profit Sharing Bonds	-	-
1.9.5	To Holders of Profit and (Loss) Sharing Certificates	-	-
1.10	SECOND LEGAL RESERVES (-)	-	-
1.11	STATUTORY RESERVES (-)	-	-
1.12	EXTRAORDINARY RESERVES	-	-
1.13	OTHER RESERVES	-	-
1.14	SPECIAL FUNDS	-	-
II.	DISTRIBUTION OF RESERVES		
2.1	APPROPRIATED RESERVES	-	-
2.2	SECOND LEGAL RESERVES (-)	-	-
2.3	DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1	To owners of ordinary shares	-	-
2.3.2	To owners of privileged shares	-	-
2.3.3	To owners of preferred shares	-	-
2.3.4	To profit sharing bonds	-	-
2.3.5	To holders of profit and (loss) sharing certificates	-	-
2.4	DIVIDENDS TO PERSONNEL (-)	-	-
2.5	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III.	EARNINGS PER SHARE (*)		
3.1	TO OWNERS OF ORDINARY SHARES (*)	-	-
3.2	TO OWNERS OF ORDINARY SHARES (%)	-	-
3.3	TO OWNERS OF PRIVILEGED SHARES	-	-
3.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV.	DIVIDEND PER SHARE		
4.1	TO OWNERS OF ORDINARY SHARES	-	-
4.2	TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3	TO OWNERS OF PRIVILEGED SHARES	-	-
4.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(*) Consolidated firms can not distribute profit due to related regulation in Turkey. For this reason profit appropriation statement of the Parent Bank is presented.

(**) As of financial statements preparation date, Bank's General Shareholders Meeting have not yet been made, hence no decision has been taken on profit distribution.

(***) The amount presented in other taxes and duties is the deferred tax income/ expense not subject to profit appropriation.

The accompanying explanations and notes on pages between 13 and 69, form an integral part of these financial statements..

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TAIB YATIRIMBANK A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2013

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

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES

I. BASIS OF PRESENTATION

- a. The consolidated financial statements are prepared in accordance with the "Regulation on the Principles and Procedures Regarding Banks' Accounting Applications and Safeguarding of Documents":**

The Parent Bank prepares its financial statements and notes according to Communiqué on Banks' Accounting Practice and Maintaining Documents, Turkish Accounting Standards (TAS) enacted by Public Oversight Accounting and Auditing Standards Authority (POA), Turkish Financial Reporting Standards (TFRS) and related additions and comments (all "Turkish Financial Reporting Standards or TFRS) to , other regulations, communiqués and circulars in respect of accounting and financial reporting and pronouncements made by Banking Regulation and Supervision Agency (BRSA), Turkish Commercial Code and Tax Legislation.

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

- b. The accounting policies and valuation principles applied in the preparation of these financial statements and valuation principles:**

The accounting policies and valuation principles applied in the preparation of these financial statements and valuation principles are defined and applied in accordance with TAS. Those accounting policies and valuation principles are explained in Notes II to XXVIII below.

II. EXPLANATIONS ON STRATEGY OF USING FINANCIAL INSTRUMENTS AND FOREIGN CURRENCY TRANSACTIONS

The general strategy of the Group of using financial instruments is to sustain an optimal balance between the yield of the instruments and their risks. The most important funding source of the Group is internal funding, in addition external funding including funding from repo transactions and borrowing from foreign financial institutions is utilised. Funds obtained from internal and external sources are invested in high yield and quality financial assets and currency, interest rate and liquidity risks are being kept within the limits following the asset-liability management strategy. The currency, interest and liquidity risks of on-balance sheet and off-balance sheet assets and liabilities are managed in accordance with the risk limits accepted by the Group and the related legal limits. Derivative instruments are mainly utilised for liquidity needs and for mitigating currency and interest rate risks. The position of the Group as a result of foreign currency activities being held at minimum levels and the exposed currency risk is followed within the determined levels by the Board of Directors by considering the limits given by the Banking Law.

Foreign currency denominated monetary assets and liabilities are translated with the Parent Bank's foreign currency bid rates prevailing at the balance sheet date. Gains and losses arising from such valuations are recognised in the income statement under the account of "Foreign exchange gains or losses".

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

III. EXPLANATIONS ON INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES

The Partner Bank's subsidiary, PDF Kurumsal Finansman Danışmanlık Hizmetleri A.Ş. ("PDF"), is included in the financial statements using the full consolidation method. When determining the establishment included in the scope of the consolidation, methods, procedures and principles determined in the "Communiqué on the Preparation of Consolidated Financial Statements of Banks" and the "Turkish Financial Reporting Standard on Consolidated Financial Tables" ("TFRS 10") published in Official Gazette No. 26340, dated 08 November 2006, are abided by. From now on, the Partner Bank and the partnership within the scope of the consolidation will be referred to as the "Group"

Information on the method and scope of consolidation

The title and headquarter of the consolidated entity:

<u>Entity Title</u>	<u>Headquarter</u>
PDF	İstanbul, Turkey

In the case that the accounting policies used by the subsidiary are different from the Parent Bank, the differences have been harmonised with the accounting policies of the Parent taking into account the materiality criteria in the financial statements

In the full consolidation method, 100% of subsidiaries' assets, liabilities, income, expense and off-balance sheet items are combined with the Parent Bank's assets, liabilities, income, expense and off-balance sheet items. The carrying amount of the Group's investment in each subsidiary and the Group's portion of the cost value of the capital of each subsidiary are eliminated. Intergroup balances and intergroup transactions and resulting unrealised profits and losses are eliminated.

The Group has no joint ventures as of 31 December 2013 and 31 December 2012.

IV. EXPLANATIONS ON FORWARD TRANSACTIONS, OPTIONS AND DERIVATIVE INSTRUMENTS

The Group does not have any embedded derivative instruments.

Derivative instruments are classified either as "Hedging Derivative Financial Instruments" or "Trading Derivative Financial Instruments" in accordance with the "Turkish Accounting Standard for Financial Instruments: Recognition and Measurement ("TAS 39")". Certain derivative transactions, even though they provide effective economic hedges under the Group's risk management position, do not qualify for hedge accounting under the specific rules in TAS 39 and are therefore treated as "Financial assets at fair value through profit or loss".

Derivative instruments are measured at fair value on initial recognition and subsequently remeasured at their fair values. If the fair value of derivative financial instruments is positive, it is disclosed under the main account "Financial assets at fair value through profit or loss" in "Trading derivative financial instruments" and if the fair value difference is negative, it is disclosed under "Trading derivative financial liabilities". The fair values of the derivative financial instruments are calculated by using quoted market prices or by using discounted cash flow models. Liabilities and receivables arising from the derivative instruments are followed in the off-balance sheet accounts from their contractual values.

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE

Interest income and expenses are recognised in the income statement on an accrual basis. The Group ceases accruing interest income on non-performing loans and, any interest income accruals from such loans are being reversed and no income is accounted until the collection is made. Only cash collections regarding non-performing loans are recorded as interest income.

VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSE

All fees and commissions income/expenses are recognised on an accrual basis, except for certain commission income and fees from various banking services which are recorded as income at the time of collection.

Fees and commissions expenses paid to the other institutions regarding financial liabilities are considered a component of interest expense of the related funding and are recognised as transaction costs and recorded as expense in the statement of profit and loss.

Contract-based fees or fees received in return for services such as the purchase and sale of assets on behalf of a third or legal person are recognised as income at the time of collection.

VII. EXPLANATIONS ON FINANCIAL ASSETS

The Group classifies and accounts its financial assets as "Fair value through profit or loss", "Available-for-sale", "Loans and receivables" or "Held-to-maturity". Sales and purchases of the financial assets mentioned above are recognised at the "settlement dates". The appropriate classification of financial assets is determined at the time of purchase by the Group management, taking into consideration the purpose of holding the investment.

a. Financial assets at fair value through profit or loss:

Financial assets have two subcategories: "Financial assets held for trading purposes" and "Financial assets at fair value through profit or loss".

Trading financial assets are either acquired for generating profit from short-term fluctuations in the price or dealer's margin, or are the financial assets included in a portfolio in which a pattern of short-term profit making exists independent from the acquisition purpose.

Sales and purchases of trading financial assets are recognised at the "settlement dates". Trading financial assets are initially recognised at fair value plus transactions costs and are subsequently re-measured at their fair value. All gains and losses arising from these evaluations are recognised in the income statement. Interest earned while holding financial assets is reported as interest income and dividends received are included separately in dividend income.

Derivative financial instruments are treated as trading financial assets unless they are not designated as hedge instruments. The principles regarding the accounting of derivative financial instruments are explained in detail in Note IV of this section.

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

b. Available-for-sale financial assets:

Available-for-sale financial assets are defined as financial assets other than the ones classified as "Loans and receivables", "Held-to-maturity assets" or "Financial asset at fair value through profit or loss".

Government bonds included in the available-for-sale financial assets are subsequently re-measured at fair value. "Unrealised gains and losses" arising from changes in the fair value of financial assets classified as available-for-sale are recognised in the shareholders' equity as "Marketable Securities Valuation Reserve", until there is a permanent decline in the fair values of such assets or they are disposed of. When these financial assets are disposed of or impaired, the related fair value differences accumulated in the shareholders' equity are transferred to the income statement.

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

c. Loans and receivables:

Loans and receivables are financial assets which are created by providing money, services or goods to a debtor. Loans and receivables originated by the Parent Bank are carried initially at cost and subsequently recognised at the amortised cost value calculated using the effective interest method. The expenses incurred for the assets received as collateral are not considered as transaction costs and are recognised in the expense accounts.

The Group provides general and specific provisions based on the assessments and estimates of the management, 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" published in the Official Gazette No. 26333 dated 1 November 2006. Apart from specific provisions, the Bank has general loan loss provision within the scope of the stated regulations.

d. Held-to-maturity financial assets:

Held-to-maturity financial assets are assets that are not classified under loans and receivables, with fixed maturities and fixed or determinable payments where management has the intent and ability to hold the financial assets to maturity. Held-to-maturity financial assets are initially recognised at cost. Held-to-maturity securities are carried at "amortised cost" net of impairment using the effective interest method after their recognition. Interest income earned from held-to-maturity financial assets is reflected to the statement of income.

The Group does not have any held-to-maturity financial assets. There are no financial assets that were previously classified as held-to-maturity but which cannot be subject to this classification for two years due to the violation of classification principles.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2013

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Where the estimated recoverable amount of the financial asset, being the present value of the expected future cash flows discounted based on the effective interest method, or the fair value if one exists is lower than its carrying value, then it is concluded that the asset under consideration is impaired. A provision is made for the diminution in value of the impaired financial asset and it is charged against the income for the year.

IX. EXPLANATIONS ON OFFSETTING FINANCIAL ASSETS

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Group has a legally enforceable right to offset the recognised amounts and there is an intention to collect/pay related financial assets and liabilities on a net basis, or to realise the asset and settle the liability simultaneously.

X. EXPLANATIONS ON SALES AND REPURCHASE AGREEMENTS AND SECURITIES LENDING TRANSACTIONS

Securities subject to repurchase agreements ("Repo") are classified as "Financial assets at fair value through profit or loss", "Available-for-sale" and "Held-to-maturity" according to the investment purposes of the Group and measured according to the portfolio to which they belong. Funds obtained from repurchase agreements are accounted under "Funds Provided under Repurchase Agreements" in liabilities and the difference between the sale and repurchase price is accrued over the life of repurchase agreements using the effective interest method.

Funds given against securities purchased under agreements ("Reverse repo") to resell 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 using the "effective interest method".

XI. EXPLANATIONS ON ASSETS HELD FOR RESALE AND FIXED ASSETS FROM DISCONTINUED OPERATIONS AND LIABILITIES RELATED WITH THESE ASSETS

According to TFRS 5, non-current asset classified as held for sale (or group of assets to be disposed) is measured by the lowest of book value or sales costs discounted fair value. An asset to be a held for sale asset (or group of assets to be disposed) it is necessary that, the related asset has to be commonly seen on the sales of these kind of sales assets, it could be easily immediately sold in the frame of usual conditions and it has to have high sales probability. For the high sales probability, there has to be a plan regarding the sales of asset made by the appropriate management level and by the determination of buyers there has to be an active program started regarding to completion of the plan.

Assets held-for-resale consist of tangible assets that were acquired due to non-performing receivables, and are accounted in the financial statements in accordance with the "Communiqué Regarding the Principles and Procedures for the Disposals of Immovable and Commodities Acquired due to Receivables and for Trading of Precious Metal" published in the Official Gazette dated 1 November 2006, No. 26333.

A discontinued operation is a part classified as discarded or held for sales by the group. Results regarding to discontinue operations are presented individually in income statement.

The Group has no discontinued operations.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS

a. Goodwill:

The excess of the cost of an acquisition over the fair value of the Group's share of the identifiable assets, liabilities or contingent liabilities of the acquired subsidiary at the date of acquisition of the control is recorded as goodwill and represents a payment made by the acquirer in anticipation of future economic benefits from assets that are not capable of being individually identified and separately recognised. The acquirer also recognises assets that are capable of being individually identified and separately recognised, intangible assets (i.e. trademarks) and contingent liabilities at fair value, irrespective of whether the asset had been recognised by the acquiree before the business combination; if it can be distinguished from the goodwill and if the asset's fair value can be measured reliably.

