

**CONVENIENCE TRANSLATION  
OF PUBLICLY ANNOUNCED UNCONSOLIDATED  
FINANCIAL STATEMENTS AND  
REVIEW REPORT ORIGINALLY ISSUED IN TURKISH,  
SEE NOTE I OF SECTION THREE**

**TAIB YATIRIMBANK A.Ş.**

**PUBLICLY ANNOUNCED UNCONSOLIDATED  
FINANCIAL STATEMENTS  
TOGETHER WITH REVIEW REPORT  
AT 31 MARCH 2013**



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

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

We have reviewed the accompanying unconsolidated balance sheet of TAIB YatırımBank A.Ş. ("the Bank") at 31 March 2013 and the related unconsolidated statements of income, cash flows and changes in shareholders' equity for the period then ended. These financial statements are the responsibility of the Bank's management. Our responsibility, as independent auditors is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Uniform Chart of Accounts of banks, accounting standards and the independent audit principles in conformity with Banking Law No. 5411. Those principles require that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries concerning the Bank's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

As explained in detail in Article 8.c. of Note I. "Explanations and Notes Related to Assets" of Section 5 "Explanations and Notes Related to Unconsolidated Financial Statements", as of 31 March 2013, the equity of the Bank's subsidiary PDF Kurumsal Finansman Danışmanlık Hizmetleri A.Ş. ("PDF") is minus 567 thousand Turkish Lira ("TL"). As of 31 March 2013, the carrying value of PDF in the Bank's accompanying financial statements is TL7.926 thousand, and the total loan balance granted to PDF by the Bank is TL550 thousand. A valuation study has been performed at November 2012 by an independent firm, in order to determine the fair value of the subsidiary with the assumptions that the parent company of the Bank 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 mentioned study, the value of PDF is determined as TL5.103 thousand. In addition, the Bank is in the sale process and within the Bank's sale process, subject to the approval of Banking Regulation and Supervision Agency ("BRSA"), it is planned to net off the loan granted to PDF; to write off the carrying value of the subsidiary and to transfer PDF at this value to the Bank's main shareholder or any of the group companies of the main shareholder as deemed suitable. No provision is recorded as at 31 March 2013 in the accompanying financial statements with respect to PDF's carrying value and the loan amount.

Based on our review, except for the effect of the matter on the financial statements described in the paragraph above, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial statements do not give a true and fair view of the financial position of TAIB YatırımBank A.Ş. as of 31 March 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 Article 37 of Banking Law No. 5411 and other regulations, interpretations and circulars published by the Banking Regulation and Supervision Agency on accounting and financial reporting principles.



Without changing our conclusion, we would like to draw attention to the following matter:

As explained in detail in Article 9.a of Note II. "Explanation and Notes Related to Liabilities" of Section 5 "Explanation and Notes Related to Unconsolidated Financial Statements", as of 31 March 2013 except for the effect of the matter referred to in the above paragraph; the total shareholders' equity of the TAIB YatırımBank A.Ş. is TL15.337 thousand, the accumulated total loss is TL23.564 thousand and the current period loss is TL994 thousand. Within this context; in accordance with Banking Act No. 5411 Article 7, the Bank's total shareholders' equity is lower than the required minimum shareholders' equity which is TL20.000 thousand. Furthermore, as of 31 March 2013, in accordance with the Turkish Commercial Code Article 376, half of the capital of the Bank is lost. These conditions indicate significant uncertainty about the Bank's ability to continue as a going concern. The ability of the Bank to continue its operations depends on adapting the requested necessary measures, finding new shareholders accordingly, and fulfilling the capital requirement. The Bank's main shareholder has signed a share transfer agreement with buyer group on 13 May 2013 with respect to the sale of the Bank and BRSA's approval is awaited for the share transfer.

Additional paragraph for convenience translation:

As explained in detail in Note "I. Basis of Presentation" of Section 3, the effects of differences between accounting principles and standards set out by regulations in conformity with Article 37 of the Banking Act No. 5411, accounting principles generally accepted in countries in which the accompanying unconsolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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

Talar Gül, SMMM  
Partner

Istanbul, 15 May 2013



TAIB YatırımBank. A.Ş.

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**THE THREE MONTH UNCONSOLIDATED INTERIM FINANCIAL REPORT OF  
TAIB YATIRIMBANK A.Ş. AS OF 31 MARCH 2013**

Address of the Bank's Headquarters : Yüzbaşı Kaya Aldoğan Sokak No.7 Aksoy İş Merkezi Kat: 3,  
34394, Zincirlikuyu / İstanbul

Telephone of the Bank : (0 212) 345 07 11  
Fax of the Bank : (0 212) 345 07 12  
Web site of the Bank : [www.yatirimbank.com.tr](http://www.yatirimbank.com.tr)  
E-mail for correspondence : [yatirim@yatirimbank.com.tr](mailto:yatirim@yatirimbank.com.tr)

The unconsolidated three-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 BANK
- **SECTION TWO** - UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- **SECTION THREE** - EXPLANATIONS ON ACCOUNTING POLICIES
- **SECTION FOUR** - INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK
- **SECTION FIVE** - EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
- **SECTION SIX** - EXPLANATIONS ON REVIEW REPORT

The accompanying three month unconsolidated interim 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.

Rifki Metin SELÇUK  
Chairman

Halim ÖZTÜRK  
General Manager

Adel A. ALMANNAEI  
Board Member  
In Charge of  
Financial Control and Reporting

Rifki Metin SELÇUK  
Audit Committee Member

Kürşat Semih SISMAN  
Audit Committee Member

Yeşim ÇAĞLAR  
Assistant Manager In Charge of  
Financial Control and Reporting

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

Name-Surname/Title : Yeşim Çağlar / Assistant Manager  
Telephone Number : (0212) 705 89 08  
Fax Number : (0212) 345 17 12

**INDEX****PAGE****SECTION ONE****GENERAL INFORMATION**

<b>I.</b>	Bank's foundation date, start-up statute, history about the changes in this mentioned statute.....	1
<b>II.</b>	Explanation about the Bank's capital structure, shareholders of the Bank who are in charge of the management and/or auditing of the Bank directly or indirectly, changes in these matters (if any) and the group the Bank belongs to .....	1
<b>III.</b>	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 Bank they possess .....	1
<b>IV.</b>	Explanation on shareholders having control shares.....	2
<b>V.</b>	Information on the Bank's service type and field of operations .....	2
<b>VI.</b>	Existing or potential, actual or legal obstacles on immediate equity transfer between the Bank and its subsidiaries or repayment of the debt.....	2
<b>VII.</b>	Other information.....	3

**SECTION TWO****UNCONSOLIDATED FINANCIAL STATEMENTS**

<b>I.</b>	Balance sheet.....	4-5
<b>II.</b>	Income statements .....	6
<b>III.</b>	Off-balance sheet commitments .....	7
<b>IV.</b>	Statements of changes in shareholders' equity .....	8-9
<b>V.</b>	Statement of income and expense items accounted in equity .....	10
<b>VI.</b>	Statement of cash flows.....	11

**SECTION THREE****EXPLANATIONS ON ACCOUNTING POLICIES**

<b>I.</b>	Basis of presentation .....	12-13
<b>II.</b>	Explanations on strategy of using financial instruments and foreign currency transactions.....	13
<b>III.</b>	Explanations on forward transactions, options and derivative instruments .....	13
<b>IV.</b>	Explanations on interest income and expense .....	14
<b>V.</b>	Explanations on fee and commission income and expense .....	14
<b>VI.</b>	Explanations on financial assets.....	14-15
<b>VII.</b>	Explanations on impairment of financial assets.....	16
<b>VIII.</b>	Explanations on offsetting financial assets.....	16
<b>IX.</b>	Explanations on sales and repurchase agreements and securities lending transactions .....	16
<b>X.</b>	Explanations on assets held for resale and fixed assets from discontinued operations and liabilities related with these assets .....	16-17
<b>XI.</b>	Explanations on goodwill and other intangible assets .....	17
<b>XII.</b>	Explanations on property and equipment .....	17-18
<b>XIII.</b>	Explanations on leasing transactions .....	18
<b>XIV.</b>	Explanations on provisions and contingent commitments.....	18
<b>XV.</b>	Explanations on contingent assets .....	18
<b>XVI.</b>	Explanations on obligations related to employee rights .....	19
<b>XVII.</b>	Explanations on taxation .....	19-20
<b>XVIII.</b>	Explanations on borrowings.....	20
<b>XIX.</b>	Explanations on issuance of share certificates.....	20
<b>XX.</b>	Explanations on avalized drafts and acceptances .....	20
<b>XXI.</b>	Explanations on government grants.....	20
<b>XXII.</b>	Explanations on profit reserves and profit distribution.....	21
<b>XXIII.</b>	Explanations on earnings per share .....	21
<b>XXIV.</b>	Explanations on related parties.....	21
<b>XXV.</b>	Explanations on cash and cash equivalents .....	22
<b>XXVI.</b>	Explanations on segment reporting .....	22
<b>XXVII.</b>	Reclassifications.....	22

**INDEX****PAGE****SECTION FOUR****INFORMATION RELATED TO FINANCIAL POSITION**

<b>I.</b>	Explanations on capital adequacy ratio .....	23-24
<b>II.</b>	Explanations on market risk .....	25
<b>III.</b>	Explanations on operational risk .....	25
<b>IV.</b>	Explanations on currency risk .....	26-27
<b>V.</b>	Explanations on interest rate risk.....	28-30
<b>VI.</b>	Explanations on liquidity risk.....	31-32
<b>VII.</b>	Explanations on operating segments .....	32

**SECTION FIVE****EXPLANATIONS AND NOTES RELATED TO  
UNCONSOLIDATED FINANCIAL STATEMENTS**

<b>I.</b>	Explanations and notes related to assets .....	33-40
<b>II.</b>	Explanations and notes related to liabilities.....	41-45
<b>III.</b>	Explanations and notes related to income statement .....	46-49
<b>IV.</b>	Explanations and notes related to off-balance sheet accounts .....	49-53
<b>V.</b>	Explanations and notes related to subsequent events.....	54

**SECTION SIX****OTHER EXPLANATIONS AND NOTES**

<b>I.</b>	Other explanations related to operations of the Bank .....	73
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**SECTION SEVEN****EXPLANATIONS ON REVIEW REPORT**

<b>I.</b>	Explanations on review report.....	54
<b>II.</b>	Explanations and notes prepared by independent auditor.....	54

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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

**SECTION ONE**

**GENERAL INFORMATION**

**I. Bank’s foundation date, start-up statute, history about the changes in this mentioned statute:**

TAIB YatırımBank A.Ş. (“the Bank”) is a wholly owned subsidiary of TAIB Bank B.S.C. (c). The 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 March 2013, the Bank operates in its head office in Istanbul and there are no other branches.

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

The main shareholder TAIB Bank B.S.C. (c) owns 99,47% of the Parent Bank. Dubai Financial Group L.L.C. indirectly owns 58,1% of the Parent Bank where Dubai Financial Group L.L.C. owns 58,57% of TAIB Bank B.S.C. (c) in accordance with the Banking Regulation and Supervision Agency’s (“BRSA”) decision No. 2955 dated 25 December 2008. The other main shareholder of TAIB Bank B.S.C. (c) is AbdulAziz Alrashed Group with 13,11% shares. According to the decision taken in the Board of directors Meeting dated 17 May 2012 and No. 2012/21, it has been decided to transfer the share which is owned by Sanjeev Kathpalia and has a TL1 nominal value, to Syed Shezad Abedi.

**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 Bank they possess:**

Title	Name	Education	Percentage	Share
Chairman of the Board of Directors/ Member of the Audit Committee	Rıfki Metin Selçuk		Undergraduate	-
Member of the Board of Directors/ General Manager	Halim Öztürk		Undergraduate	-
Member of the Board of Directors/ Member of the Audit Committee	Kürşat Semih Şişman		Undergraduate	-
Member of the Board of Directors	Murat Kuloğlu		Undergraduate	-
Member of the Board of Directors	Adel Abdulla Jasim Abdulla			
	Al Mannaei		Graduate	-
Member of the Board of Directors	Syed Shezad Abedi		Graduate	-
Executive Vice President Responsible for Legal Department	Gürhan Okay		PhD	-
Executive Vice President Responsible for Internal Systems	Arzu Çakmakçioğlu		Graduate	-

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

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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

**GENERAL INFORMATION (Continued)**

**IV. Explanation on shareholders having control shares:**

<b>Name/Commercial title</b>	<b>Share Amounts (nominal)</b>	<b>Share percentage</b>	<b>Paid-in Capital (nominal)</b>	<b>Unpaid portion</b>
TAIB Bank B.S.C. (c)	36.803.498	99,47	34.003.498	-
SheikhAbdullah Mohammed BAROM	39.300	0,11	39.300	-
Iqbal G. MAMDANI	39.300	0,11	39.300	-
Sheikh Abdulruhman AL JERAIŞY	39.300	0,11	39.300	-
Sheikh Abdulaziz AL RASHED	39.300	0,11	39.300	-
First Anglo Holdings Ltd.	39.300	0,11	39.300	-
Syed Shezad Abedi	1	0,00		
Sheikh Ahmed Mohammed Barom	1	0,00		

The main shareholder TAIB Bank B.S.C. (c) owns 99,47% of the Parent Bank. Dubai Financial Group L.L.C. indirectly owns 58,1% of the Parent Bank where Dubai Financial Group L.L.C. owns 58,57% of TAIB Bank B.S.C. (c) in accordance with the Banking Regulation and Supervision Agency’s (“BRSA”) decision No. 2955 dated 25 December 2008. The other main shareholder of TAIB Bank B.S.C. (c) is AbdulAziz Alrashed Group with 13,11% shares. According to the decision taken in the Board of directors Meeting dated 17 May 2012 and No. 2012/21, it has been decided to transfer the share which is owned by Sanjeev Kathpalia and has a TL1 nominal value, to Syed Shezad Abedi.

**V. Information on the Bank’s service type and field of operations:**

The Bank operates as an investment bank and its core business activities include Asset Management, Real Estate Investment, Fund Management and Corporate Finance.

As of 31 March 2013 the Bank has 14 employees (31 December 2012: 15).

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

The Bank and subsidiary PDF Kurumsal Danışmalık Hizmetleri A.Ş. are on sale process as explained in detail in Article 8.c. of Note I. “Explanations and Notes Related to Assets” of Section 5 “Explanations and Notes Related to Unconsolidated Financial Statements” and in article 9.a. of Note “II. Explanations and Notes Related to Liability Accounts” of Section 5 “Explanations and Notes Related to Unconsolidated Financial Statements”.



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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

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**GENERAL INFORMATION (Continued)**

**VII. Other information:**

**a. Commercial title of the Bank:**

TAIB YatırımBank A.Ş.

**b. Address of the Bank's headquarters:**

Yüzbaşı Kaya Aldoğan Sok. Aksoy İş Merkezi No:7 Kat:3 Zincirlikuyu/İstanbul

**c. Telephone and fax numbers of the Bank:**

Telephone : (0 212) 705 89 00

Fax : (0 212) 345 07 12

**d. Website of the Bank:**

[www.yatirimbank.com.tr](http://www.yatirimbank.com.tr)

**e. E-mail of the Bank:**

[yatirim@yatirimbank.com.tr](mailto:yatirim@yatirimbank.com.tr)

**f. Reporting Period:**

1 January - 31 March 2013

The accompanying unconsolidated interim financial statements and notes to these financial statements have been prepared and presented in Turkish Lira ("TL") unless otherwise stated.

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

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

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

**SECTION TWO  
UNCONSOLIDATED FINANCIAL STATEMENTS**

**I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)**

	ASSETS	Note (Section Five-I)	31 March 2013			31 December 2012		
			TL	FC	Total	TL	FC	Total
<b>I.</b>	<b>CASH AND BALANCES WITH CENTRAL BANK</b>		214	45	259	93	68	161
<b>II.</b>	<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)</b>	(2)	8.435	-	8.435	1.587	-	1.587
2.1	Trading Financial Assets		8.435	-	8.435	1.587	-	1.587
2.1.1	Government Debt Securities		8.435	-	8.435	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		-	-	-	-	-	-
<b>III.</b>	<b>BANKS</b>	(3)	6	119	125	5	2.694	2.699
<b>IV.</b>	<b>MONEY MARKETS</b>		-	-	-	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		-	-	-	5.801	-	5.801
<b>V.</b>	<b>AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)</b>	(4)	-	-	-	-	-	-
5.1	Share Certificates		-	-	-	-	-	-
5.2	Government Debt Securities		-	-	-	-	-	-
5.3	Other Marketable Securities		-	-	-	-	-	-
<b>VI.</b>	<b>LOANS</b>	(5)	550	-	550	750	-	750
6.1	Loans		550	-	550	750	-	750
6.1.1	Loans to Bank's Risk Group		550	-	550	750	-	750
6.1.2	Government Debt Securities		-	-	-	-	-	-
6.1.3	Other		-	-	-	-	-	-
6.2	Loans under Follow-up		60	-	60	60	-	60
6.3	Specific Provisions (-)		(60)	-	(60)	(60)	-	(60)
<b>VII.</b>	<b>FACTORING RECEIVABLES</b>		-	-	-	-	-	-
<b>VIII.</b>	<b>HELD-TO-MATURITY SECURITIES (Net)</b>	(6)	-	-	-	-	-	-
8.1	Government Debt Securities		-	-	-	-	-	-
8.2	Other Marketable Securities		-	-	-	-	-	-
<b>IX.</b>	<b>INVESTMENTS IN ASSOCIATES (Net)</b>	(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		-	-	-	-	-	-
<b>X.</b>	<b>SUBSIDIARIES (Net)</b>	(8)	7.926	-	7.926	7.926	-	7.926
10.1	Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
10.2	Unconsolidated Non-Financial Subsidiaries		7.926	-	7.926	7.926	-	7.926
<b>XI.</b>	<b>JOINT VENTURES (Net)</b>	(9)	-	-	-	-	-	-
11.1	Consolidated Based on Equity Method		-	-	-	-	-	-
11.2	Unconsolidated		-	-	-	-	-	-
11.2.1	Financial Joint Ventures		-	-	-	-	-	-
11.2.2	Non-financial Joint Ventures		-	-	-	-	-	-
<b>XII.</b>	<b>LEASE RECEIVABLES (Net)</b>	(10)	-	-	-	-	-	-
12.1	Financial Lease Receivables		-	-	-	-	-	-
12.2	Operational Lease Receivables		-	-	-	-	-	-
12.3	Other		-	-	-	-	-	-
12.4	Unearned Income (-)		-	-	-	-	-	-
<b>XIII.</b>	<b>HEDGING DERIVATIVE FINANCIAL ASSETS</b>	(11)	-	-	-	-	-	-
13.1	Fair Value Hedge		-	-	-	-	-	-
13.2	Cash Flow Hedge		-	-	-	-	-	-
13.3	Foreign Net Investment Hedge		-	-	-	-	-	-
<b>XIV.</b>	<b>PROPERTY AND EQUIPMENT (Net)</b>	(12)	89	-	89	68	-	68
<b>XV.</b>	<b>INTANGIBLE ASSETS (Net)</b>	(13)	10	-	10	11	-	11
15.1	Goodwill		-	-	-	-	-	-
15.2	Other		10	-	10	11	-	11
<b>XVI.</b>	<b>INVESTMENT PROPERTY (Net)</b>	(14)	-	-	-	-	-	-
<b>XVII.</b>	<b>TAX ASSET</b>		15	-	15	10	-	10
17.1	Current Tax Asset		15	-	15	10	-	10
17.2	Deferred Tax Asset		-	-	-	-	-	-
<b>XVIII.</b>	<b>ASSETS HELD FOR RESALE AND DISCONTINUED OPERATIONS (Net)</b>	(16)	-	-	-	-	-	-
18.1	Held for Resale		-	-	-	-	-	-
18.2	Discontinued Operations		-	-	-	-	-	-
<b>XIX.</b>	<b>OTHER ASSETS</b>	(17)	460	45	505	225	44	269
	<b>TOTAL ASSETS</b>		<b>17.705</b>	<b>209</b>	<b>17.914</b>	<b>16.476</b>	<b>2.806</b>	<b>19.282</b>