In line with "Turkish Financial Reporting Standard for Business Combinations" ("TFRS 3"), the goodwill is not subject to depreciation, but is tested annually for impairment and carried at cost less accumulated impairment losses, if any, in line with "Turkish Accounting Standard for Impairment on Assets" ("TAS 36"). For the purpose of impairment testing, goodwill acquired in a business combination must be allocated from the acquisition date to each of the acquirer's cash generating units that are expected to benefit from the synergies of the business combination.

As of 31 December 2013, the Bank has set aside provision for impairment of the total goodwill amount of its subsidiary PDF amounting TL 5,577.

b. Other Intangible Assets:

Intangible assets are measured at cost on initial recognition and any directly attributable costs of setting the asset to work for its intended use are included in the initial measurement. Subsequently, intangible assets are carried at historical costs after the deduction of accumulated amortization and the provision for value decreases, if any.

Intangible assets are amortised by using straight-line amortisation method throughout their estimated useful life of three to five years. The useful life of the asset is determined by assessing the expected useful life of the asset, technical, technological and other kinds of obsolescence and all required maintenance expenses necessary to utilise the economic benefit of the assets.

The Group expects no change with respect to accounting estimates, amortization period, amortization method, or residual value that will have significant impact on the current or the following periods.

Computer software development expenses that add to the economic benefit and extend the useful life of the software are capitalised. These expenses are amortised over the remaining useful life of the related intangible asset using "the straight-line method".

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT

Property and equipment is measured at its cost when initially recognised and any directly attributable costs of setting the asset in working order for its intended use are included in the initial measurement. Subsequently, property and equipment are carried at cost less accumulated depreciation and provision for value decrease, if any. Depreciation is calculated over the cost of property and equipment using the straight-line method. The depreciation rates are stated below:

Office machine, furniture, leasehold improvements and vehicles	4-10 years
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The depreciation charge for items remaining in property and equipment for less than an accounting period at the balance sheet date is calculated in proportion to the period the item remained in property and equipment.

Where the carrying amount of an asset is greater than its estimated "recoverable amount", it is written down immediately to its "recoverable amount" and the provision for the diminution in value is charged to the income statement.

Property and equipment are not subject to valuation such that fair value is presented in the financial statements.

Gains and losses on the disposal of property and equipment are determined by deducting the net book value of the property and equipment from its sales revenue.

Expenditures for the regular repair and maintenance of property and equipment are recognised as expense. The capital expenditures made in order to increase the capacity of the tangible asset or to increase its future benefits are capitalised on the cost of the tangible asset. The capital expenditures include the cost components which are used either to increase the useful life or the capacity of the asset, or the quality of the product or to decrease the costs.

There is no pledge, mortgage or commitment on the Group's property and equipments.

The Group expects no change with respect to accounting estimates that have significant impact on the current period or may have significant impact on the following periods.

XIV. EXPLANATIONS ON LEASING TRANSACTIONS

Assets acquired under finance lease agreements are capitalised at the inception of the lease at the "lower of the fair value of the leased asset or the present value of the amount of cash consideration given for the leased asset". Leased assets are included in the property and equipment and depreciation is charged on a straight-line basis over the useful life of these assets. If there is any diminution in value of the leased asset, a "Provision for value decrease" is recognised. Liabilities arising from the leasing transactions are included in "Financial Lease Payables" on the balance sheet. Interest and foreign exchange expenses regarding lease transactions are charged to the income statement.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XV. EXPLANATIONS ON PROVISIONS AND CONTINGENT COMMITMENTS

Provisions and contingent liabilities except for the financial instruments within the scope of the TAS 39 or the provisions recognised in accordance with the TAS 12 and TAS 19 are accounted in accordance with the "Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets" ("TAS 37").

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The provision for contingent liabilities arising from past events should be recognised in the same period of occurrence in accordance with the "Matching principle". When the amount of the obligation cannot be estimated and there is no possibility of an outflow of resources from the Group, it is considered that a "Contingent" liability exists and it is disclosed in the related notes to the financial statements.

XVI. EXPLANATIONS ON CONTINGENT ASSETS

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. Contingent assets are disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised in the financial statements in which the change occurs.

XVII. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS

Obligations related to employee termination and vacation rights are accounted for in accordance with "Turkish Accounting Standard for Employee Rights" ("TAS 19") and are classified under "Reserve for Employee Rights" account in the balance sheet. Under the Turkish Labour Law, the Group is required to pay a specific amount to the employees who have retired or whose employment is terminated other than the reasons specified in the Turkish Labour Law. The reserve for employment termination benefits represents the present value of the estimated total reserve for the future probable obligation of the Parent Bank arising from this liability.

According to TAS 19 that is revised by Public Oversight Accounting and Auditing Standards Authority with the Communique published in Official Gazette on 12 March 2013 numbered 28585, in the calculation of the employment termination benefit liabilities of the Bank, the recognition option of the actuarial gains and losses derived from the changes in actuarial assumptions or the differences between actuarial assumptions and realizations in the income statement has been eliminated which is effective for annual periods beginning on or after 1 January 2013. The earlier application of the revision is permitted in the section of the transition and effective date of the standard and therefore the Group has recognised the actuarial gains and losses that occur in related reporting periods in the "Statement of Income and Expense Items Accounted in Equity" and represented in the Prior Periods' Income/(Loss) item in the Shareholders Equity section.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVIII. EXPLANATIONS ON TAXATION

a. Current Tax:

Many clauses of Corporate Tax Law No. 5520 ("Tax Law") which are valid starting from 1 January 2006, were taken into effect after being published in the Official Gazette dated 21 June 2006 No. 26205. According to the Tax Law, the corporate tax rate in Turkey is payable at the rate of 20% since 1 January 2006. The corporate tax rate is calculated on the total income of the Group after adjusting for certain disallowable expenses, exempt income (such as capital gains derived from the sale of equity investments) and other allowances. No further tax is payable unless the profit is distributed.

Dividends paid to non-resident corporations, which have a place of business in Turkey or to resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as profit distribution and thus does not incur withholding tax.

Corporations are required to pay advance corporate tax quarterly at a rate of 20% on their corporate income. Advance tax is declared by the 14th and paid by the 17th day of the second month following each calendar quarter end. Advance tax paid by corporations which is for the current period is credited against the annual corporation tax calculated on their annual corporate income in the following year. Despite the offset, if there is temporary prepaid tax remaining, this balance can be refunded or used to offset any other financial liabilities to the government.

A 75% portion of the capital gains derived from the sale of equity investments and immovable properties held for at least two years is tax exempt, if such gains are added to paid-in capital or held in a special account under shareholder's equity for five years.

Under the Turkish Corporate Tax Law, losses can be carried forward to offset against future taxable income for up to five years. Losses cannot be carried back to offset profits from previous periods.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Tax returns are required to be filled and delivered to the related tax office until the evening of the 25th of the fourth month following the balance sheet date. Tax returns are open for five years from the beginning of the year following the date of filing during which period the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

b. Deferred Tax:

The Group calculates and accounts for deferred income taxes for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with "Turkish Accounting Standard for Income Taxes" ("TAS 12"). In the deferred tax calculation, the enacted tax rate, in accordance with the tax legislation, is used as of the balance sheet date.

Deferred tax liabilities are recognised for all resulting temporary differences whereas deferred tax assets resulting from temporary differences are recognised to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilised.

The calculated deferred tax asset and deferred tax liability are presented as net individually for every company in these financial statements.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XIX. EXPLANATIONS ON BORROWINGS

Trading and derivative financial liabilities are valued with their fair values and the other financial liabilities are carried at "amortised cost" using the effective interest method.

The Group utilises various hedging techniques to minimise the currency, interest rate and liquidity risks of its financial liabilities.

XX. EXPLANATIONS ON ISSUANCE OF SHARES CERTIFICATES

Transaction costs regarding the issuance of share certificates are accounted under shareholders' equity after eliminating the tax effects. Dividend payments are determined by the General Assembly of Group.

The Group has not issued any share certificates.

No dividend payments were announced after the balance sheet date.

XXI. EXPLANATIONS ON AVALISED DRAFTS AND ACCEPTANCES

Avalised drafts and acceptances shown as liabilities against assets are included in the "Off-balance sheet commitments". The Group has no avalised drafts and acceptances shown as liabilities against assets.

XXII. EXPLANATIONS ON GOVERNMENT GRANTS

As of 31 December 2013 and 2012, the Group has no government grants.

XXIII. EXPLANATIONS ON PROFIT RESERVES AND PROFIT DISTRIBUTION

Retained earnings as per the statutory financial statements other than legal reserves are available for distribution, subject to the legal reserve requirement referred to below. Under the Turkish Commercial Code ("TCC") the legal reserves are composed of first and second reserves. The TCC requires first reserves to be 5% of the profit until the total reserve is equal to 20% of issued and fully paid-in share capital. Second reserves are required to be 10% of all cash profit distributions that are in excess of 5% of the issued and fully paid-in share capital. However holding companies are exempt from this application. According to the Turkish Commercial Code, legal reserves can only be used to compensate accumulated losses and cannot be used for other purposes unless they exceed 50% of paid-in capital.

XXIV. EXPLANATIONS ON EARNINGS PER SHARE

Earnings per share are calculated by dividing net profit for the year to the weighted average number of shares outstanding during the period concerned. Earnings per share disclosed in the income statement are calculated by dividing net profit for the year to the weighted average capital outstanding during the period concerned.

	31 December 2013	31 December 2012
Net Income to be Appropriated to Shareholders	(7,034)	(2,169)
Weighted Average Number of Issued Ordinary Shares (Thousand)	39,734	34,208
Earnings Per Shares (Disclosed in full TL)	(0.1770)	(0.0634)

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect to bonus shares issued without a corresponding change in resources by giving them a retroactive effect for the year in which they were issued and for each earlier period. Where the number of outstanding shares increase due to distribution of bonus shares after the balance sheet date but before the release of the financial statements, earnings per share computations are performed based on the revised average number of shares.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XXV. EXPLANATIONS ON RELATED PARTIES

For the purpose of these financial statements, shareholders, senior management members and board members together with their families and companies controlled by/affiliated with them, and associated companies and joint ventures are considered and referred to as related parties in accordance with "Turkish Accounting Standard for Related Parties" ("TAS 24"). The transactions with related parties are disclosed in detail in Note VII of Section Five.

XXVI. EXPLANATIONS ON CASH AND CASH EQUIVALENTS

For the purposes of the preparation of statement of cash flows, "Cash" includes cash, effectives, cash in transit, purchased cheques and demand deposits including balances with the Central Bank; and "Cash equivalents" include interbank money market placements and time deposits at banks with original maturity periods of less than three months.

XXVII. EXPLANATIONS ON SEGMENT REPORTING

Information on operational fields which are determined in accordance with the Group's organisational and internal reporting structure and the requirements of "Turkish Accounting Standards on Segment Reporting" ("TAS 14") is disclosed in Note X of Section Four.

XXVIII. RECLASSIFICATIONS

To conform to presentation of 31 December 2013 consolidated financial statements, some adjustments and reclassifications have been made on 31 December 2013 consolidated financial statements.

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SECTION FOUR

INFORMATION RELATED TO CONSOLIDATED FINANCIAL POSITION

I. EXPLANATIONS ON CONSOLIDATED CAPITAL ADEQUACY RATIO

- a. As of 31 December 2013, the consolidated capital adequacy ratio of the Group is 217.70% (31 December 2012: 99.66%).
- b. Capital Adequacy Standard Ratio is calculated in accordance with "Communiqué on Measurement and Assessment of Capital Adequacy of Banks ", "Communiqué on Credit Risk Mitigation Techniques", "Communiqué on Calculation of Risk Weighted Amounts for Securitizations" published on 28 June 2012 and Official Gazette numbered 28337 and "Communiqué on Equities of Banks" published on 1 November 2006 in the Official Gazette numbered 26333.

"Simple financial guarantee method" has been used in the calculation of the amount subject to credit risk. Amount subject to market risk has been calculated with "Standard method". Amount subject to operational risk is calculated yearly, on previous three years' gross income.

Information related to consolidated capital adequacy ratio:

	Risk Weights											
	Parent Bank						Consolidated					
	0%	20%	50%	100%	200%	1.250%	0%	20%	50%	100%	200%	1.250%
Amount subject to credit risk												
Risk Categories:												
Conditional and unconditional receivables from Central Governments or Central Banks	584	-	-	-	-	-	584	-	-	-	-	-
Conditional and unconditional receivables from Regional Management or Local Governments	-	-	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from Administrative Units or Non-commercial Ventures	-	-	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from Multilateral Development Banks	-	-	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from International Organizations	-	-	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from Banks and Brokerage Corporation	-	391	24,733	-	-	-	-	391	24,733	-	-	-
Conditional and unconditional corporate receivables	-	-	-	5,033	-	-	-	-	-	5,033	-	-
Conditional and unconditional retail receivables	-	-	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional collateralized by real estate mortgages receivables	-	-	1,065	-	-	-	-	-	1,065	-	-	-
Non-performing receivables	-	-	-	-	-	-	-	-	-	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	-	-	-	-	-	-
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-	-	-	-
Short-term receivables and short-term corporate receivables from Banks and Brokerage corporations	-	-	-	-	-	-	-	-	-	-	-	-
Investments in nature of Collective Investment funds	-	-	-	-	-	-	-	-	-	-	-	-
Other receivables	2,941	-	-	432	-	-	2,941	-	-	445	-	-
Total Assets subject to Risk	3,525	391	25,798	5,465	-	-	3,525	391	25,798	5,478	-	-
Total Risk Weighted Assets	-	78	12,899	5,465	-	-	-	78	12,899	5,478	-	-

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INFORMATION RELATED TO CONSOLIDATED FINANCIAL POSITION (Continued)

Summary information about consolidated capital adequacy ratio:

	Parent Bank		Consolidated	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
Capital Requirement for Credit Risk (Value at Credit Risk*0.08) (CRCR)	1,475	764	1,476	76
Capital Requirement for Market Risk (MRCR)	-	149	-	157
Capital Requirement for Operational Risk (ORCR)	47	94	325	407
Equity	48,836	16,477	49,012	7,973
Equity/((CRCR+CRMR+CROR)*12,5*100)	256.63	130.90	217.70	99.66

Information about unconsolidated shareholders' equity items:

	Parent Bank 31 December 2013	Parent Bank 31 December 2012
CORE CAPITAL		
Paid-in capital	80,000	37,000
Nominal capital	80,000	37,000
Capital commitments (-)	-	-
Inflation adjustment to share capital	-	-
Share premium	-	-
Share cancellation profits	-	-
Legal reserves	324	324
Inflation adjustment of legal reserves	-	-
Profit	-	-
Current period profit	-	-
Prior period profit	-	-
Provisions for possible risks (up to 25% of core capital)	-	-
Profit on disposal of associates, subsidiaries and immovables to be transferred to share capital	-	-
Primary subordinated loans	-	-
Uncovered portion of loss with reserves (-)	31,652	20,993
Current period loss (net)	9,082	1,478
Prior period loss	22,570	19,515
Cost of Leasehold Improvements (-)	33	7
Intangible assets (-)	41	11
Deferred tax asset amount exceeding 10% of core capital (-)	-	-
Limit exceeding amount regarding the third clause of article 56 of the Law (-)	-	-
Consolidated Goodwill (Net) (-)	-	-
Total Core Capital	48,598	16,313
SUPPLEMENTARY CAPITAL		
General provisions	238	164
45% of the movables revaluation fund	-	-
45% of the immovables revaluation fund	-	-
Bonus shares of investment in associates, subsidiaries and joint ventures acquired as a free and unrecognised In profit	-	-
Primary subordinated loans that are not considered in the calculation of core capital	-	-
Secondary subordinated loans	-	-
45% of from available-for-sale financial assets and investments in associates and subsidiaries valuation reserve	-	-
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	238	164
CAPITAL	48,836	16,477
DEDUCTIONS FROM THE CAPITAL		
Unconsolidated investments in Entities (domestic/foreign) operating in Banking and Financial Sectors at 10% or more	-	-
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Secondary Subordinated Debts and Debt Instruments purchased from Such Parties qualified as Primary or Secondary Subordinated Debts	-	-
Loans extended as contradictory to the articles 50 and 51 of the Law	-	-
The net book value of bank's immovables that are over 50% of shareholders' equity and immovables or commodities that are received on behalf of the receivables from customers and are to be disposed of according to banking law article 57 as they have been held for more than five years from the acquisition date	-	-
Securitisation positions deducted from equity preferred	-	-
Other Deduction Items	-	-
TOTAL SHAREHOLDERS' EQUITY	48,836	16,477

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INFORMATION RELATED TO CONSOLIDATED FINANCIAL POSITION (Continued)

Information about consolidated shareholders' equity items:

	Consolidated 31 December 2013	Consolidated 31 December 2012
CORE CAPITAL		
Paid-in capital	80,000	37,000
Nominal capital	80,000	37,000
Capital commitments (-)	-	-
Inflation adjustment to share capital	-	-
Share premium	-	-
Share cancellation profits	-	-
Legal reserves	445	445
Inflation adjustment of legal reserves	-	-
Profit	-	-
Current period profit	-	-
Prior period profit	-	-
Provisions for possible risks (up to 25% of core capital)	-	-
Profit on disposal of associates, subsidiaries and immovables to be transferred to share capital	-	-
Primary subordinated loans	-	-
Uncovered portion of loss with reserves (-)	31,640	23,029
Current period loss (net)	7,034	2,169
Prior period loss	24,606	20,860
Cost of Leasehold Improvements (-)	33	7
Intangible assets (-)	41	944
Deferred tax asset amount exceeding 10% of core capital (-)	-	-
Limit exceeding amount regarding the third clause of article 56 of the Law (-)	-	-
Consolidated Goodwill (Net) (-)	-	5,577
Total Core Capital	48,731	7,888
SUPPLEMENTARY CAPITAL		
General provisions	281	85
45% of the movables revaluation fund	-	-
45% of the immovables revaluation fund	-	-
Bonus shares of investment in associates, subsidiaries and joint ventures acquired as a free and unrecognised In profit	-	-
Primary subordinated loans that are not considered in the calculation of core capital	-	-
Secondary subordinated loans	-	-
45% of from available-for-sale financial assets and investments in associates and subsidiaries valuation reserve	-	-
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	281	85
CAPITAL	49,012	7,973
DEDUCTIONS FROM THE CAPITAL		
Unconsolidated investments in Entities (domestic/foreign) operating in Banking and Financial Sectors at 10% or more	-	-
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Secondary Subordinated Debts and Debt Instruments purchased from Such Parties qualified as Primary or Secondary Subordinated Debts	-	-
Loans extended as contradictory to the articles 50 and 51 of the Law	-	-
The net book value of bank's immovables that are over 50% of shareholders' equity and immovables or commodities that are received on behalf of the receivables from customers and are to be disposed of according to banking law article 57 as they have been held for more than five years from the acquisition date	-	-
Securitisation positions deducted from equity preferred	-	-
Other Deduction Items	-	-
TOTAL SHAREHOLDERS' EQUITY	49,012	7,973

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INFORMATION RELATED TO CONSOLIDATED FINANCIAL POSITION (Continued)

c. Information on applied approaches in order to evaluate internal capital adequacy in terms of future and current activities

The Group, has created "Capital Requirements Internal Assessment Process (Evaluation Process)" to identify and assess the risks exposed or may be exposed in the future, to provide adequate capital to cover the risks in question and to monitor the risks and the development of proper risk management techniques for managing the risk and in order to ensure the application. As stated in "Regulation on Internal Systems of Banks" Article No. 45, Risk Management is responsible for the planning and implementation of the Evaluation Process. For the most appropriate scope and approach to the Evaluation Process, in necessary cases, Risk Management, can include Internal Audit, Internal Control, Operations and Treasury departments' contributions in the process. The evaluation process is risk-oriented, including the quantifiable and unquantifiable risks, future-directed and creates a clear correlation between the types of risks and the necessary capital. Types of risks considered in the evaluation process are included in the evaluation report.

II. EXPLANATIONS ON CONSOLIDATED CREDIT RISK

a. Group, for the loans to be granted to a single borrower or group to be applied in risk limits are based on the regulations of the Banking Law. In order to avoid sectoral concentration, limits have been defined and adherence to limits is monitored on a transaction basis.

Daily loan and securities transactions, adherence to limits and concentration is monitored and reported by the risk management unit. In addition, the value of securities are monitored daily and credit risk compliance with the limits of the operations, marketing and internal control units are monitored weekly by transaction basis.

Loans and other receivables are subjected to re-evaluation at least once a year by the credit allocation unit, borrower and transaction rating models are used for this purpose

Lending activities, including the documents received from business units independently of the internal control unit is subject to preventive control.

b. According to the "Communiqué on Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" published in the Official Gazette numbered 26333 dated 1 November 2006 which was amended with the communiqué published in the Official Gazette numbered 27119 dated 23 January 2009; loans that do not meet the required delay time condition to be considered as Group III Loans are considered as "non-performing"; group III, IV and V loans defined on the mentioned communiqué are considered as impaired receivables without considering refinancing or addition accrued interest and quasi-interest loading to principal.

c. The Group does not have positions of forward, option and similar derivative agreements.

d. When considered within the financial activities of other financial institutions, the Group as an active participant in the national and international banking market is not exposed to a significant credit risk. With an increase in credit risk amount, use of mentioned derivative products can come up.

e. The Group has no liquidated non-cash loans. If any are present, they will be weighted in the same risk weight as loans that are overdue.

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- f. The Group has no rescheduled or restructured loans. If any, it is planned to be followed by monthly reports of risk management unit.

Separation of credit risk is performed with debtor rating system and facility rating system. Maturity based risk separation is not performed.

- g. The Group has no banking activities and credit transactions in foreign countries.
- h. When considered within the financial activities of other financial institutions, the Group as an active participant in the national and international banking market is not exposed to a significant credit risk.
- i. The share of the top 100 and 200 cash loan customers comprises 100% and %100 of the total cash loans portfolio of the Parent Bank respectively. (31 December 2012: 100% and 100%)

The share of the top 100 and 200 non-cash loan customers comprises 100% and 100% of the total non-cash loans portfolio of the Parent Bank respectively. (31 December 2012: 100% and 100%)

The Parent Bank's total cash and non-cash loans from its top 100 and 200 loan customers comprise 100% and 100% of the total assets and off-balance sheet items. (31 December 2012: 100% and 100%)

- j. The Group provided a general provision amounting to TL 302 (31 December 2012: TL85).
- k. Total amount of exposures after offsetting transactions but before applying credit risk mitigations and the average exposure amounts that are classified in different risk groups and types, are disclosed below for the relevant period:

	Current Period Risk Amount ^(*)	Average Risk Amount ^(**)
Risk classifications:	36,289	11,865
Claims on sovereigns and Central Banks	584	412
Claims on regional governments or local authorities	-	-
Claims on administrative bodies and other non-commercial undertakings	-	-
Claims on multilateral development banks	-	-
Claims on international organizations	-	-
Claims on banks and intermediary institutions	25,125	8,447
Conditional and unconditional corporate receivables	5,064	1,267
Claims included in the regulatory retail portfolios	-	-
Claims secured by residential property	2,130	533
Past due loans	-	-
Higher risk categories decided by the Board	-	-
Secured by mortgages	-	-
Securitization positions	-	-
Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-
Undertakings for collective investments in mutual funds	-	-
Other receivables	3,386	1,206

^(*) Amounts before credit risk mitigation.

^(**) Average amounts based on June, September and December 2013 before credit risk mitigation.

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I. Profile of significant exposures in major regions:

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	Total
Current period																	
Domestic	584	-	-	-	-	24,734	5,064	-	2,130	-	-	-	-	-	-	3,386	35,898
European Union Countries	-	-	-	-	-	367	-	-	-	-	-	-	-	-	-	-	367
OECD Countries (**)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Off-shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	-	-	24	-	-	-	-	-	-	-	-	-	-	24
Other Countries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Associates, Subsidiaries and Joint -Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Assets/Liabilities (***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total(****)	584	-	-	-	-	25,125	5,064	-	2,130	-	-	-	-	-	-	3,386	36,289

(*) Risk classes on "Communiqué on Measurement and Assessment of Capital Adequacy of Banks" are taken into consideration.

- 1) Conditional and unconditional receivables from Central Governments or Central Banks
- 2) Conditional and unconditional receivables from Regional Management or Local Governments
- 3) Conditional and unconditional receivables from Administrative Units or Non-commercial Ventures
- 4) Conditional and unconditional receivables from Multilateral Development Banks
- 5) Conditional and unconditional receivables from International Organizations
- 6) Conditional and unconditional receivables from Banks and Brokerage Corporation
- 7) Conditional and unconditional corporate receivables
- 8) Conditional and unconditional retail receivables
- 9) Conditional and unconditional collateralized by real estate mortgages receivables
- 10) Non-performing receivables
- 11) Receivables defined in high risk category by BRSA
- 12) Securities collateralized by mortgages
- 13) Securitization positions
- 14) Short-term receivables and short-term corporate receivables from Banks and Brokerage corporations
- 15) Investments in nature of Collective Investment funds
- 16) Other receivables

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

(***) Includes assets and liability items that can not be allocated on a consistent basis..

(****) Risk amounts before credit risk mitigation.

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m. Risk profile by sectors or counterparties:

Sectors/ Counterparties	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	Total
Agriculture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Farming and Stockbreeding</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Forestry</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Fishery</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Mining and Quarrying</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Production</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Electricity, Gas and Water</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	5,001	-	-	-	-	-	-	-	-	-	5,001
Services	435	-	-	-	-	25,125	63	-	2,130	-	-	-	-	-	-	-	27,753
<i>Wholesale and Retail Trade</i>	-	-	-	-	-	-	-	-	2,130	-	-	-	-	-	-	-	2,130
<i>Accommodation and Dining</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Transportation and Telecom</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Financial Institutions</i>	435	-	-	-	-	25,125	-	-	-	-	-	-	-	-	-	-	25,560
<i>Real Estate and Rental</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	63	-	-	-	-	-	-	-	-	-	63
<i>Professional Services</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Educational Services</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Health and Social Services</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	149	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,386	3,535
Total(**)	584	-	-	-	-	25,125	5,064	-	2,130	-	-	-	-	-	-	3,386	36,289

(*) Risk classes on "Communiqué on Measurement and Assessment of Capital Adequacy of Banks" are taken into consideration.