The accompanying explanations and notes on pages between 12 and 54 form an integral part of these financial statements.

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

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

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

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

	LIABILITIES	Note (Section Five-II)	31 March 2013			31 December 2012		
			TL	FC	Total	TL	FC	Total
<b>I.</b>	<b>DEPOSITS</b>							
1.1	Deposits of Bank's Risk Group	(1)	-	-	-	-	-	-
1.2	Other		-	-	-	-	-	-
<b>II.</b>	<b>TRADING DERIVATIVE FINANCIAL LIABILITIES</b>	(2)	-	-	-	-	-	-
<b>III.</b>	<b>BORROWINGS</b>	(3)	1.561	-	1.561	1.561	-	1.561
<b>IV.</b>	<b>MONEY MARKETS</b>		18	-	18	-	-	-
4.1	Funds from Interbank Money Market		-	-	-	-	-	-
4.2	Funds from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3	Funds Provided Under Repurchase Agreements		18	-	18	-	-	-
<b>V.</b>	<b>MARKETABLE SECURITIES ISSUED (Net)</b>		-	-	-	-	-	-
5.1	Bills		-	-	-	-	-	-
5.2	Asset Backed Securities		-	-	-	-	-	-
5.3	Bonds		-	-	-	-	-	-
<b>VI.</b>	<b>FUNDS</b>							
6.1	Borrower Funds		-	-	-	-	-	-
6.2	Other		-	-	-	-	-	-
<b>VII.</b>	<b>MISCELLANEOUS PAYABLES</b>		137	89	226	133	108	241
<b>VIII.</b>	<b>OTHER LIABILITIES</b>	(4)	-	-	-	-	-	-
<b>IX.</b>	<b>FACTORING PAYABLES</b>		-	-	-	-	-	-
<b>X.</b>	<b>LEASE PAYABLES (Net)</b>	(5)	-	-	-	-	-	-
10.1	Financial Lease Payables		-	-	-	-	-	-
10.2	Operational Lease Payables		-	-	-	-	-	-
10.3	Other		-	-	-	-	-	-
10.4	Deferred Financial Lease Expenses (-)		-	-	-	-	-	-
<b>XI.</b>	<b>HEDGING DERIVATIVE FINANCIAL LIABILITIES</b>	(6)	-	-	-	-	-	-
11.1	Fair Value Hedge		-	-	-	-	-	-
11.2	Cash Flow Hedge		-	-	-	-	-	-
11.3	Foreign Net Investment Hedge		-	-	-	-	-	-
<b>XII.</b>	<b>PROVISIONS</b>	(7)	568	77	645	603	342	945
12.1	General Loan Loss Provision		107	2	109	145	27	172
12.2	Restructuring Provisions		-	-	-	-	-	-
12.3	Reserve for Employee Rights		323	-	323	297	-	297
12.4	Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5	Other Provisions		138	75	213	161	315	476
<b>XIII.</b>	<b>TAX LIABILITY</b>	(8)	127	-	127	204	-	204
13.1	Current Tax Liability		127	-	127	204	-	204
13.2	Deferred Tax Liability		-	-	-	-	-	-
<b>XIV.</b>	<b>PAYABLES FOR ASSET HELD FOR RESALE AND DISCONTINUED OPERATIONS</b>		-	-	-	-	-	-
14.1	Held for Resale		-	-	-	-	-	-
14.2	Discontinued Operations		-	-	-	-	-	-
<b>XV.</b>	<b>SUBORDINATED LOANS</b>		-	-	-	-	-	-
<b>XVI.</b>	<b>SHAREHOLDERS' EQUITY</b>	(9)	15.337	-	15.337	16.331	-	16.331
16.1	Paid-in Capital		37.000	-	37.000	37.000	-	37.000
16.2	Capital Reserves		1.577	-	1.577	-	-	-
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		1.577	-	1.577	-	-	-
16.3	Profit Reserves		324	-	324	324	-	324
16.3.1	Legal Reserves		29	-	29	29	-	29
16.3.2	Status Reserves		295	-	295	295	-	295
16.3.3	Extraordinary Reserves		-	-	-	-	-	-
16.3.4	Other Profit Reserves		-	-	-	-	-	-
16.4	Income or (Loss)		(23.564)	-	(23.564)	(20.993)	-	(20.993)
16.4.1	Prior Years' Income/ (Loss)		(22.570)	-	(22.570)	(19.515)	-	(19.515)
16.4.2	Current Year Income/ (Loss)		(994)	-	(994)	(1.478)	-	(1.478)
	<b>TOTAL LIABILITIES</b>		<b>17.748</b>	<b>166</b>	<b>17.914</b>	<b>18.832</b>	<b>450</b>	<b>19.282</b>

The accompanying explanations and notes on pages between 12 and 54 form an integral part of these financial statements.

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

**TAIB YATIRIMBANK A.Ş.  
UNCONSOLIDATED INCOME STATEMENT (STATEMENT OF PROFIT AND LOSS)  
FOR THE THREE MONTH PERIODS ENDED  
31 MARCH 2013 AND 31 MARCH 2012**

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

**II. INCOME STATEMENT (STATEMENT OF PROFIT AND LOSS)**

	INCOME AND EXPENSE ITEMS	Note (Section Five-III)	1 January - 31 March 2013	1 January - 31 March 2012
<b>I.</b>	<b>INTEREST INCOME</b>	<b>(1)</b>	<b>121</b>	<b>175</b>
1.1	Interest on Loans		22	13
1.2	Interest Received from Reserve Requirements		-	-
1.3	Interest Received from Banks		-	-
1.4	Interest Received from Money Market Transactions		29	38
1.5	Interest Received from Marketable Securities Portfolio		70	124
1.5.1	Trading Financial Assets		70	124
1.5.2	Financial Assets at Fair Value through Profit or Loss		-	-
1.5.3	Available-for-sale Financial Assets		-	-
1.5.4	Held-to-maturity Investments		-	-
1.6	Financial Lease Income		-	-
1.7	Other Interest Income		-	-
<b>II.</b>	<b>INTEREST EXPENSE (-)</b>	<b>(2)</b>	<b>(38)</b>	<b>(147)</b>
2.1	Interest on Deposits (-)		-	-
2.2	Interest on Funds Borrowed (-)		(37)	(133)
2.3	Interest Expense on Money Market Transactions (-)		(1)	(14)
2.4	Interest on Securities Issued (-)		-	-
2.5	Other Interest Expenses (-)		-	-
<b>III.</b>	<b>NET INTEREST INCOME (I - II)</b>		<b>83</b>	<b>28</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME/EXPENSE</b>		<b>(7)</b>	<b>13</b>
4.1	Fees and Commissions Received		2	24
4.1.1	Non-cash Loans		1	1
4.1.2	Other		1	24
4.2	Fees and Commissions Paid (-)		(9)	(11)
4.2.1	Non-cash Loans (-)		-	(1)
4.2.2	Other (-)		(9)	(10)
<b>V.</b>	<b>DIVIDEND INCOME</b>			
<b>VI.</b>	<b>TRADING INCOME/(LOSS) (Net)</b>	<b>(3)</b>	<b>(13)</b>	<b>48</b>
6.1	Trading Gains/(Losses) on Securities		2	52
6.2	Trading Gains/(Losses) on Derivative Financial Instruments		-	-
6.3	Foreign Exchange Gains/(Losses)		(15)	(4)
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	<b>(4)</b>	<b>150</b>	<b>75</b>
<b>VIII.</b>	<b>TOTAL OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>213</b>	<b>164</b>
<b>IX.</b>	<b>PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES</b>	<b>(5)</b>		<b>(5)</b>
<b>X.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	<b>(6)</b>	<b>(1,207)</b>	<b>(1,299)</b>
<b>XI.</b>	<b>NET OPERATING INCOME/(LOSS) (VIII-IX-X)</b>		<b>(994)</b>	<b>(1,140)</b>
<b>XII.</b>	<b>EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER</b>			
<b>XIII.</b>	<b>INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD</b>			
<b>XIV.</b>	<b>INCOME/(LOSS) ON NET MONETARY POSITION</b>		<b>(994)</b>	<b>(1,140)</b>
<b>XV.</b>	<b>INCOME/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS (XI+...+XIV)</b>	<b>(7)</b>		
<b>XVI.</b>	<b>TAX PROVISION FOR CONTINUING OPERATIONS (-)</b>	<b>(8)</b>		
16.1	Current Tax Provision		-	-
16.2	Deferred Tax Provision		-	-
<b>XVII.</b>	<b>NET INCOME/(LOSS) FROM CONTINUING OPERATIONS (XV-XVI)</b>		<b>(994)</b>	<b>(1,140)</b>
<b>XVIII.</b>	<b>INCOME FROM DISCONTINUED OPERATIONS</b>			
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		-	-
<b>XIX.</b>	<b>EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>			
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		-	-
<b>XX.</b>	<b>INCOME/(LOSS) BEFORE TAX FROM DISCONTINUED OPERATIONS (XVIII-XIX)</b>			
<b>XXI.</b>	<b>TAX PROVISION FOR DISCONTINUED OPERATIONS (-)</b>	<b>(8)</b>		
21.1	Current tax provision		-	-
21.2	Deferred tax provision		-	-
<b>XXII.</b>	<b>NET INCOME/(LOSS) FROM DISCONTINUED OPERATIONS (XX-XXI)</b>	<b>(9)</b>		
<b>XXIII.</b>	<b>NET INCOME/(LOSS) (XVII+XXII)</b>	<b>(10)</b>	<b>(994)</b>	<b>(1,140)</b>
	Earnings/(Loss) per share		(0,027)	(0,035)