- 1) Conditional and unconditional receivables from Central Governments or Central Banks
- 2) Conditional and unconditional receivables from Regional Management or Local Governments
- 3) Conditional and unconditional receivables from Administrative Units or Non-commercial Ventures
- 4) Conditional and unconditional receivables from Multilateral Development Banks
- 5) Conditional and unconditional receivables from International Organizations
- 6) Conditional and unconditional receivables from Banks and Brokerage Corporation
- 7) Conditional and unconditional corporate receivables
- 8) Conditional and unconditional retail receivables
- 9) Conditional and unconditional collateralized by real estate mortgages receivables
- 10) Non-performing receivables
- 11) Receivables defined in high risk category by BRSA
- 12) Securities collateralized by mortgages
- 13) Securitization positions
- 14) Short-term receivables and short-term corporate receivables from Banks and Brokerage corporations
- 15) Investments in nature of Collective Investment funds
- 16) Other receivables

(**) Risk amounts before credit risk mitigation.

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n. Analysis of maturity-bearing exposures according to remaining maturities:

Risk classifications:	According to their outstanding maturities				
	1 month	1-3 months	3-6 months	6-12 months	Over 1 year ^(**)
Claims on sovereigns and Central Banks	142	149	293	-	-
Claims on regional governments or local authorities	-	-	-	-	-
Claims on administrative bodies and other non-commercial undertakings	-	-	-	-	-
Claims on multilateral development banks	-	-	-	-	-
Claims on international organizations	-	-	-	-	-
Claims on banks and intermediary institutions	14,888	10,235	-	-	2
Conditional and unconditional corporate receivables	-	5,001	-	-	63
Claims included in the regulatory retail portfolios	-	-	-	-	-
Claims secured by residential property	-	2,130	-	-	-
Past due loans	-	-	-	-	-
Higher risk categories decided by the Board	-	-	-	-	-
Secured by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-	-	-	-
Undertakings for collective investments in mutual funds	-	-	-	-	-
Other receivables	131	-	-	-	3,255
Total^(*)	15,161	17,515	293	-	3,320

(*) Risk amounts before credit risk mitigation.

(**) Includes undistributed amounts.

o. The Group has no particular agreement with a credit rating agency.

p. There is no credit rating for the amounts that are excluded in purchase and sale accounts and no credit rating for issue or issuer.

q. Exposures by risk weights

Risk weights	%0	%20	%50	%100	%200	%1250	Deductions from equity
Amount before credit risk reduction	3,525	391	24,733	6,543	-	-	74
Amount after credit risk reduction	3,525	391	25,798	5,478	-	-	74

r. Movements in value adjustments and provisions

In accordance with TAS and TFRS;

Impaired loans; By the end of the reporting period, not more than 90 days overdue or impaired due to credibility. For such loans, "Specific Provisions" are calculated within the scope of Provision Regulation.

Non-Performing Loans; By the end of the reporting period up to 90 days due but not impaired loans. For such loans, "General Provisions" are calculated within the scope of Provision Regulation.

	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments	Closing Balance
Specific Provisions	60	-	-	(60)	-
General Provisions	85	130	-	87	302

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s. Information by major sectors and type of counterparties

	Credit Risks			Provisions
	Impaired Credits	Past Due Credits	Value Adjustments	
Agricultural	-	-	-	-
Farming and raising livestock	-	-	-	-
Forestry	-	-	-	-
Fishing	-	-	-	-
Manufacturing	-	-	-	-
Mining	-	-	-	-
Production	-	-	-	-
Electric, gas and water	-	-	-	-
Construction	-	-	-	-
Services	-	-	-	-
Wholesale and retail trade	-	-	-	-
Hotel, food and beverage services	-	-	-	-
Transportation and telecommunication	-	-	-	-
Financial Institutions	-	-	-	-
Real estate and renting services	-	-	-	-
Self-employment services	-	-	-	-
Education services	-	-	-	-
Health and social services	-	-	-	-
Other	-	-	-	-
Total	-	-	-	-

III. EXPLANATIONS ON CONSOLIDATED MARKET RISK

Market risk is followed under two headings: market risk arising from trading activities and market risk arising from banking. The basic principle of market risk management is creating a compliant asset / liability structure and providing protection by averting differences with derivative instruments when necessary

By the Board of Directors, market risk limits introduced by the minimization of the risks involved were targeted. "Standard method" is used in the measurement of market risk in the extent of capital adequacy ratio. Value of the securities portfolio at risk is monitored on a daily basis, and is reported to senior management on a monthly basis.

The below table represents the details of the market risk calculation as of 31 December 2013 in accordance with the "Regulation Regarding Measurement and Evaluation of Banks' Capital Adequacy Ratio" published in the Official Gazette No. 26333 dated 1 November 2006, section three "Calculation of Market Risk with Standard Method".

a. Information on consolidated market risk:

	31 December 2013	31 December 2012
(I) Capital to be Employed for General Market Risk - Standard Method	-	3
(II) Capital to be Employed for Specific Risk -Standard Method	-	-
Capital requirement against Specific Risks of Securitisation Positions - Standard Method	-	-
(III) Capital to be Employed for Currency Risk - Standard Method	-	154
(IV) Capital to be Employed for Commodity Risk - Standard Method	-	-
(V) Capital to be Employed for Clearance Risk - Standard Method	-	-
(VI) Capital to be Employed for Market Risk Due to Options - Standard Method	-	-
(VII) Capital to be Employed for Counterparty Credit Risk - Standard Method	-	-
(VIII) Total Capital to be Employed for Market Risk for Banks Applying Risk Measurement Model	-	-
(IX) Total Capital to be Employed for Market Risk (I+II+III+IV+V+VI+VII)	-	157
(X) Amount Subject to Market Risk (12,5 x VIII) or (12,5 x IX)	-	1,963

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b. Average Market Risk Table of Calculated Market Risk for Current and Prior Periods:

	31 December 2013			31 December 2012		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	5	17	-	35	102	3
Share Certificate Risk	-	-	-	-	-	-
Currency Risk	4	10	-	52	195	3
Commodity Risk	-	-	-	-	-	-
Clearing Risk	-	-	-	-	-	-
Option Risk	-	-	-	-	-	-
Counterparty Credit Risk	14	56	-	-	-	-
Total Amount Subject to Risk	23	83	-	87	297	6

c. Information on Counterparty Risk:

In order to calculate the counterparty credit risk "Calculating Fair Value" (Annex 2) of "Communiqué on Measurement and Assessment of Capital Adequacy of Banks," published in 28 June 2012 is taken into consideration. In accordance with the before-mentioned method, potential credit risk value is calculated and added to the renewal costs of the agreements with positive values.

	31 December 2013	31 December 2012
Contracts based on Interest rate	-	-
Contracts based on currency	-	-
Contracts based on commodity	-	-
Contracts based on stocks	-	-
Other	-	-
Gross Positive Fair Value	-	-
Benefits of clarification	-	-
Clarified current risk amount	-	-
The securities which are held	-	-
The net position of derivatives	-	-

IV. EXPLANATIONS ON CONSOLIDATED OPERATIONAL RISK

The "Basic indicator method" is used in the operational risk calculation of the Group. The amount subject to the operational risk is calculated based on the gross income of the Group in the last three years 2012, 2011, and 2010 in accordance with the "Regulation Regarding Measurement and Evaluation of the Bank's Capital Adequacy Ratio" published in the Official Gazette "Calculation of the Operational Risk".published in the Official Gazette numbered 28337 on 28 June 2012 .

	31 December 2010 Amount	31 December 2011 Amount	31 December 2012 Amount	Total/Positive Years	Rate (%)	Total
Gross Revenue	4,279	1,057	1,156	2,164	15	325
Operational Risk (Total*12,5)						4,058

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V. EXPLANATIONS ON CONSOLIDATED CURRENCY RISK

The Group's foreign currency position is managed within the limits set by legislation and the Group. The basic principle in foreign currency risk management is not to be exposed to currency risk. Accordingly, the exchange-trading risk positions are not allocated to the limit, banking accounts as of the currency by creating a matched asset-liability structure is aimed to provide natural protection. The Group uses derivative financial instruments such as forward foreign exchange contracts and currency swaps for hedging purposes in foreign currency denominated transactions.

Group's methodology of digitising the foreign currency position includes the use of standard method when calculating the capital adequacy ratio and application of internal stress tests/ sensitivity analysis.

The Parent Bank's publicly announced foreign exchange bid rates as of the date of the financial statements and for the last five business days prior to that date:

	USD		EUR	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
Bid rate	2.1304	1.7880	2.9344	2.3587
1. Day bid rate	2.1343	1.7910	2.9365	2.3765
2. Day bid rate	2.1604	1.7930	2.9844	2.3675
3. Day bid rate	2.0957	1.7877	2.8693	2.3586
4. Day bid rate	2.0710	1.7980	2.8353	2.3766
5. Day bid rate	2.0812	1.7950	2.8466	2.3712

The simple arithmetic average of the Parent Bank's foreign exchange bid rates for the last thirty days preceding the balance sheet date:

	USD		EUR	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
Arithmetic average - 30 days	2.06649	1.7869	2.8316	2.3435

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Information on currency risk of the Group:

	EUR	USD	Other FC	Total
31 December 2013				
Assets				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	-	48	-	48
Due From Banks	367	24	-	391
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-
Interbank Money Market Placements	-	-	-	-
Available-for-sale Financial Assets	-	-	-	-
Loans	-	-	-	-
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Held-to-maturity Investments	-	-	-	-
Hedging Derivative Financial Assets	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	-	27	-	27
Total Assets	367	99	-	466
Liabilities				
Bank Deposits	-	-	-	-
Foreign Currency Deposits	-	-	-	-
Funds From Interbank Money Market	-	-	-	-
Funds Borrowed From Other Financial Institutions	-	-	-	-
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	-	-	-	-
Hedging Derivative Financial Liabilities	-	-	-	-
Other Liabilities	-	-	-	-
Total Liabilities	-	-	-	-
Net On-balance Sheet Position	367	99	-	466
Net Off-balance Sheet Position	-	-	-	-
Financial Derivative Assets	-	-	-	-
Financial Derivative Liabilities	-	-	-	-
Non-Cash Loans (*)	63	2,130	-	2,193
31 Aralık 2012				
Total Assets	68	2,781	-	2,849
Total Liabilities	26	340	-	366
Net On-balance Sheet Position	42	2,441	-	2,483
Net Off-balance Sheet Position	-	-	-	-
Financial Derivative Assets	-	536	-	536
Financial Derivative Liabilities	-	(536)	-	(536)
Non-Cash Loans (*)	-	-	-	-

(*) This amount doesn't have an effect on net off-balance sheet position

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VI. EXPLANATIONS ON CONSOLIDATED INTEREST RATE RISK

Interest rate risk is the risk that expresses the effects of fluctuations in the market interest rates on the value increase/decrease of the Group's interest rate sensitive assets and liabilities.

The interest rate sensitivity of Assets, Liabilities and Off-balance sheet items is carefully followed up by the treasury department of the Parent Bank. Assets and liabilities which are sensitive to the interest are managed in such a way that minimizes the interest risk.

The interest rate risk of the banking items is measured legally in accordance with the "Regulation on Measurement and Assessment of Standard Shock Method on the interest rate risk arising from banking accounts", and this legal limit is monitored and reported monthly, based on this measurement..

Interest rate sensitivity of the Group:

a. Interest rate sensitivity of assets, liabilities and off-balance sheet items based on repricing dates

31 December 2013	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non Interest Bearing	Total
Assets							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	-	-	-	-	-	145	145
Due From Banks	1,724	1,325	-	-	-	394	3,443
Financial Assets at Fair Value Through Profit/Loss	-	-	-	-	-	-	-
Interbank Money Market Placements	15,903	-	-	-	-	-	15,903
Available-for-Sale Financial Assets	-	-	293	-	-	-	293
Loans	18,961	7,720	-	-	-	-	26,681
Held-to-Maturity Investments	-	-	-	-	-	-	-
Other Assets (*)	-	-	-	-	-	3,606	3,606
Total Assets	36,588	9,045	293	-	-	4,145	50,071
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Funds From Interbank Money Market	-	-	-	-	-	-	-
Miscellaneous Payables	-	-	-	-	-	270	270
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	-	-	-	-	-	-	-
Other Liabilities (**)	-	-	-	-	-	49,801	49,801
Total Liabilities	-	-	-	-	-	50,071	50,071
Balance Sheet Long Position	36,588	9,045	293	-	-	-	45,926
Balance Sheet Short Position	-	-	-	-	-	(45,926)	(45,926)
Off-balance Sheet Long Position	-	-	-	-	-	-	-
Off-balance Sheet Short Position	-	-	-	-	-	-	-
Total Position	36,588	9,045	293	-	-	(45,926)	-

(*) Other assets include Subsidiaries, Tangible Assets, Intangible Assets, and Other assets.

(**) Shareholders' Equity is presented under "Other Liabilities" in the "Non Interest Bearing" column.

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31 December 2012	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non Interest Bearing	Total
Assets							
Cash and Balances with The Central Bank of the Republic of Turkey	-	-	-	-	-	161	161
Due From Banks	-	-	-	-	-	2,700	2,700
Financial Assets at Fair Value Through Profit/Loss	-	1,587	-	-	-	-	1,587
Interbank Money Market Placements	5,801	-	-	-	-	-	5,801
Available-for-Sale Financial Assets	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Held-to-Maturity Investments	-	-	-	-	-	-	-
Other Assets (*)	10	-	-	-	-	6,939	6,949
Total Assets	5,811	1,587	-	-	-	9,800	17,198
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Funds From Interbank Money Market	-	-	-	-	-	-	-
Miscellaneous Payables	-	-	-	-	-	143	143
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	1,561	-	-	-	-	-	1,561
Other Liabilities (**)	-	-	-	-	-	15,494	15,494
Total Liabilities	1,561	-	-	-	-	15,637	17,198
Balance Sheet Long Position	4,250	1,587	-	-	-	-	5,837
Balance Sheet Short Position	-	-	-	-	-	(5,837)	(5,837)
Off-balance Sheet Long Position	536	-	-	-	-	-	536
Off-balance Sheet Short Position	(536)	-	-	-	-	-	(536)
Total Position	4,250	1,587	-	-	-	(5,837)	-

(*) Other assets include Subsidiaries, Tangible Assets, Intangible Assets, and Other assets.

(**) Shareholders' Equity is presented under "Other Liabilities" in the "Non Interest Bearing" column.

b. Average interest rates for monetary financial instruments:

The average interest rates in the following tables are calculated by weighting the simple interest to principle amounts.

	EUR %	USD %	JPY %	TL %
31 December 2013				
Assets				
Cash and Balances with the Central Bank of the Republic of Turkey	-	-	-	-
Due From Banks	-	-	-	8.65
Financial Assets at Fair Value Through Profit/Loss	-	-	-	-
Interbank Money Market Placements	-	-	-	7.74
Available-for-Sale Financial Assets	-	-	-	9.11
Loans	-	-	-	10.19
Held-to-Maturity Investments	-	-	-	-
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Funds From Interbank Money Market	-	-	-	-
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	-	-	-	-

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	EUR %	USD %	JPY %	TL %
31 December 2012				
Assets				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	-	-	-	-
Due From Banks	-	-	-	-
Financial Assets at Fair Value Through Profit/Loss	-	-	-	5.79
Interbank Money Market Placements	-	-	-	-
Available-for-Sale Financial Assets	-	-	-	-
Loans	-	-	-	15.00
Held-to-Maturity Investments	-	-	-	-
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Funds From Interbank Money Market	-	-	-	-
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	-	-	-	9.45

- c. **Economic value differences resulted from interest rate instabilities calculated according to regulation on measurement and evaluation of interest rate risk resulted from banking book as per standard shock method:**

Type of Currency	Shocks Applied (+/- basis points)	Gains/Losses	Gains/Equity- Losses/Equity
1. TRY	(+) 500 bps	145	(0.30%)
2. TRY	(-) 400 bps	121	0.25%
3. USD	(+) 200 bps	-	-
4. USD	(-) 200 bps	-	-
5. EURO	(+) 200 bps	-	-
6. EURO	(-) 200 bps	-	-

- d. **Equity position risk arising from banking books:**

The Group does not hold equity position as of 31 December 2013.

- e. **Total unrealized gains or losses, total revaluation increases with the amount of their primary and contribution included in capital:**

As of 31 December 2013, The Groups' portfolio does not have private equity investments, publicly traded shares and other equities.

VII. EXPLANATIONS ON CONSOLIDATED SHARE POSITION RISK

The Group does not hold equity position as of 31 December 2013.

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VIII. EXPLANATIONS ON CONSOLIDATED LIQUIDITY RISK

Liquidity risk is the risk arising from not having adequate cash or not having adequate cash inflows to fund cash outflows on time due to the imbalance of cash flows.

Treasury Department, manages liquidity of the group on a daily basis, and informs the asset-liability committee every week about the Group's liquidity level. Planning the liquidity management for weekly, monthly, yearly periods, taking the necessary measures and informing the senior management about these is the responsibility of the treasury.

The Group forms its assets and liabilities in balance in order not to create a negative space in the cumulative basis in the maturity periods

In accordance with the "Regulation on Measurement and Assessment of Liquidity Adequacy of the Banks", which came into effect after its publication in the Official Gazette numbered 26333 on 1 November 2006 by BRSA, weekly simple arithmetic average of total liquidity adequacy ratio related to the first maturity period, and total liquidity adequacy ratio related to the second maturity period cannot be less than a hundred percent; weekly simple arithmetic average of the foreign currency liquidity adequacy ratio related to first maturity period, and foreign currency liquidity adequacy ratio related to second maturity period cannot be less than eighty percent as of 1 June 2007.

a. Liquidity ratios of Parent Bank realized in the current period:

	First Maturity Tranche (Weekly)		Second Maturity Tranche (Monthly)	
	FC	FC+TL	FC	FC+TL
31 December 2013				
Average (%)	3,012	3,313	3,169	2,746
Maximum (%)	8,120	10,440	8,200	10,807
Minimum (%)	161	349	161	110

	First Maturity Tranche (Weekly)		Second Maturity Tranche (Monthly)	
	FC	FC+TL	FC	FC+TL
31 December 2012				
Average (%)	583	801	666	790
Maximum (%)	3,720	2,060	3,600	1,823
Minimum (%)	109	169	125	177

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b. Breakdown of assets and liabilities according to their outstanding maturities:

	Demand	Up to 1 month	1-3 Month	3-12 Month	1-5 Year	5 Year and Over	Unclassified (*)	Total
31 December 2013								
Assets								
Cash and Balances with the CBRT	111	34	-	-	-	-	-	145
Due From Banks	394	1,724	1,325	-	-	-	-	3,443
Financial Assets at Fair Value Through Profit/Loss	-	-	-	-	-	-	-	-
Interbank Money Market Placements	-	15,903	-	-	-	-	-	15,903
Available-for-Sale Financial Assets	-	-	-	293	-	-	-	293
Loans	-	12,770	13,911	-	-	-	-	26,681
Held-to-Maturity Investments	-	-	-	-	-	-	-	-
Other Assets	-	128	149	-	-	-	3,329	3,606
Total Assets	505	30,559	15,385	293	-	-	3,329	50,071
Liabilities								
Bank Deposits	-	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-	-
Funds From Interbank Money Market	-	-	-	-	-	-	-	-
Miscellaneous Payables	-	-	-	-	-	-	-	-
Marketable Securities Issued	-	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	-	224	-	46	-	-	-	270
Other Liabilities (**)	4	304	-	-	-	-	49,493	49,801
Total Liabilities	4	528	-	46	-	-	49,493	50,071
Net Liquidity Gap	501	30,031	15,385	247	-	-	(46,164)	-
31 December 2012								
Total Assets	2,839	5,833	1,587	-	-	-	6,939	17,198
Total Liabilities	143	1,765	-	-	-	-	15,290	17,198
Net Liquidity Gap	2,696	4,068	1,587	-	-	-	(8,351)	-

(*) Assets that are necessary for banking activities and that cannot be liquidated in the short-term, such as fixed assets, associates and subsidiaries, stationary stocks, prepaid expenses and loans under follow-up, are classified in this column.

(**) Shareholders' equity is presented under "Other liabilities" item in the "Unclassified" column.

c. Breakdown of liabilities according to their remaining contractual maturities:

Current Period	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years
Liabilities					
Deposits	-	-	-	-	-
Funds borrowed from other financial inst.	-	-	-	-	-
Funds from interbank money market	-	-	-	-	-
Borrower funds	4	-	-	-	-
Total	4	-	-	-	-

Current Period	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years
Liabilities					
Deposits	-	-	-	-	-
Funds borrowed from other financial ins.	-	1,561	-	-	-
Funds from interbank money market	-	-	-	-	-
Borrower funds	-	-	-	-	-
Total	-	1,561	-	-	-

d. Breakdown of derivative instruments according to their remaining contractual maturities:

Parent Bank has no derivative instruments as of 31 December 2013.

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IX. EXPLANATIONS ON THE CONSOLIDATED SECURITISATION POSITIONS

The Parent Bank does not apply securitisation as of 31 December 2013.

X. EXPLANATIONS ON THE CONSOLIDATED CREDIT RISK MITIGATION TECHNIQUES

Group calculates the credit risk with simple financial guarantee method in accordance with "Communique on Credit Risk Mitigation Techniques". The collaterals to be considered in credit risk mitigation should be compatible with the currency and maturity.

The main collateral type that can be considered as a risk mitigation technique according to the communiqué is real estate mortgage, which is planned to be taken by the Group. Other main collateral types that the Group receives in the lending process are customer checks and notes which are not taken into account according to "Communique on Credit Risk Mitigation Techniques".

	Amount ^(*)	Financial Guarantees	Other /Material Guarantees	Guarantees and Loan Derivatives
Risk classifications:	36,289	-	-	-
Claims on sovereigns and Central Banks	584	-	-	-
Claims on regional governments or local authorities	-	-	-	-
Claims on administrative bodies and other non-commercial undertakings	-	-	-	-
Claims on multilateral development banks	-	-	-	-
Claims on international organizations	-	-	-	-
Claims on banks and intermediary institutions	25,125	-	-	-
Conditional and unconditional corporate receivables	5,064	-	-	-
Claims included in the regulatory retail portfolios	-	-	-	-
Claims secured by residential property	2,130	-	-	-
Past due loans	-	-	-	-
Higher risk categories decided by the Board	-	-	-	-
Secured by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-	-	-
Undertakings for collective investments in mutual funds	-	-	-	-
Other receivables	3,386	-	-	-

^(*) Amount before credit risk mitigation.

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XI. EXPLANATIONS ON THE CONSOLIDATED RISK MANAGEMENT OBJECTIVES AND POLICIES

Compliance with the Banking Law and the relevant law regulated under the "Regulation on Internal Systems of Banks", in a separate organisational structure, by creating a direct reporting line to the board of directors and audit committee, the complete independence of the risk management unit from the operations is the fundamental principle

Risk limits are in the responsibility of risk management unit and are determined by the board

The Group developed a systemic borrower rating model to measure risk exposure levels at customer level through quantitative and qualitative analysis. An internally developed transaction rating system is used to evaluate the repayment capacity of the loan.

Against concentration risk, information on the borrower / group, industry, collateral, etc are traced on the monthly credit risk report and presented to the board of directors.

Application of stress tests on currency risk and liquidity positions and calculation of the interest rate risk is carried by the risk management department.

Within the scope of operational risk, activities of identification, calculation, monitoring, control and reporting of operational risks undertaken by the Bank are performed.

XII. EXPLANATIONS ON THE PRESENTATION OF FINANCIAL ASSETS AND LIABILITIES AT THEIR FAIR VALUES

a. Financial Assets and Liabilities at their fair values:

The fair values of held-to-maturity assets are determined based on market prices or when this price is not available, based on market prices quoted for other securities subject to the same redemption qualifications in terms of interest, maturity and other similar conditions.

The fair value of marketable securities issued is calculated according to broker price quotations and if these are not available, amounts derived from discounted cash flow models.

The expected fair value of loans and receivables are determined by calculating the discounted cash flows using the current market interest rates for the fixed loans with fixed interest rates. For the loans with floating interest rates, it is assumed that the carrying value reflects the fair value.

The following table summarizes the carrying values and fair values of financial assets and liabilities. The carrying value represents the acquisition costs and accumulated interest accruals of corresponding financial assets or liabilities.

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	Carrying Value		Fair Value	
	Current Period 31 December 2013	Prior Period 31 December 2012	Current Period 31 December 2013	Prior Period 31 December 2012
Financial Assets	46,320	8,501	46,470	8,501
Interbank Money Market Placements	15,903	5,801	15,903	5,801
Banks	3,443	2,700	3,443	2,700
Available-for-Sale Financial Assets (Net)	293	-	293	-
Held-to-Maturity Financial Assets(Net)	-	-	-	-
Loans	26,681	-	26,831	-
Financial Liabilities	263	1,704	263	1,704
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Borrowings	-	1,561	-	1,561
Securities issued	-	-	-	-
Miscellaneous Payables	259	143	259	143
Borrower Funds	4	-	4	-

b. Fair value hierarchy:

TFRS 7 sets a hierarchy of valuation techniques according to the observability of data used in valuation techniques which establish basis for fair value calculations.

Aforesaid fair value hierarchy is determined as follows:

- Quoted market prices (non-adjusted) (1st level)
- Directly (by way of prices) or indirectly (derived from prices) data for the assets or liabilities, other than quoted prices in the 1st level (2nd level)
- Data not based on observable data regarding assets or liabilities (3rd level)

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Fair value hierarchy of the financial assets and liabilities of the Bank carried at fair value according to the foregoing principles is given in the table below.