The accompanying explanations and notes on pages between 12 and 54 form an integral part of these financial statements.

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

**TAIB YATIRIMBANK A.Ş.**

**UNCONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AT  
31 MARCH 2013 AND 31 DECEMBER 2012**

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

**III. OFF-BALANCE SHEET**

	OFF-BALANCE SHEET COMMITMENTS	Note (Section Five-IV)	31 March 2013			31 December 2012		
			TL	FC	Total	TL	FC	Total
<b>A.</b>	<b>OFF-BALANCE SHEET COMMITMENTS (I+II+III)</b>		<b>132</b>	<b>-</b>	<b>132</b>	<b>668</b>	<b>536</b>	<b>1.204</b>
<b>I.</b>	<b>GUARANTEES AND WARRANTIES</b>	<b>(1)</b>	<b>132</b>	<b>-</b>	<b>132</b>	<b>132</b>	<b>-</b>	<b>132</b>
1.1.	Letters of Guarantee		132	-	132	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		132	-	132	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.	Prefinancing 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		-	-	-	-	-	-
<b>II.</b>	<b>COMMITMENTS</b>		-	-	-	<b>536</b>	<b>536</b>	<b>1.072</b>
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		-	-	-	-	-	-
<b>III.</b>	<b>DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>(2)</b>	-	-	-	-	-	-
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>B.</b>	<b>CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>		<b>280</b>	<b>-</b>	<b>280</b>	<b>605</b>	<b>-</b>	<b>605</b>
<b>IV.</b>	<b>ITEMS HELD IN CUSTODY</b>		<b>140</b>	<b>-</b>	<b>140</b>	<b>465</b>	<b>-</b>	<b>465</b>
4.1.	Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2.	Investment Securities Held in Custody	<b>(4)</b>	140	-	140	465	-	465
4.3.	Cheques Received for Collection		-	-	-	-	-	-
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		-	-	-	-	-	-
<b>V.</b>	<b>PLEDGES RECEIVED</b>		<b>140</b>	<b>-</b>	<b>140</b>	<b>140</b>	<b>-</b>	<b>140</b>
5.1.	Marketable Securities		140	-	140	140	-	140
5.2.	Guarantee Notes		-	-	-	-	-	-
5.3.	Commodity		-	-	-	-	-	-
5.4.	Warranty		-	-	-	-	-	-
5.5.	Immovable		-	-	-	-	-	-
5.6.	Other Pledged Items		-	-	-	-	-	-
5.7.	Pledged Items-Depository		-	-	-	-	-	-
<b>VI.</b>	<b>ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)</b>		<b>412</b>	<b>-</b>	<b>412</b>	<b>1.273</b>	<b>536</b>	<b>1.809</b>

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**TAIB YATIRIMBANK A.Ş.**

**UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE THREE MONTH  
INTERIM PERIOD ENDED 31 MARCH 2012**

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

**IV. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

	PRIOR PERIOD 31 March 2012	Paid-in Capital	Adjustment to Share Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/ (Loss)	Prior Period Net Income/ (Loss)	Marketable Securities Valuation Reserve	Tangible and Intangible Assets Revaluation Reserve	Bonus Shares Obtained from Investments	Hedging Reserves	Valuation Difference of AHS and Discontinued Operations	Total Shareholders' Equity
<b>I.</b>	<b>Balance at the beginning of the period</b>	<b>34.200</b>	-	-	-	<b>29</b>	<b>295</b>	-	-	<b>(4.685)</b>	<b>(14.830)</b>	-	-	-	-	-	<b>15.009</b>
<b>II.</b>	<b>Adjustment in accordance with TMS 8</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1.	Effect of adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III.</b>	<b>New balance (I+II)</b>	<b>34.200</b>	-	-	-	<b>29</b>	<b>295</b>	-	-	<b>(4.685)</b>	<b>(14.830)</b>	-	-	-	-	-	<b>15.009</b>
	<b>Changes in the Period</b>																
<b>IV.</b>	<b>Increase/Decrease due to the Merger</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>V.</b>	<b>Marketable Securities Valuation Differences</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI.</b>	<b>Hedging Reserves (Effective Portion)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1	Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2	Foreign Investment Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII.</b>	<b>Revaluation Differences of Tangible Assets</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII.</b>	<b>Revaluation Differences of Intangible Assets</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX.</b>	<b>Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X.</b>	<b>Foreign Exchange Difference</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XI.</b>	<b>Changes due to the Disposal of Assets</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XII.</b>	<b>Changes due to the Reclassification of the Assets</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIII.</b>	<b>Effects of Changes in Equity of Investments in Associates</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIV.</b>	<b>Capital Increase</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2	Internal Resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XV.</b>	<b>Share Premium</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVI.</b>	<b>Share Cancellation Profits</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVII.</b>	<b>Adjustment to Share Capital</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVIII.</b>	<b>Other</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIX.</b>	<b>Current Year Income or Loss</b>	-	-	-	-	-	-	-	-	<b>(1.140)</b>	-	-	-	-	-	-	<b>(1.140)</b>
<b>XX.</b>	<b>Profit Distribution</b>	-	-	-	-	-	-	-	-	<b>4.685</b>	<b>(4.685)</b>	-	-	-	-	-	-
20.1	Dividend Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2	Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.3	Other	-	-	-	-	-	-	-	-	4.685	(4.685)	-	-	-	-	-	-
	<b>Period End Balance (I+II+III+...+XVIII+XIX+XX)</b>	<b>34.200</b>	-	-	-	<b>29</b>	<b>295</b>	-	-	<b>(1.140)</b>	<b>(19.515)</b>	-	-	-	-	-	<b>13.869</b>

The accompanying explanations and notes on pages between 12 and 54 form an integral part of these financial statements.

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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE THREE MONTH  
INTERIM PERIOD ENDED 31 MARCH 2013**

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

**IV. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Continued)**

	CURRENT PERIOD 31 March 2013	Paid-in Capital	Adjustment to Share Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/ (Loss)	Prior Period Net Income/ (Loss)	Marketable Securities Valuation Reserve	Tangible and Intangible Assets Revaluation Reserve	Bonus Shares Obtained from Investments	Hedging Reserves	Valuation Difference of AHS and Discontinued Operations	Total Shareholders' Equity
<b>I.</b>	<b>Prior Period End Balance</b>	<b>37.000</b>	-	-	-	<b>29</b>	<b>295</b>	-	-	<b>(1.478)</b>	<b>(19.515)</b>	-	-	-	-	-	<b>16.331</b>
	<b>Changes in the Period</b>																
<b>II.</b>	<b>Increase/Decrease due to the Merger</b>																
<b>III.</b>	<b>Marketable Securities Valuation Differences</b>																
<b>IV.</b>	<b>Hedging Reserves (Effective Portion)</b>																
4.1	Cash Flow Hedge																
4.2	Foreign Investment Hedge																
<b>V.</b>	<b>Revaluation Differences of Tangible Assets</b>																
<b>VI.</b>	<b>Revaluation Differences of Intangible Assets</b>																
<b>VII.</b>	<b>Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures</b>																
<b>VIII.</b>	<b>Foreign Exchange Difference</b>																
<b>IX.</b>	<b>Changes due to the Disposal of Assets</b>																
<b>X.</b>	<b>Changes due to the Reclassification of the Assets</b>																
<b>XI.</b>	<b>Effects of Changes in Equity of Investments in Associates</b>																
<b>XII.</b>	<b>Capital Increase</b>																
12.1	Cash																
12.2	Internal Resources																
<b>XIII.</b>	<b>Share Premium</b>																
<b>XIV.</b>	<b>Share Cancellation Profits</b>																
<b>XV.</b>	<b>Adjustment to Share Capital</b>																
<b>XVI.</b>	<b>Other</b>								<b>1.577</b>		<b>(1.577)</b>						
<b>XVII.</b>	<b>Current Year Income or Loss</b>									<b>(994)</b>							<b>(994)</b>
<b>XVIII.</b>	<b>Profit Distribution</b>									<b>1.478</b>	<b>(1.478)</b>						
18.1	Dividend Paid																
18.2	Transfers to Reserves																
18.3	Other									<b>1.478</b>	<b>(1.478)</b>						
	<b>Period End Balance (I+II+III+...+XVI+XVII+XVIII)</b>	<b>37.000</b>	-	-	-	<b>29</b>	<b>295</b>	-	<b>1.577</b>	<b>(994)</b>	<b>(22.570)</b>	-	-	-	-	-	<b>15.337</b>

The accompanying explanations and notes on pages between 12 and 54 form an integral part of these financial statements.