Current Period	1.Level	2.Level	3.Level	Total
Financial Assets at Fair Value Through Profit or Loss	293	-	-	293
Available For Sale Financial Assets	-	-	-	-
Total Assets	293	-	-	293
Trading Derivative Financial Liabilities	-	-	-	-
Hedging Derivative Financial Liabilities	-	-	-	-
Total Liabilities	-	-	-	-

Prior Period	1.Level	2.Level	3.Level	Total
Financial Assets at Fair Value Through Profit or Loss	1,587	-	-	1,587
Available For Sale Financial Assets	-	-	-	-
Total Assets	1,587	-	-	1,587
Trading Derivative Financial Liabilities	-	-	-	-
Hedging Derivative Financial Liabilities	-	-	-	-
Total Liabilities	-	-	-	-

XIII. EXPLANATIONS ON THE ACTIVITIES CARRIED OUT ON BEHALF AND ACCOUNT OF OTHER PERSONS

The Parent Bank mediates transactions such as trading of capital market instruments, repurchase and resale commitments which are in the scope of the over the counter trading license and repo- reverse repo license obtained from Capital Markets Board.

The Parent Bank has no trust transactions.

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XIV. EXPLANATIONS ON OPERATING SEGMENTS

Current Period	Corporate Banking	Treasury and Asset Liability Management	Investment Consultancy	Adjustments and Eliminations	Total
Total Assets	26,681	23,377	332	(319)	50,071
Total Liabilities	-	1,386	199	(319)	1,266
Net Interest Income/(Loss)	172	1,050	(77)	-	1,145
Net Fee and Commission Income/(Loss)	24	(93)	-	-	(69)
Trading Gain/(Loss)	-	4	27	-	31
Other Operating Income	-	255	1,169	(638)	786
Provision for Impairment of Loans and Other Receivables (-)	-	8,078	-	(1,418)	6,660
Other Operating Expense(-)	-	5,354	401	(550)	5,205
Profit Before Tax	196	(12,216)	718	1,330	(9,972)
Tax Provision	-	2,938	-	-	2,938
Net Profit/ Loss	196	(9,278)	718	1,330	(7,034)

Prior Period	Corporate Banking	Treasury and Asset Liability Management	Investment Consultancy	Adjustments and Eliminations	Total
Total Assets	750	18,532	2,792	(4,876)	17,198
Total Liabilities	-	2,951	843	(1,012)	2,782
Net Interest Income/(Loss)	99	(50)	264	-	313
Net Fee and Commission Income/(Loss)	3	(21)	(7)	-	(25)
Trading Gain/(Loss)	-	68	1	-	69
Other Operating Income	-	3,770	593	-	4,363
Provision for Impairment of Loans and Other Receivables (-)	-	42	41	-	83
Other Operating Expense(-)	-	5,305	1,478	-	6,783
Profit Before Tax	102	(1,580)	(668)	-	(2,146)
Tax Provision	-	-	(23)	-	(23)
Net Profit/ Loss	102	(1,580)	(691)	-	(2,169)

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SECTION FIVE

**EXPLANATIONS AND NOTES RELATED TO
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I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS

1. Information related to cash and the account of The Central Bank of the Republic of Turkey (the "CBRT"):

a. Information on cash and the account of the CBRT:

	31 December 2013		31 December 2012	
	TL	FC	TL	FC
Cash/Foreign currency	3	-	3	23
CBRT	94	48	90	45
Other	-	-	-	-
Total	97	48	93	68

b. Information on the account of the CBRT:

	31 December 2013		31 December 2012	
	TL	FC	TL	FC
Demand Unrestricted Amount	94	14	90	13
Time Unrestricted Amount	-	-	-	-
Time Restricted Amount	-	34	-	32
Total	94	48	90	45

According to CBRT's "Required Reserves Announcement" numbered 2005/1, for Turkish currency and foreign currency denominated liabilities, reserve requirement amounts held in CBRT have been included in the above table.

Reserve deposits required by the Central Bank of Turkey are not interest bearing.

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

a. As of 31 December 2013, there are no financial assets at fair value through profit or loss subject to repo transactions (31 December 2012: None)

As of 31 December 2013; there are no and financial assets given as collateral/are blocked (31 December 2012: TL 397).

b. Positive differences related to trading derivative financial assets:

None (31 December 2012: None).

c. Information on trading securities:

None (31 December 2012: TL1,587).

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3. Information on banks:

a. Information on banks:

	31 December 2013		31 December 2012	
	TL	FC	TL	FC
Banks				
Domestic	3,052	-	6	-
Foreign	-	391	-	2,694
Headquarters and Branches Abroad	-	-	-	-
Total	3,052	391	6	2,694

b. Information on foreign banks accounts:

	Unrestricted Amount		Restricted Amount	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
European Union Countries	367	5	-	-
USA, Canada	24	2,683	-	-
OECD Countries (*)	-	-	-	-
Off-shore Banking Regions	-	6	-	-
Other	-	-	-	-
Total	391	2,694	-	-

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

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

- a. As of 31 December 2013 there are financial assets given as collateral/blocked amounting to TL 293 (31 December 2012: None).

As of 31 December 2013 there is no available-for-sale financial assets subject to repo transactions (31 December 2012: None)

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

	31 December 2013	31 December 2012
Debt Securities	293	-
Quoted on Stock Exchange	293	-
Not Quoted	-	-
Share Certificates	-	-
Quoted on Stock Exchange	-	-
Not Quoted	-	-
Impairment Provision (-)	-	-
Total	293	-

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5. Explanations on loans:

a. Information on all types of loan or advance balances given to shareholders and employees of the Parent Bank:

	Current Period 31 December 2013		Prior Period 31 December 2012	
	Cash	Non-cash Loans	Cash	Non-cash Loans
Direct Loans Granted To Shareholders	-	-	-	-
Corporate Shareholders	-	-	-	-
Real Person Shareholders	-	-	-	-
Indirect Loans Granted To Shareholders	-	-	6	-
Loans Granted To Employees	-	-	-	-
Total	-	-	6	-

b. Information on the first and second group loans and other receivables including loans that have been restructured or rescheduled and other receivables:

	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Non-Specialised Loans	26,681	684	-	-
Discount and Purchase Notes	-	-	-	-
Export Loans	-	-	-	-
Import Loans	-	-	-	-
Loans Granted to Financial Sector	21,679	684	-	-
Foreign Loans	-	-	-	-
Consumer Loans	-	-	-	-
Credit Cards	-	-	-	-
Precious Metal Loans	-	-	-	-
Other	5,002	-	-	-
Specialised Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	26,681	684	-	-

Number of modifications made to extend payment plan	Standard loans and other receivables	Loans and other receivables under close monitoring
Extended by 1 or 2 times	684	-
Extended by 3,4 or 5 times	-	-
Extended by more than 5 times	-	-
Total	684	-

Extended period of time	Standard loans and other receivables	Loans and other receivables under close monitoring
0 - 6 Months	684	-
6 - 12 Months	-	-
1 - 2 Years	-	-
2 - 5 Years	-	-
5 Years and over	-	-
Total	684	-

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c. Breakdown of loans according to their maturities:

	Standard Loans and Other Receivables		Loans and Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Short-Term Loans and Other Receivables	26,681	-	-	-
Non-Specialized Loans	26,681	-	-	-
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-Term Loans and Other Receivables	-	-	-	-
Non-Specialized Loans	-	-	-	-
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-

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

None (31 December 2012: None).

e. Information on commercial instalment loans and corporate credit cards:

None (31 December 2012: None).

f. Loans according to types of borrowers:

	Current Period 31 December 2013	Prior Period 31 December 2012
Public	-	-
Private	26,681	-
Total	26,681	-

g. Distribution of domestic and foreign loans:

	31 December 2013	31 December 2012
Domestic Loans	26,681	-
Foreign Loans	-	-
Total	26,681	-

h. Loans given to investments in associates and subsidiaries:

	31 December 2013	31 December 2012
Direct Loans granted to investments in associates and subsidiaries	-	-
Indirect Loans granted to investments in associates and subsidiaries	-	-
Total	-	-

i. Specific provisions provided against loans:

	31 December 2013	31 December 2012
Loans and Other Receivables with Limited Collectability	-	-
Loans and Other Receivables with Doubtful Collectability	-	-
Uncollectible Loans and Other Receivables	-	60
Total	-	60

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j. Information on non-performing loans:

1. Information on non-performing loans restructured or rescheduled and other receivables:

None (31 December 2012: None).

2. Information on the movement of total non-performing loans:

	III. Group Loans and other receivables with limited collectability	IV. Group Loans and other receivables with doubtful collectability	V. Group Uncollectible loans and other receivables
Prior Period End Balance: 31 December 2012			
Additions (+)	-	-	60
Transfers from Other Categories of Non performing Loans (+)	-	-	-
Transfers to Other Categories of Non- performing Loans (-)	-	-	-
Collections (-)	-	-	-
Write-offs (-)	-	-	(60)
Corporate and Commercial Loans	-	-	(60)
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Current Period End Balance: 31 December 2013	-	-	-
Specific Provision (-)	-	-	-
Net Balance on Balance Sheet	-	-	-

3. Information on non-performing loans granted as foreign currency loans:

None (31 December 2012: None).

4. Information on non-performing loans based on types of borrowers:

	III. Group Loans and Other Receivables with Limited Collectability	IV. Group Loans and Other Receivables with Doubtful Collectability	V. Group Uncollectible Loans and Other Receivables
31 December 2013			
Loans granted to corporate entities and real persons (Gross)	-	-	-
Specific Provisions Amount(-)	-	-	-
Loans granted to corporate entities and real persons (Net)	-	-	-
Banks (Gross)	-	-	-
Specific Provisions Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Advances (Gross)	-	-	-
Specific Provisions Amount (-)	-	-	-
Other Loans and Advances (Net)	-	-	-
31 December 2012			
Loans granted to corporate entities and real persons (Gross)	-	-	60
Specific Provisions Amount(-)	-	-	(60)
Loans granted to corporate entities and real persons (Net)	-	-	-
Banks (Gross)	-	-	-
Specific Provisions Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Advances (Gross)	-	-	-
Specific Provisions Amount (-)	-	-	-
Other Loans and Advances (Net)	-	-	-

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k. Information on the collection policy of non-performing loans and other receivables and the write-off policy of the Parent Bank :

Non-performing loans and other receivables are collected through legal follow-up and liquidation of collaterals. Credits that have become losses in nature, are attached to the certificate of insolvency or insufficient collateral document, and written off from the Bank's assets. However, if the Bank's receivable is an insignificant amount compared to the costs and expenses to be incurred for the preparation of said documents, writing off of assets may be performed if the Board of Directors decides so.

6. Information on held-to-maturity investments:

None (31 December 2012: None).

7. Information on investments in associates:

None (31 December 2012: None).

8. Information on subsidiaries (Net):

c. Recognition of subsidiaries:

Explained in Note III of Section Three.

d. Information on the equity of subsidiaries:

	PDF
Core Capital	
Paid-in capital	140
Nominal capital	9
Legal Reserves	28
Status reserves	102
Extraordinary reserves	-
Net profit or losses and prior year income \ loss	(146)
Leasehold improvements amount (-)	-
Intangible assets (-)	-
Total Core Capital	133
Supplementary Capital	-
Capital	133
Deductions from the capital	-
Total Shareholders' Equity	133

Subsidiaries' internal capital adequacy assessment approach is not available.

e. Information on subsidiaries unconsolidated:

None (31 December 2012: None).

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f. Information on subsidiaries consolidated

	Title	Address (City/ Country)	The Parent Bank's share percentage, if different voting percentage (%)	Other shareholders' share percentage
1	PDF Kurumsal Finansman Danışmanlık Hizmetleri A.Ş.	İstanbul/Türkiye	99.99	0.01

At November 2012, a valuation study has been performed by an independent firm, in order to determine the fair value of the subsidiary with the assumptions that the former parent company of the subsidiary will continue its operational support and the current projects of the subsidiary will be realized within a certain probability. When taking into consideration the mid-point of the value range determined in the valuation report, the value of PDF is determined as TL5,103. However, the Bank has not accounted for any provision regarding to the book value of PDF which amounts to TL 7,926 in the financial statements as of 31 December 2012.

A valuation report from another independent firm regarding the value of PDF, has been requested by the Bank management at July 2013. In the valuation report it has been declared that the stock price of PDF is negative according to equity method of accounting.

The Bank has set aside provision for impairment of the total goodwill amount and intangible assets of its subsidiary PDF amounting TL 5,577. And TL 931 respectively.

As of balance sheet date, the total equity of PDF is TL 133 and current year profit is TL 717. As of the same date, the subsidiary has lost the half of the total of capital and reserves.

With respect to the decision taken at extraordinary general assembly of PDF dated 23 January 2014, it was decided to authorize the board of directors of PDF for merger of the Company through take over by another company or Partner Bank or liquidation.

g. Main financial figures of the subsidiaries in the order of the above table:

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Fair value (*)
1	332	133	10	-	-	717	(498)	-

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h. Movement schedules of consolidated subsidiaries:

	31 December 2013	31 December 2012
Balance at the beginning of the Period	7,926	12,807
Movements during the Period	(7,926)	(4,881)
Purchases	-	-
Bonus Shares Obtained	-	-
Dividends from Current Year Income	-	-
Sales (*)	-	(2,681)
Revaluation Increase	-	-
Impairment Provision	(7,926)	-
Capital deductions	-	(2,200)
Balance at the end of the Period	-	7,926
Capital Commitments	-	-
Share Percentage at the end of the Period (%)	99.99	99.99

(*) Bank has approved the transfer of TAIB Menkul's shares with the extraordinary general meeting as of 28 December 2012, following the CMB's approval 6 December 2012.

(**) An impairment provision of TL 7,926 has been set aside for the cost of the subsidiary with respect to the board of directors decision dated 30 December 2013, numbered 77

g. Sectoral information on consolidated financial subsidiaries and the related carrying amounts:

Subsidiaries (*)	31 December 2013	31 December 2012
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Subsidiaries	-	7,926

(*) An impairment provision of TL 7,926 has been set aside for the cost of the subsidiary with respect to the board of directors decision dated 30 December 2013, numbered 77

h. Subsidiaries quoted on stock exchange:

None (31 December 2012: None).

9. Information on joint ventures:

None (31 December 2012: None).

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10. Information on lease receivables (net):

None (31 December 2012: None).

11. Information on hedging derivative financial assets:

None (31 December 2012: None).

12. Information on property and equipment:

Prior Period End: 31 December 2012	Immovables	Leased Fixed Assets	Other Tangible Fixed Assets	Total
Cost	-	-	818	818
Accumulated Depreciation(-)	-	-	725	725
Net Book Value	-	-	93	93
Current Period End: 31 December 2013				
Net Book Value at the beginning of the Period	-	-	93	93
Additions	-	-	74	74
Disposals(-), net	-	-	11	11
Depreciation (-)	-	-	-	-
Impairment	-	-	53	53
Cost at Period End	-	-	540	540
Accumulated Depreciation at Period End (-)	-	-	437	437
Net Book Value	-	-	103	103

Prior Period End: 31 December 2011	Immovables	Leased Fixed Assets	Other Tangible Fixed Assets	Total
Cost	-	-	811	811
Accumulated Depreciation(-)	-	-	661	661
Net Book Value	-	-	150	150
Current Period End: 31 December 2012				
Net Book Value at the beginning of the Period	-	-	150	150
Additions	-	-	8	8
Disposals(-), net	-	-	1	1
Depreciation (-)	-	-	64	64
Impairment	-	-	-	-
Cost at Period End	-	-	818	818
Accumulated Depreciation at Period End (-)	-	-	725	725
Net Book Value at the end of the Period	-	-	93	93

13. Informations on intangible assets:

	Current Period 31 December 2013	Prior Period 31 December 2012
Net Book Value at the beginning of the Period	6,521	6,711
Additions	36	2
Disposals(-), net	-	-
Depreciation (-)	8	192
Other (*)	(6,508)	-
Net Book Value at the end of the Period	41	6,521

(*) Includes the goodwill amount that is written off, regarding the impairment of the subsidiary

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14. Information on investment property:

None (31 December 2012: None).

15. Information on deferred tax asset:

The Bank calculates deferred tax asset or liability on the differences between the applied accounting policies and valuation bases and tax legislation that comes from timing differences and reflects the amount on the financial statements.

As of 31 December 2013, the Bank calculated deferred tax asset amounting TL 2,938 and reflected this amount to the financial statements. (31 December 2012: None).

In the situation that the difference between the book value and value subject to tax of the assets that are subject to deferred tax is related to equity accounts, deferred tax asset or liability is netted with the relevant accounts in this group.

	31 December 2013		31 December 2012	
	Temporary Differences of Deferred Tax Base	Deferred Tax Amount	Temporary Differences of Deferred Tax Base	Deferred Tax Amount
Financial Loss	14,274	2,855	-	-
Provision for employee benefits	157	31	-	-
Expense Provisions	198	40	-	-
Other	85	17	-	-
Deferred Tax Asset, net	14,714	2,943	-	-
Depreciation	(24)	(5)	-	-
Deferred Tax Liability, net	(24)	(5)	-	-
Deferred Tax Asset/ (Liability), net	14,690	2,938	-	-

The details of deductible financial loss that is considered in the deferred tax calculation are stated in the below table:

	Deductible Financial Loss	Last Deduction Date
2009	90	31 December 2014
2010	3,812	31 December 2015
2011	4,356	31 December 2016
2012	2,800	31 December 2017
2013	3,216	31 December 2018
Total	14,274	

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

None (31 December 2012: None).

17. Information on other assets:

As of 31 December 2013, other assets amount to TL 375 (31 December 2012: TL 323) and don't exceed 10% of total balance sheet except off balance sheet commitments.

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II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES

1. Information on deposits:

The Parent Bank has no deposits due to its nature as an investment bank.

2. Information on trading derivative financial liabilities:

None (31 December 2012: None).

3. Information on borrowings:

a. Information on banks and other financial institutions:

	31 December 2013		31 December 2012	
	TL	FC	TL	FC
Borrowings from the CBRT	-	-	-	-
From Domestic Banks and Institutions	-	-	-	-
From Foreign Banks, Institutions and Funds	-	-	1,561	-
Total	-	-	1,561	-

b. Information on maturity structure of borrowings:

	31 December 2013		31 December 2012	
	TL	FC	TL	FC
Short-term	-	-	1,561	-
Medium and Long-term	-	-	-	-
Total	-	-	1,561	-

c. Additional explanation related to the concentrations of the Bank's major liabilities on the basis of concentrations, fund providing customers, sector groups and other criteria where risk concentration is observed

The Bank, funds its assets mainly with its capital and borrowings

4. Information on other liabilities:

The Group has no other liabilities that exceed 10 % of the total assets of the Group (31 December 2012: None).

5. Information on financial lease agreements:

None (31 December 2012: None).

6. Information on hedging derivative financial liabilities:

None (31 December 2012: None).

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7. Information on provisions:

a. Information on general provisions:

	31 December 2013	31 December 2012
Provisions for Group I. Loans and Receivables	293	-
Additional Provision for Loans and Receivables with Extended Maturities	27	-
Provisions for Group II. Loans and Receivables	-	-
Additional Provision for Loans and Receivables with Extended Maturities	-	-
Provisions for Non Cash Loans	4	-
Other	5	85
Total	302	85

b. Information on provisions related with foreign currency difference of foreign indexed loans:

As of 31 December 2013, there are no foreign indexed loans. (31 December 2012: None).

c. Information on specific provision for non-cash loans not liquidated:

None (31 December 2012: None).

d. Information on other provisions:

i. Information on provisions for possible risks:

None (31 December 2012: None).

ii. Obligations related to employee rights

In accordance with Turkish Labour Law, the reserve has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of its employees. TAS 19 necessitates the actuarial valuation methods to calculate liabilities of enterprises. In this context, the following actuarial assumptions were used in the calculation of total liabilities.

	31 December 2013	31 December 2012
Discount rate (%)	2.50	2.50
Rate for the Probability of Retirement (%)	91.56	91.00

The movement of employee benefit termination and call provision is shown below:

	31 December 2013	31 December 2012
Balance at the end of the Previous Period	137	122
Provisions Recognised During the Period	43	22
Balance at the end of the period	180	144

In addition, as of 31 December 2013 the Group has unused vacation provision amounting to TL 9(31 December 2012: TL162).

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iii. Other provisions are explained if they exceed 10% of the total provision balance

	31 December 2013	31 December 2012
Provision for lawsuit	197	61
Provision for expenses	-	307
Other	-	108
Total	197	476

8. Information on taxes payable:

a. Information on current year tax liability:

Information on tax provision:

Explanations on taxation are presented in Note XVIII of Section Three. As of 31 December 2013, the Group does not have tax liability after the deduction of temporary taxes paid. (31 December 2012:None).

Information on taxes payable:

	31 December 2013	31 December 2012
Corporate Tax Payable	-	-
Taxation on Marketable Securities	-	-
Property Tax	-	39
Banking Insurance Transaction Tax (BITT)	5	2
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	39	2
Other	116	141
Total	160	184

Information on premium payables:

	31 December 2013	31 December 2012
Social Security Premiums - Employee	17	12
Social Security Premiums - Employer	21	13
Bank Social Aid Pension Fund Premium- Employee	-	-
Bank Social Aid Pension Fund Premium - Employer	-	-
Pension Fund Membership Fees and Provisions - Employee	-	-
Pension Fund Membership Fees and Provisions - Employer	-	-
Unemployment Insurance - Employee	1	1
Unemployment Insurance - Employer	2	1
Other	-	-
Total	41	27

b. Information on deferred tax liability:

Explanations on the taxation of the Group are presented in Note XV of Section Five, I. Explanations and notes related to consolidated assets.

9. Liabilities for assets held for sale and assets of discontinued operations:

None (31 December 2012: None).

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10. Information on the quantity, maturity date, interest rate and supplier firm of the subordinated loans given to the bank and transactional option if there are any marketable securities

None (31 December 2012: None).

11. Information on shareholders' equity:

a. Presentation of paid-in capital:

	31 December 2013	31 December 2012
Common Stock	80,000	37,000
Preferred Stock	-	-

Within the scope of the decision taken by the previous parent company of the Bank regarding the sale of shares in the Bank, a share purchase sales agreement was signed with Aksoy Holding A.Ş. on 13 May 2013. . It was declared to the Bank with the correspondence of BRSA dated 26 June 2013 that the Bank is permitted to transfer %99.4689 of its shares to Aksoy Holding A.Ş. within the scope of the application made by Aksoy Holding A.Ş. and the agreement signed between Aksoy Holding A.Ş. and the Bank by BRSA. In the extraordinary general assembly meeting of the Bank dated 31 July 2013, it has been decided to approve the board of directors' minute regarding the approval of the share transfers to Aksoy Holding A.Ş. dated 31 July 2013 and numbered 32 with a condition of completion of the closing transactions and realization of the share transfers. Share transfers have been completed on 2 August 2013.

In the general assembly of the Bank dated 31 October 2013, it was decided to increase the principal capital of the Bank from TL 37,000 to TL39,000, and with respect to the BRSA's suitability correspondence the Bank's principal capital has been increased to TL 39,000 on 13 November 2013.

In the general assembly of the Bank on 21 November 2013, it was decided to increase the principal capital of the Bank from TL 39,000 to TL 80,000 and with respect to the BRSA's suitability correspondence the Bank's principal capital has been increased to TL 80,000 on 29 November 2013.

b. Paid-in capital amount, explanation as to whether the registered share capital system is applied and if so, amount of registered share capital ceiling:

The Parent Bank does not apply the registered share capital system.

c. Information on share capital increases and their sources; other relevant information on increased share capital in current period:

Date	Increase amount	Cash(*)	Profit Reserves Subject to Increase	Capital Reserves Subject to Increase
13 November 2013	2,000	423	-	1,577
29 November 2013	41,000	41,000	-	-

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- d. Explanation on the transfers from capital reserve to paid-in capital in the current period:**

Marketable Securities Value Increase Fund	Tangible and intangible assets Revaluation Value Increase Fund	Subsidiaries, Joint Ventures and Investment Associates Bonus Shares	Other
-	-	-	1,577

TL 1,577 consists of income from sales of subsidiary account.

- e. Information on capital commitments, the general purpose and the estimated sources for these commitments until the end of the fiscal year and the subsequent interim period:**

None (31 December 2012: None).

- f. Information on the Group's income, profitability, prior period indicators on liquidity and uncertainty on these indicators and their potential effects on the Group's capital:**

The Group considers there is no uncertainty regarding the prior period income, profitability and liquidity indicators, therefore the Group does not foresee an effect on capital

- g. Summary information about privileged shares representing the capital:**

None (31 December 2012: None).

- h. Information on marketable securities value increase fund:**

None (31 December 2012: None).

- i. Information about minority interest:**

None (31 December 2012: None).

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**III. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED OFF-BALANCE SHEET
ACCOUNTS**

1. Information on off-balance sheet commitments:

a. The amount and type of irrevocable commitments:

None (31 December 2012: TL 1,072 asset purchase and sale commitments with maturity).