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

**TAIB YATIRIMBANK A.Ş.  
UNCONSOLIDATED STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED  
IN EQUITY FOR THE THREE MONTH INTERIM PERIOD ENDED  
31 MARCH 2013 AND 31 MARCH 2012**

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

**V. STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED IN EQUITY**

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

The accompanying explanations and notes on pages between 12 and 54 form an integral part of these financial statements.



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

**TAIB YATIRIMBANK A.Ş.  
UNCONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2013 AND  
31 MARCH 2012**

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

**VI. STATEMENT OF CASH FLOWS**

		1 January - 31 March 2013	1 January - 31 March 2012
<b>A.</b>	<b>CASH FLOWS FROM BANKING OPERATIONS</b>		
1.1	Operating Profit Before Changes in Operating Assets and Liabilities	(954)	(1.606)
1.1.1	Interest Received	122	51
1.1.2	Interest Paid	325	(489)
1.1.3	Dividend Received	-	-
1.1.4	Fees and Commissions Received	2	24
1.1.5	Other Income	151	127
1.1.6	Collections from Previously Written-off Loans and Other Receivables	-	-
1.1.7	Payments to Personnel and Service Suppliers	(527)	(582)
1.1.8	Taxes Paid	(249)	-
1.1.9	Other	(778)	(737)
1.2	Changes in Operating Assets and Liabilities	(7.301)	1.325
1.2.1	Net (Increase)/Decrease in Trading Securities	(6.848)	1.751
1.2.2	Net (Increase)/Decrease in Fair Value Through Profit/Loss Financial Assets	-	-
1.2.3	Net (Increase)/Decrease in Due from Banks	23	1
1.2.4	Net (Increase)/Decrease in Loans	200	(537)
1.2.5	Net (Increase)/Decrease in Other Assets	(225)	(278)
1.2.6	Net Increase/(Decrease) in Bank Deposits	(287)	-
1.2.7	Net Increase/(Decrease) in Other Deposits	18	-
1.2.8	Net Increase/(Decrease) in Funds Borrowed	-	-
1.2.9	Net Increase/(Decrease) in Payables	-	-
1.2.10	Net Increase/(Decrease) in Other Liabilities	(182)	388
<b>I.</b>	<b>Net Cash Provided from Banking Operations</b>	<b>(8.255)</b>	<b>(281)</b>
<b>B.</b>	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>II.</b>	<b>Net Cash Provided from Investing Activities</b>	<b>53</b>	<b>16</b>
2.1	Cash Paid for Acquisition of Investments, Associates and Subsidiaries	-	-
2.2	Cash Obtained from Disposal of Investments, Associates and Subsidiaries	-	-
2.3	Purchases of Property and Equipment	(40)	(2)
2.4	Disposals of Property and Equipment	93	18
2.5	Cash Paid for Purchase of Investments Available-for-Sale	-	-
2.6	Cash Obtained from Sale of Investments Available-for-Sale	-	-
2.7	Cash Paid for Purchase of Investment Securities	-	-
2.8	Cash Obtained from Sale of Investment Securities	-	-
2.9	Other	-	-
<b>C.</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>III.</b>	<b>Net Cash Provided from Financing Activities</b>	<b>-</b>	<b>-</b>
3.1	Cash Obtained from Funds Borrowed and Securities Issued	-	-
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued	-	-
3.3	Issued Capital Instruments	-	-
3.4	Dividends Paid	-	-
3.5	Payments for Finance Leases	-	-
3.6	Other	-	-
<b>IV.</b>	<b>Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>	<b>(18)</b>	<b>(3)</b>
<b>V.</b>	<b>Net Increase/(Decrease) in Cash and Cash Equivalents (I+II+III+IV)</b>	<b>(8.220)</b>	<b>(268)</b>
<b>VI.</b>	<b>Cash and Cash Equivalents at the Beginning of the Period</b>	<b>8.595</b>	<b>1.608</b>
<b>VII.</b>	<b>Cash and Cash Equivalents at the End of the Period (V+VI)</b>	<b>375</b>	<b>1.340</b>

The accompanying explanations and notes on pages between 12 and 54 form an integral part of these financial statements.

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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

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**SECTION THREE**

**EXPLANATIONS ON ACCOUNTING POLICIES**

**I. BASIS OF PRESENTATION**

- a. The unconsolidated financial statements are prepared in accordance with the “Regulation on the Principles and Procedures Regarding Banks’ Accounting Applications and Safeguarding of Documents”:**

The Bank maintains its books of accounts in Turkish Lira in accordance with the Banking Act No. 5411 (“Banking Act”) which is effective from 1 November 2005, the Turkish Commercial Code and Turkish tax legislation.

The unconsolidated financial statements are prepared in accordance with the “Regulation on the Principles and Procedures Regarding Banks’ Accounting Applications and Safeguarding of Documents” published in the Official Gazette No. 26333 dated 1 November 2006 by the Banking Regulation and Supervision Agency (“BRSA”) which refers to “Turkish Accounting Standards” (“TAS”) and “Turkish Financial Reporting Standards”(“TFRS”) issued by the Turkish Accounting Standards Board (“TASB”) and other decrees, notes and explanations related to the accounting and financial reporting principles (all “Turkish Accounting Standards” or “TAS”) published by the BRSA. The format and the details of the publicly announced financial statements and related disclosures to these statements have been prepared in accordance with the “Communiqués Related to Publicly Announced Financial Statements of Banks and Explanations and Notes Related to these Financial Statements” published in the Official Gazette No. 28337 dated 28 June 2012.

The unconsolidated financial statements have been prepared in TL, under the historical cost convention as modified in accordance with inflation adjustments until 31 December 2004, except for the financial assets and liabilities which are carried at fair value.

The preparation of unconsolidated financial statements in conformity with TAS requires the use of certain critical accounting estimates by the Bank management to exercise its judgment on the assets and liabilities 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 XXVII below.

- c. Investments in associates, subsidiaries and share certificates:**

Turkish Lira denominated investments in associates, subsidiaries and share certificates classified as available for sale are accounted at cost, if one exists. Associates and subsidiaries are reflected to unconsolidated financial statements at cost in the following periods. The available for sale securities are reflected to unconsolidated financial statements at fair value in following periods. Gains arising from such shares are reflected to the cost in the unconsolidated financial statements as “revaluation fund of marketable securities”.

By taking into account criteria such as the rate of the value decrease and either the impairment is temporary or permanent, the related affiliate, subsidiary and marketable securities available for sale in the portfolio are reduced to net realizable value or fair value, if any.

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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**d. Additional paragraph for convenience translation into English:**

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

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

The general strategy of the Bank 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 Bank 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 Bank 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 Bank 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 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”.

**III. EXPLANATIONS ON FORWARD TRANSACTIONS, OPTIONS AND DERIVATIVE INSTRUMENTS**

The Bank 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 Bank’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.

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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**IV. EXPLANATIONS ON INTEREST INCOME AND EXPENSE**

Interest income and expenses are recognised in the income statement on an accrual basis. The Bank 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.

**V. 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.

**VI. EXPLANATIONS ON FINANCIAL ASSETS**

The Bank 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 of the Bank is determined at the time of purchase by the Bank management, taking into consideration the purpose of holding the investment.

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

Financial assets are classified either as "Financial assets at fair value through profit or loss" or "Trading financial assets".

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 III of this section.

As of 31 March 2013 the Bank's trading financial assets amounted TL8.435 (31 December 2012: TL1.587) and the Bank does not have any asset which is classified as a financial asset at fair value through profit or loss.

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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

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**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.

The Bank does not have any assets which are classified as available-for-sale financial assets.

**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 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 Bank 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. Provision expenses are deducted from the net income of the year. If there is a collection from a receivable that is provisioned previously, the amount is deducted from the "Specific Provisions" account and recorded as an income to "Provision for Loan Losses and Other Receivables" and net-off with the provision amount allocated during the year. Uncollectible receivables are written-off after all the legal procedures have been finalised. As of 31 March 2013, the Bank recognised a general provision for loans and other receivables amounting to TL109 (31 December 2012: TL172), and a specific provision amounting to TL60 (31 December 2012: TL60).