**b. Type and amount of probable losses and obligations arising from off-balance sheet
items:**

**i. Non-cash loans including guarantees, bank avalised and acceptance loans, collaterals
that are accepted as financial commitments and other letters of credit:**

As of 31 December 2013, the Group has guarantee and indemnities amounting TL 2,195
(31 December 2012: TL 132) based upon the guarantee letter.

ii. Revocable, irrevocable guarantees, contingencies and other similar commitments:

None (31 December 2012: None)

c. Total amount of non-cash loans:

	31 December 2013	31 December 2012
Non-cash Loans Given against Cash Loans	-	-
With Original Maturity of 1 Year or Less Than 1 Year	-	-
With Original Maturity of More Than 1 Year	-	-
Other Non-cash Loans	2,195	132
Total	2,195	132

d. Information on sectoral risk concentrations of non-cash loans:

	Current Period				Prior Period			
	31 December 2013				31 December 2012			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	-	-	-	-	-	-	-	-
Farming and Raising Livestock	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-
Fishing	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	-	-
Mining	-	-	-	-	-	-	-	-
Production	-	-	-	-	-	-	-	-
Electric, Gas and Water	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Services	2	100.00	2,193	100.00	132	100.00	-	-
Wholesale and Retail Trade	-	-	2,130	97.13	-	-	-	-
Hotel, Food and Beverage Services	-	-	-	-	-	-	-	-
Transportation and Telecommunication	-	-	-	-	-	-	-	-
Financial Institutions	2	100.00	-	-	-	-	-	-
Real Estate and Leasing Services	-	-	63	2.87	-	-	-	-
Self-Employment Services	-	-	-	-	132	100.00	-	-
Education Services	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total	2	100.00	2,193	100.00	132	100.00	-	-

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e. Information on the non-cash loans classified in Group I and Group II:

	Group I		Group II	
	TL	FC	TL	FC
Non-Cash Loans	2	2,193	-	-
Letters of Guarantee	2	2,193	-	-
Bank Acceptances	-	-	-	-
Letters of Credit	-	-	-	-
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	-	-	-	-

2. Information on derivative transactions:

None (31 December 2012: None).

3. Information on credit derivatives and related imposed risks:

None (31 December 2012: None).

4. Information on contingent assets and liabilities:

(i) Contingent assets

On 28 December 2013, "Additional Protocol to the Share Purchase and Sale Agreement" was signed, taking into consideration the potential additional gain for TAIB Menkul due to the Securities exchange act No: 6362, suggesting the inclusion of "İstanbul Altın Borsası ve Vadeli İşlemler Opsiyon Borsası" to Borsa İstanbul A.Ş., which was not in force yet on 11 September 2013 when the Parent Bank signed the share transfer agreement. According to Securities Exchange Act No: 6362, part of the shares, representing the contribution related to "İstanbul Altın Borsası ve Vadeli İşlemler Opsiyon Borsası" which will be transferred from Borsa İstanbul A.Ş. to TAIB Menkul, will belong to the Bank, if the transfer of shares to TAIB Menkul occurs within 6 months following this protocol. If the transfer of shares occurs within 6 to 12 months, half of the contribution will belong to Parent Bank, and if the share transfer happens after more than 12 months, all of the contribution will belong to the new shareholder.

(ii) Contingent liabilities

As of 31 December 2013, the Group has reflected the provision for its ongoing lawsuits amounting TL 197 to the financial statements. The process regarding the law suits is still ongoing and decisions will be finalised after trial.

With the warning letter dating 24 March 2013, a former shareholder of PDF has requested the payment of USD340 thousand within 30 (thirty) days presenting the 124.542 shares of TAIB Bank B.S.C.(c) given to him in respect of the share transfer agreement signed by former PDF's shareholders on 11 February 2008 about the purchase of PDF's shares. Bank's Management has notified the addressor of the warning letter that subjected payment concerns TAIB Bank B.S.C.(c), owner of the shares, and hence no provision has been provided.

The Parent Bank issued indemnification letters in favour of its members of Board of Directors to protect them against possible claims.

5. Information on services in the name of others' names and accounts:

None (31 December 2012: TL 605).

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IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED INCOME STATEMENT

1. Information on interest income:

a. Information on interest income on loans:

	31 December 2013		31 December 2012	
	TL	FC	TL	FC
Short-term Loans	95	-	-	-
Medium/Long-term Loans	-	-	-	-
Interest on Loans Under Follow-up	-	-	-	-
Premiums Received from Resource Utilisation Support Fund	-	-	-	-
Total	95	-	-	-

(*) Includes fee and commission income regarding cash loans.

b. Information on interest income on banks:

	31 December 2013		31 December 2012	
	TL	FC	TL	FC
From the CBRT	-	-	-	-
From Domestic Banks	59	-	-	-
From Foreign Banks	-	-	-	-
Headquarters and Branches Abroad	-	-	-	-
Total	59	-	-	-

c. Information on interest income received from investments in associates and subsidiaries:

	31 December 2013		31 December 2012	
	TL	FC	TL	FC
From Trading Financial Assets	131	-	388	-
From Financial Assets at Fair Value through Profit or Loss	-	-	-	-
From Available-for-sale Financial Assets	8	-	361	-
From Held-to-Maturity Investments	-	-	-	-
Total	139	-	749	-

d. Information on interest income received from investments in associates and subsidiaries:

None (31 December 2012: None).

2. Information on interest expense:

a. Information on interest expense on borrowings:

	31 December 2013		31 December 2012	
	TL	FC	TL	FC
Banks	87	-	488	-
The CBRT	-	-	-	-
Domestic Banks	-	-	-	-
Foreign Banks	87	-	488	-
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	-	-	-
Total	87	-	488	-

(*) Includes fee and commission income regarding cash loans.

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b. Information on interest expense given to investments in associates and subsidiaries:

None (31 December 2012: None).

c. Interest expense on issued marketable securities:

None (31 December 2012: None).

d. Maturity structure of the interest expense on deposits:

None (31 December 2012: None).

3. Information on dividend income:

None (31 December 2012: None).

4. Information on trading income/loss (Net):

	31 December 2013	31 December 2012
Income	146	216
Income from Capital Market Transactions	18	79
Income from Derivative Financial Transactions(*)	-	-
Foreign Exchange Gains	128	137
Loss (-)	115	147
Loss from Capital Market Transactions	10	4
Loss from Derivative Financial Transactions(*)	-	-
Foreign Exchange Loss	105	143

(*) Due to value dates of derivative financial transactions of the bank is too short, the large amount of the profit and loss from derivative financial transactions consists of fx gain loss.

5. Information on other operating income:

Other operating income consists of TL 167 income from previous years' provision cancellations and TL 581 income from consulting services. There is no income regarding extraordinary accounts. (31 December 2012: TL 2,328 income from sale of subsidiary).

6. Provision expenses related to loans and other receivables:

	31 December 2013	31 December 2012
Specific Provisions for Loans and Other Receivables	-	-
III. Group Loans and Receivables	-	-
IV. Group Loans and Receivables	-	-
V. Group Loans and Receivables	-	-
Doubtful receivables of fees, commissions and other receivables	-	-
General Provision Expenses	130	83
Provision Expense for Possible Risks	-	-
Marketable Securities Impairment Expense	-	-
Financial Assets at Fair Value Through Profit or Loss	-	-
Available-for-sale Financial Assets	-	-
Investments in Associates, Subsidiaries and Held-to-Maturity Securities Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Held-to-Maturity Investments	-	-
Other	6,530	-
Total	6,660	83

(*) TL 6,508 of subsidiary impairment that is not covered by goodwill is included.

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7. Information related to other operating expenses :

	31 December 2013	31 December 2012
Personnel Expenses	2,671	2,870
Reserve For Employee Termination Benefits	43	44
Bank Social Aid Pension Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	53	79
Impairment Expenses of Intangible Assets	-	-
Goodwill impairment expenses	-	-
Amortisation Expenses of Intangible Assets	8	13
Impairment Exp. of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held For Resale	-	-
Depreciation Expenses of Assets Held for Resale	-	-
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	1,352	2,551
Operational Lease Expenses	267	760
Maintenance Expenses	31	7
Advertising Expenses	31	33
Other Expense	1,023	1,751
Loss on Sales of Assets	-	-
Other	1,078	1,226
Total	5,205	6,783

8. Information on income/(loss) before tax from continuing or discontinued operations:

Loss before tax comes from net interest income amounting TL 1,145, net commission fee expense amounting TL 69, trading income amounting TL 31, other operation income amounting TL 786, loans and other receivables impairment expense amounting TL 6,660 and other operating expense amounting TL5,205.

9. Information on provision for taxes from continuing or discontinued operations:

As of 31 December 2013 the Group does not have current tax income/ expense (31 December 2012: None). The Group has deferred tax income amounting to TL 2,938 (31 December 2012: TL 23 deferred tax expense. The Group doesn't have any discontinued operations.

10. Information on net income/(loss) from continuing or discontinued operations:

The Group has no discontinued operations. The Group has net loss from continuing operations amounting to TL 7,034 (31 December 2012: TL 2,169 net loss).

11. Information on net income/(loss) for the period:

a. If the disclosure of ordinary banking transactions and the composition of income and expense items is necessary to understand the annual performance of Group, the composition and amount of these items:

None (31 December 2012: None).

b. If an accounting estimate change significantly affects the profit/loss in the current period or has a probability to significantly affect the profit/loss in the subsequent periods, the overall effect is disclosed:

There is no significant change in accounting estimates.

12. Disclosure of 20% of sub-accounts in the case of other line items exceed 10% of the income statement total.

TL 96 (31 December 2012: TL 74) of other operating income, which exceed 10% of the income statement total, comes from fee and commission expense.

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**V. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED STATEMENT OF
CHANGES IN THE SHAREHOLDERS' EQUITY**

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

"Unrealized gains and losses" arising from changes in the fair value of securities classified as available-for-sale are not recognized in current year income statements; they are recognized in the "Marketable securities value increase fund" account under equity, until the financial assets are sold, disposed or impaired.

There is not any marketable securities valuation difference related to available-for-sale financial assets (31 December 2012: None).

b. Amounts transferred to legal reserves:

Bank has no amounts transferred to legal reserves for current period.

c. Information on distribution of profit:

The Bank has reported loss as of 31 December 2013 and 2012, hence no dividend will be distributed. For this reason, no dividend distribution has been announced after the balance sheet date.

d. Information on capital increase:

Explanations on capital increase are presented in Note XI of Section Five, II. II. Explanations and notes related to consolidated liabilities.

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**VI. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED STATEMENT OF CASH
FLOWS**

a. Information on cash and cash equivalents:

Components of cash and cash equivalents and the accounting policy applied in their determination:

The effect of any change in the accounting policy of current period and the balance sheet recorded amounts of the components that make up cash and cash equivalents (excluding rediscount balances, reserve requirements, placements with maturity longer than 3 months and blocked accounts) are considered as cash and cash equivalents.

b. Cash and cash equivalents at the beginning of the period:

	31 December 2013	31 December 2012
Cash	145	161
Cash, foreign currency	3	26
CBRT	142	135
Other	-	-
Cash Equivalents	19,346	8,501
Banks	3,443	2,700
Interbank Money Market	15,903	5,801
Total Cash and Cash Equivalents	19,491	8,662
Blocked amounts on cash and cash equivalents	-	-
Interest income rediscounts on cash and cash equivalents	(7)	(1)
Cash equivalents with a maturity longer than three months	-	-
Unrestricted reserve deposits	(34)	(32)
Cash Flow Statements Cash and Cash Equivalents	19,450	8,629

1. Explanation about other cash flows items and the effect of changes in foreign exchange rates on cash and cash equivalents:

The "Other" items presented in "Cash flows from banking activities" amount to TL2,328 (31 December 2012: TL 8,946) consists of "Other Operating Expenses" excluding fees and commissions paid and personel expenses.

The "Net increase/decrease in other liabilities" item under "Changes in operating assets and liabilities" amounting to TL348 (31 December 2012: TL271) consists mainly of changes in miscellaneous payables, other liabilities and taxes and other duties payable.

As of 31 December 2013 the effect of changes in the foreign currency rates on the cash and cash equivalents amounting to TL2 (31 December 2012: TL2)

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VII. EXPLANATIONS AND NOTES RELATED TO THE PARENT BANK'S RISK GROUP

- 1. The volume of transactions relating to the Group's risk group, outstanding loan and deposit transactions and profit and loss of the period:**

a. Current Period (31 December 2013):

Groups' Risk Group (*)	Investments in Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Beginning of the Period	-	-	6	-	-	-
End of the Period	-	-	-	-	-	-
Interest and Commission Income Received	-	-	-	-	-	-

b. Prior Period (31 December 2012):

Groups' Risk Group (*)	Investments in Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	6	-	-	-
Interest and Commission Income Received	-	3	-	-	-	-

c.1. Information on deposits of the Group's risk group:

The Bank doesn't have any deposits since it is an investment bank.

c.2. Information on forward and option agreements and other similar agreements made with the Group's risk group:

None (31 December 2012: None)

d. Information on key management compensation:

As of 31 December 2013, key management compensation amount is TL 702 (31 December 2012: 517 TL).

VIII. EXPLANATIONS AND NOTES RELATED TO THE DOMESTIC, FOREIGN, OFF-SHORE BRANCHES AND FOREIGN REPRESENTATIVES OF THE PARENT BANK

None (31 December 2012: None).

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SECTION SIX

OTHER EXPLANATIONS AND NOTES

I. OTHER EXPLANATIONS RELATED TO OPERATIONS OF THE PARENT BANK

None.

II. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

In the extraordinary general assembly meeting of PDF on 23 January 2014, it was unanimously decided that the members of the PDF board of directors should be authorised regarding the merger or liquidation of the company through take over by another company or partner bank

SECTION SEVEN

EXPLANATIONS ON INDEPENDENT AUDITOR’S REPORT

I. EXPLANATIONS ON INDEPENDENT AUDITOR’S REPORT

The consolidated financial statements for the year ended 31 December 2013 have been audited by Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of PricewaterhouseCoopers) and the independent auditor’s report dated 14 March 2014 has been presented prior to the consolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITOR

None.