**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 Bank 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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IN TURKISH, SEE NOTE I OF SECTION THREE**

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**VII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS**

The Bank 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.

**VIII. EXPLANATIONS ON OFFSETTING FINANCIAL ASSETS**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Bank 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.

**IX. 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 Bank 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”.

**X. 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 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 Immovables and Commodities Acquired due to Receivables and for Trading of Precious Metal” published in the Official Gazette dated 1 November 2006, No. 26333.

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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

---

**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

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

The Bank has no discontinued operations

**XI. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS**

As of 31 March 2013 and 31 December 2012, the Bank has no goodwill.

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.

Intangibles are amortised over their estimated useful lives of three to five years using the straight-line method. 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 Bank 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".

**XII. 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

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.

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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

---

**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

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 Bank’s property and equipments.

The Bank 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.

**XIII. EXPLANATIONS ON LEASING TRANSACTIONS**

As of 31 March 2013, the Bank has no assets acquired through finance lease agreements. 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.

The Bank did not provide financial leasing services as a “Lessor”.

**XIV. 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 Bank 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 Bank, it is considered that a “Contingent” liability exists and it is disclosed in the related notes to the financial statements.

**XV. 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.



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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

---

**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XVI. 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 Bank 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 Bank arising from this liability. The discount rate used in the current period is 2,50% (31 December 2012: 2,50%).

The Bank has no employees who are members of any foundation or likewise corporations.

As of 31 March 2013 the Bank has no employees with fixed period agreements, whose employment period will terminate in more than 12 months starting from the balance sheet date.

**XVII. 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 Bank 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.

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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

---

**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

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 Bank has no deferred tax asset or liability as of 31 March 2013 and 31 December 2012.

The Bank 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 recognized for all resulting temporary differences whereas deferred tax assets resulting from temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilized.

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

**XVIII. 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 Bank utilises various hedging techniques to minimise the currency, interest rate and liquidity risks of its financial liabilities.

**XIX. 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 Bank.

The Bank has not issued any share certificates.

No dividend payments were announced after the balance sheet date.

**XX. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES**

Avalized drafts and acceptances shown as liabilities against assets are included in the “Off-balance sheet commitments”. The Bank has no avalized drafts and acceptances shown as liabilities against assets.

**XXI. EXPLANATIONS ON GOVERNMENT GRANTS**

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

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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XXII. 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.

Retained earnings of the Bank can be distributed upon the written permission of the BRSA.

**XXIII. 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.

	<b>31 March 2013</b>	<b>31 March 2012</b>
Net Income/(Loss) to be Appropriated to Shareholders	(994)	(1.140)
Weighted Average Number of Issued Ordinary Shares (Thousand)	37.000	34.200
<b>Earnings/Loss Per Shares (Disclosed in full TL)</b>	<b>(0,027)</b>	<b>(0,033)</b>

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.

As of 31 March 2013, the Bank has not distributed bonus shares (31 December 2012: None).

**XXIV. 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 V of Section Five.

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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XXV. 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 nine months.

**XXVI. EXPLANATIONS ON SEGMENT REPORTING**

Information on operational fields which are determined in accordance with the Bank’s organisational and internal reporting structure and the requirements of “Turkish Accounting Standards on Segment Reporting” (“TAS 14”) is disclosed in Note VII of Section Four.

**XXVII. RECLASSIFICATIONS**

To conform to presentation of 31 March 2013 unconsolidated financial statements, some reclassifications can be made on comparative 31 December 2012 and 31 March 2012 unconsolidated financial statements.

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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

**SECTION FOUR**

**INFORMATION RELATED TO FINANCIAL POSITION**

**I. EXPLANATIONS ON CAPITAL ADEQUACY RATIO**

- a. As of 31 March 2013, the capital adequacy ratio of the Bank is 155,34% (31 December 2012: 130,90).
- b. Risk assessment methods used in the calculation of the capital adequacy ratio comprise the classification of the risk weighted assets and non-cash loans according to the risk weights specified by the related regulations and the calculation of “Value at risk” which is the sum of the market risk on marketable securities and the Bank’s foreign currency risk according to this regulation. The following tables show the details of “Risk weighted assets” and the calculation of “Shareholders’ Equity” for the capital adequacy ratio calculation.

**Information related to capital adequacy ratio:**

	Risk Weights					
	0%	20%	50%	100%	200%	1.250%
<b>Amount subject to credit risk</b>						
<b>Risk Categories:</b>	<b>274</b>	<b>119</b>	<b>-</b>	<b>9.037</b>	<b>-</b>	<b>-</b>
Conditional and unconditional receivables from Central Governments or Central Banks	243	-	-	-	-	-
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	-	119	-	6	-	-
Conditional and unconditional corporate receivables	-	-	-	550	-	-
Conditional and unconditional retail receivables	-	-	-	-	-	-
Conditional and unconditional collateralized by real estate mortgages receivables	-	-	-	-	-	-
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	31	-	-	8.481	-	-

**Summary information about capital adequacy ratio:**

	31 March 2013	31 December 2012
Capital Requirement for Credit Risk (Value at Credit Risk*0.08) (CRCR)	725	764
Capital Requirement for Market Risk (MRCR)	21	149
Capital Requirement for Operational Risk (ORCR)	47	94
Equity	15.397	16.477
<b>Equity/((CRCR+MRMR+CROR)*12,5*100)</b>	<b>155,34</b>	<b>130,90</b>

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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

**INFORMATION RELATED TO FINANCIAL POSITION (Continued)**

**Information about shareholders’ equity items:**

	<b>31 March 2013</b>	<b>31 December 2012</b>
<b>CORE CAPITAL</b>		
Paid-in capital	37.000	37.000
Nominal capital	37.000	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	1.577	-
Primary subordinated loans	-	-
Uncovered portion of loss with reserves (-)	23.564	20.993
Current period loss (net)	994	1.478
Prior period loss	22.570	19.515
Cost of Leasehold Improvements (-)	39	7
Intangible assets (-)	10	11
Deferred tax asset amount exceeding 10% of core capital (-)	-	-
Limit exceeding amount regarding the third clause of article 56 of the Law (-)	-	-
<b>Total Core Capital</b>	<b>15.288</b>	<b>16.313</b>
<b>SUPPLEMENTARY CAPITAL</b>		
General provisions	109	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)	-	-
<b>Total Supplementary Capital</b>	<b>109</b>	<b>164</b>
<b>CAPITAL</b>	<b>15.397</b>	<b>16.477</b>
<b>DEDUCTIONS FROM THE CAPITAL</b>		
Unconsolidated investments in Entities (domestic/foreign) operating in Banking and Financial Sectors at 10% or more	-	-
Investments in Entities (domestic/foreign) operating in Banking and Financial Sectors at less than 10% exceeding 10% or more of the Total Core and Supplementary Capitals	-	-
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Secondary Subordinated Debts and Debt Instruments purchased from Such Parties qualified as Primary or Secondary Subordinated Debts	-	-
Loans 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	-	-
<b>TOTAL SHAREHOLDERS’ EQUITY</b>	<b>15.397</b>	<b>16.477</b>

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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

**INFORMATION RELATED TO FINANCIAL POSITION (Continued)**

**II. EXPLANATIONS ON MARKET RISK**

The Bank considers foreign currency risk and interest rate risk as two most important components of the market risks.

The below table represents the details of the market risk calculation as of 31 March 2013 and 31 December 2012 in accordance with the “Regulation Regarding Measurement and Evaluation of Banks’ Capital Adequacy Ratio”, section three “Calculation of Market Risk with Standard Method”.

**a. Information on Market Risk:**

	<b>31 March 2013</b>	<b>31 December 2012</b>
(I) Capital to be Employed for General Market Risk - Standard Method	17	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	4	146
(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	-	-
(VII) 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)	21	149
<b>(X) Amount Subject to Market Risk (12,5 x VIII) or (12,5 x IX)</b>	<b>263</b>	<b>1.863</b>

**III. EXPLANATIONS ON OPERATIONAL RISK**

The “Basic indicator method” is used in the operational risk calculation of the Bank. The amount subject to the operational risk is calculated based on the gross income of the Bank 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”. With respect to the “Capital adequacy ratio” calculation stated in Note I of this section, the operational risk exposure is represented not by the full amount of TL588 but by the 8% of it, which amounts to TL47 also represents the minimum capital amount necessary to eliminate the operational risk exposure.

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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

**INFORMATION RELATED TO FINANCIAL POSITION (Continued)**

**IV. EXPLANATIONS ON CURRENCY RISK**

1. The difference between the Bank’s foreign currency denominated and foreign currency indexed on- and off-balance sheet assets and liabilities is defined as the “Net Foreign Currency Position” and it is the basis of currency risk. The Bank avoids cross currency risk by engaging in transactions generally denominated in USD.
2. The Bank uses derivative financial instruments such as forward foreign exchange contracts and currency swaps for hedging purposes in foreign currency denominated transactions.
3. The Bank’s foreign currency position is within the statutory limits and the Bank’s limits.
4. The 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 March 2013	31 December 2012	31 March 2013	31 December 2012
<b>Bid Rate</b>	<b>1,8120</b>	<b>1,7880</b>	<b>2,3185</b>	<b>2,3587</b>
1. Bid rate	1,8150	1,7910	2,3223	2,3765
2. Bid rate	1,8170	1,7930	2,3381	2,3675
3. Bid rate	1,8190	1,7877	2,3616	2,3586
4. Bid rate	1,8140	1,7980	2,3466	2,3766
5. Bid rate	1,8190	1,7950	2,3478	2,3712

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

	USD		EUR	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
Arithmetic average - 30 days	1,8084	1,7869	2,3464	2,3435



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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

**INFORMATION RELATED TO FINANCIAL POSITION (Continued)**

**Information on currency risk of the Bank: (TL)**

	EUR	USD	Other FC	Total
<b>31 March 2013</b>				
<b>Assets</b>				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	20	25	-	45
Due From Banks	31	88	-	119
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	-	45	-	45
<b>Total Assets</b>	<b>51</b>	<b>158</b>	<b>-</b>	<b>209</b>
<b>Liabilities</b>				
Bank Deposits	-	-	-	-
Foreign Currency Deposits	-	-	-	-
Funds From Interbank Money Market	-	-	-	-
Funds Borrowed From Other Financial Institutions	-	-	-	-
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	58	31	-	89
Hedging Derivative Financial Liabilities	-	-	-	-
Other Liabilities	-	77	-	77
<b>Total Liabilities</b>	<b>58</b>	<b>108</b>	<b>-</b>	<b>166</b>
<b>Net On-balance Sheet Position</b>	<b>(7)</b>	<b>50</b>	<b>-</b>	<b>43</b>
<b>Net Off-balance Sheet Position</b>				
Financial Derivative Assets	-	-	-	-
Financial Derivative Liabilities	-	-	-	-
<b>Non-Cash Loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>31 December 2012</b>				
Total Assets	25	2.781	-	2.806
Total Liabilities	26	424	-	450
<b>Net On-balance Sheet Position</b>	<b>(1)</b>	<b>2.357</b>	<b>-</b>	<b>2.356</b>
<b>Net Off-balance Sheet Position</b>				
Financial Derivative Assets	-	536	-	536
Financial Derivative Liabilities	-	(536)	-	(536)
<b>Non-Cash Loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(\*\*) Spot foreign Exchange buy and sell transactions shown under “Asset purchase commitments” in the financial statements are included in the “Net off-balance position”.

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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

**INFORMATION RELATED TO FINANCIAL POSITION (Continued)**

**V. EXPLANATIONS ON 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 Bank’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 Bank. Assets and liabilities which are sensitive to interest are managed in such a way that minimizes the interest risk.
- Because probable fluctuations in the market interest rate are taken into consideration while calculating risk subjected value, the expected impacts are in the limits. The suitability of the interest rates in the transactions to the market is controlled by the treasury and internal audit departments.
- Interest risk related to interest rate sensitive assets and liabilities is managed in such a way that the risk stays in the limits which are defined by the Bank. These limits are frozen or reduced when the interest rate risk increases.

**Interest rate sensitivity of the Bank:**

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

31 March 2013	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Year and over	Non Interest Bearing	Total
<b>Assets</b>							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	-	-	-	-	-	259	259
Due From Banks	-	-	-	-	-	125	125
Financial Assets at Fair Value Through Profit/Loss	18	8.417	-	-	-	-	8.435
Interbank Money Market Placements	-	-	-	-	-	-	-
Available-for-Sale Financial Assets	-	-	-	-	-	-	-
Loans	-	-	550	-	-	-	550
Held-to-Maturity Investments	-	-	-	-	-	-	-
Other Assets (*)	15	-	-	-	-	8.530	8.545
<b>Total Assets</b>	<b>33</b>	<b>8.417</b>	<b>550</b>	<b>-</b>	<b>-</b>	<b>8.914</b>	<b>17.914</b>
<b>Liabilities</b>							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Funds From Interbank Money Market	18	-	-	-	-	-	18
Miscellaneous Payables	-	-	-	-	-	226	226
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	-	1.561	-	-	-	-	1.561
Other Liabilities (**)	-	-	-	-	-	16.109	16.109
<b>Total Liabilities</b>	<b>18</b>	<b>1.561</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16.335</b>	<b>17.914</b>
Balance Sheet Long Position	15	6.856	550	-	-	-	7.421
Balance Sheet Short Position	-	-	-	-	-	7.421	7.421
Off-balance Sheet Long Position	-	-	-	-	-	-	-
Off-balance Sheet Short Position	-	-	-	-	-	-	-
<b>Total Position</b>	<b>15</b>	<b>6.856</b>	<b>550</b>	<b>-</b>	<b>-</b>	<b>(7.421)</b>	<b>-</b>

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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

**INFORMATION RELATED TO FINANCIAL POSITION (Continued)**

<b>31 December 2012</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Year</b>	<b>5 Year and over</b>	<b>Non Interest Bearing</b>	<b>Total</b>
<b>Assets</b>							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	-	-	-	-	-	161	161
Due From Banks	-	-	-	-	-	2.699	2.699
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	-	750	-	-	-	-	750
Held-to-Maturity Investments	-	-	-	-	-	-	-
Other Assets (*)	10	-	-	-	-	8.274	8.284
<b>Total Assets</b>	<b>5.811</b>	<b>2.337</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11.134</b>	<b>19.282</b>
<b>Liabilities</b>							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Funds From Interbank Money Market	-	-	-	-	-	-	-
Miscellaneous Payables	-	-	-	-	-	241	241
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	1.561	-	-	-	-	-	1.561
Other Liabilities (**)	-	-	-	-	-	17.480	17.480
<b>Total Liabilities</b>	<b>1.561</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17.721</b>	<b>19.282</b>
Balance Sheet Long Position	4.250	2.337	-	-	-	-	6.587
Balance Sheet Short Position	-	-	-	-	-	6.587	6.587
Off-balance Sheet Long Position	536	-	-	-	-	-	536
Off-balance Sheet Short Position	(536)	-	-	-	-	-	(536)
<b>Total Position</b>	<b>4.250</b>	<b>2.337</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6.587)</b>	<b>-</b>

(\*) Other assets include Miscellaneous Receivables, 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:**

<b>31 March 2013</b>	<b>EUR %</b>	<b>USD %</b>	<b>JPY %</b>	<b>TL %</b>
<b>Assets</b>				
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	-	-	-	5,98
Interbank Money Market Placements	-	-	-	-
Available-for-Sale Financial Assets	-	-	-	-
Loans	-	-	-	12,00
Held-to-Maturity Investments	-	-	-	-
<b>Liabilities</b>				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Funds From Interbank Money Market	-	-	-	-
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	-	-	-	9,45

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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

**INFORMATION RELATED TO FINANCIAL POSITION (Continued)**

	EUR %	USD %	JPY %	TL %
<b>31 December 2012</b>				
<b>Assets</b>				
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				-
<b>Liabilities</b>				
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	48	% 0,35
2. TRY	(-) 400 bps	41	% 0,29
3. USD	(+) 200 bps	-	-
4. USD	(-) 200 bps	-	-
5. EURO	(+) 200 bps	-	-
6. EURO	(-) 200 bps	-	-
<b>Total (of negative shocks)</b>		<b>41</b>	<b>% 0,29</b>
<b>Total (of positive shocks)</b>		<b>48</b>	<b>% 0,35</b>

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

The Bank does not hold equity position as of 31 March 2013.

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

As of 31 March 2013, The Banks’ portfolio does not have private equity investments, publicly traded shares and other equities.

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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

**INFORMATION RELATED TO FINANCIAL POSITION (Continued)**

**VI. EXPLANATIONS ON LIQUIDITY RISK**

Liquidity risk is the risk arising from the maturity mismatch of assets and liabilities. The Bank balances and controls the maturities of these assets and liabilities through short term or even overnight placements and external funding. One of the core targets of the Bank’s asset-liability management policy is to maintain sufficient funding to meet the Bank’s liquidity needs.

In order to meet this, sufficient short-term funds are obtained. There are various limits set for the liquidity risk, which are revised continuously according to the market conditions and updated as necessary. In case of significant market volatility and some specific conditions, analyses are performed on a daily basis or on a transaction basis.

**a. 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
<b>31 March 2013</b>								
<b>Assets</b>								
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	250	9	-	-	-	-	-	259
Due From Banks	125	-	-	-	-	-	-	125
Financial Assets at Fair Value Through Profit/Loss	-	18	8.417	-	-	-	-	8.435
Interbank Money Market Placements	-	-	-	-	-	-	-	-
Available-for-Sale Financial Assets	-	-	-	-	-	-	-	-
Loans	-	-	-	550	-	-	-	550
Held-to-Maturity Investments	-	-	-	-	-	-	-	-
Other Assets	15	-	-	-	-	-	8.530	8.545
<b>Total Assets</b>	<b>390</b>	<b>27</b>	<b>8.417</b>	<b>550</b>	<b>-</b>	<b>-</b>	<b>8.530</b>	<b>17.914</b>
<b>Liabilities</b>								
Bank Deposits	-	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	-	-	1.561	-	-	-	-	1.561
Funds From Interbank Money Market	-	18	-	-	-	-	-	18
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	226	-	-	-	-	-	-	226
Other Liabilities (**)	-	127	-	-	-	-	15.982	16.109
<b>Total Liabilities</b>	<b>226</b>	<b>145</b>	<b>1.561</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15.982</b>	<b>17.914</b>
<b>Net Liquidity Gap</b>	<b>164</b>	<b>(118)</b>	<b>6.856</b>	<b>550</b>	<b>-</b>	<b>-</b>	<b>(7.452)</b>	<b>-</b>
<b>31 December 2012</b>								
Total Assets	2.838	6.583	1.587	-	-	-	8.274	19.282
Total Liabilities	241	204	1.561	-	-	-	17.276	19.282
<b>Net Liquidity Gap</b>	<b>2.597</b>	<b>6.379</b>	<b>26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9.002)</b>	<b>-</b>

(\*) 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.

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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

**INFORMATION RELATED TO FINANCIAL POSITION (Continued)**

**b. Securitisation positions:**

The Bank does not apply securitisation as of 31 March 2013.

**c. Credit Risk Mitigation Techniques:**

The Bank does not apply credit risk mitigation techniques as of 31 March 2013.

**d. Risk management objectives and policies**

The Bank's risk operation goal is to identify and eliminate possible risks while operating properly in an environment where evitable amount of risks exist. In order to accomplish this goal, the products and operations' analysis must be carried out properly to obtain optimum results. Identification of operational risks is key to project results and declare them to the Board.

Risk administration policy of the Bank is vital to eliminate possible image of the Bank. The Bank must avoid taking risks above limits set by the Management in order to avoid severe damage to its financial structure. Moreover, the bank should comply with the ethical rules to maintain positive image. In order to accomplish all these, the bank should avoid measure,, analyse , observe, report and control the possible risk decently.

**VII. EXPLANATIONS ON OPERATING SEGMENTS**

<b>Current Period</b>	<b>Corporate and Commercial</b>	<b>Treasury</b>	<b>Unclassified</b>	<b>Total</b>
Total Assets	1.154	8.834	7.926	17.914
Total Liabilities	998	1.579	15.337	17.914
Net Interest Income/(Loss)	14	69	-	83
Net Fee and Commission Income/(Loss)	(7)	-	-	(7)
Trading Gain/(Loss)	-	2	(15)	(13)
Other Operating Segments Gain/(Loss)	64	-	(1.121)	(1.057)
Profit Before Tax	71	71	(1.136)	(994)
Tax Provision	-	-	-	-
Net Profit	71	71	(1.136)	(994)

<b>Prior Period</b>	<b>Corporate and Commercial</b>	<b>Treasury</b>	<b>Unclassified</b>	<b>Total</b>
Total Assets	1.098	10.258	7.926	19.282
Total Liabilities	1.390	1.561	16.331	19.282
Net Interest Income/(Loss)	(120)	148	-	28
Net Fee and Commission Income/(Loss)	13	-	-	13
Trading Gain/(Loss)	-	52	(4)	48
Other Operating Segments Gain/(Loss)	(5)	-	(1.224)	(1.229)
Profit Before Tax	(112)	200	(1.228)	(1.140)
Tax Provision	-	-	-	-
Net Profit	(112)	200	(1.228)	(1.140)

(\*) Income statement accounts show balances as of 31 March 2012.

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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

**SECTION FIVE**

**EXPLANATIONS AND NOTES RELATED TO  
UNCONSOLIDATED FINANCIAL STATEMENTS**

**I. EXPLANATIONS AND NOTES RELATED TO 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 March 2013		31 December 2012	
	TL	FC	TL	FC
Cash/Foreign currency	5	27	3	23
CBRT	209	19	90	45
Other	-	-	-	-
<b>Total</b>	<b>214</b>	<b>45</b>	<b>93</b>	<b>68</b>

**b. Information on the account of the CBRT:**

	31 March 2013		31 December 2012	
	TL	FC	TL	FC
Demand Unrestricted Amount	209	10	90	13
Time Unrestricted Amount	-	-	-	-
Time Restricted Amount	-	9	-	32
<b>Total</b>	<b>209</b>	<b>19</b>	<b>90</b>	<b>45</b>

**c. Information on reserve requirements:**

The banks operating in Turkey keep reserve deposits for Turkish currency liabilities in TL, USD, EUR and/or standard gold at the rates between 5% and 11,5% according to their maturities (31 December 2012: between 5% and 11% according to their maturities), foreign currency liabilities in USD, EUR and/or standard gold at the rates between 6% and 12,5% according to their maturities (31 December 2012: between 6% and 11 % according to their maturities), respectively as per the Communiqué no.2005/1 “Reserve Deposits” of the Central Bank of Turkey.

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 March 2013, the Bank has no financial assets at fair value through profit or loss subject to repo transactions (31 December 2012: None) and the Bank has given as collateral/blocked amounted to TL496 (31 December 2012: TL397) respectively.

**b. Positive differences related to trading derivative financial assets:**

None (31 December 2012: None).

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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)**

**3. Information on banks:**

**a. Information on banks:**

	31 March 2013		31 December 2012	
	TL	FC	TL	FC
Banks				
Domestic	6	-	5	-
Foreign	-	119	-	2.694
Headquarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>6</b>	<b>119</b>	<b>5</b>	<b>2.694</b>

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

None (31 December 2012: None).

**5. Explanations on loans:**

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

	31 March 2013		31 December 2012	
	Cash	Non-Cash	Cash	Non-Cash
<b>Direct Loans Granted to Shareholders</b>	-	-	-	-
Legal Entities	-	-	-	-
Individuals	-	-	-	-
<b>Indirect Loans Granted to Shareholders (*)</b>	<b>6</b>	-	<b>6</b>	-
<b>Loans Granted to Employees</b>	-	-	-	-
<b>Total</b>	<b>6</b>	-	<b>6</b>	-

(\*) As of 31 March 2013 it has been included an amount of TL6 (31 December 2012: TL6) placement with TAIB Bank B.S.C. and has been reported in the bank accounts.

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

Cash Loans	Performing Loans and Other Receivables			Performing Loans and Other Receivables		
	Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms		Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms	
		Extension of Repayment Plan	Other		Loans and Receivables with Revised Contract Terms	Other
<b>Loans</b>	-	550	-	-	-	-
Working Capital Loans	-	-	-	-	-	-
Export Loans	-	-	-	-	-	-
Import Loans	-	-	-	-	-	-
Loans to Financial Sector	-	-	-	-	-	-
Consumer Loans	-	-	-	-	-	-
Credit Cards	-	-	-	-	-	-
Other	-	550	-	-	-	-
<b>Specialization Loans</b>	-	-	-	-	-	-
<b>Other Receivables</b>	-	-	-	-	-	-
<b>Total</b>	-	<b>550</b>	-	-	-	-



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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)**

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

As of 31 March 2013 there are no loans granted to employees (31 December 2012: None).

**d. Information on commercial instalment loans and corporate credit cards:**

None (31 December 2012: None).

**e. Distribution of domestic and foreign loans:**

	31 March 2013	31 December 2012
Domestic Loans	550	750
Foreign Loans	-	-
<b>Total</b>	<b>550</b>	<b>750</b>

**f. Loans given to investments in associates and subsidiaries:**

	31 March 2013	31 December 2012
Direct Loans granted to investments in associates and subsidiaries	550	750
Indirect Loans granted to investments in associates and subsidiaries	-	-
<b>Total</b>	<b>550</b>	<b>750</b>

**g. Specific provisions provided against loans:**

	31 March 2013	31 December 2012
Loans and Receivables with Limited Collectibility	-	-
Loans and Receivables with Doubtful Collectibility	-	-
Uncollectible Loans and Receivables	60	60
<b>Total</b>	<b>60</b>	<b>60</b>

**h. Information on non-performing loans:**

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

None (31 December 2012: None).

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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)**

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

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

**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:**

	<b>III. Group Loans and other receivables with limited collectability</b>	<b>IV. Group Loans and other receivables with doubtful collectability</b>	<b>V. Group Uncollectible loans and other receivables</b>
<b>Current Period (Net)</b>	-	-	-
Loans Given to Real Persons and Legal Persons (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
<b>Loans Given to Real Persons and Legal Persons (Net)</b>	-	-	-
<b>Banks (Gross)</b>	-	-	-
Specific Provision Amount (-)	-	-	-
<b>Banks (Net)</b>	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	60
<b>Other Loans and Receivables (Net)</b>	-	-	<b>(60)</b>
<b>Prior Period (Net)</b>	-	-	-
Loans Given to Real Persons and Legal Persons (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
<b>Loans Given to Real Persons and Legal Persons (Net)</b>	-	-	-
<b>Banks (Gross)</b>	-	-	-
Specific Provision Amount (-)	-	-	-
<b>Banks (Net)</b>	-	-	-
Other Loans and Receivables (Gross)	-	-	60
Specific Provision Amount (-)	-	-	(60)
<b>Other Loans and Receivables (Net)</b>	-	-	-

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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)**

**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):**

**a. Recognition of subsidiaries:**

Explained in Note I of Section Three.

**b. Information on unconsolidated subsidiaries:**

None (31 December 2012: None).

**c. Information on subsidiaries consolidated:**

	<b>Title</b>	<b>Address (City/ Country)</b>	<b>Bank’s share percentage, if different voting percentage (%)</b>	<b>Other shareholders’ share percentage (%)</b>
1	PDF Kurumsal Finansman Danışmanlık Hizmetleri A.Ş.	İstanbul/Türkiye	99,99	0,01

The Bank signed a share transfer agreement on 11 September 2012 for the transfer of 2.800.000 registered shares, which have a nominal value of TL1 (one Turkish Lira) each and represent 100% of the TL2.800 that the Bank holds in share capital in the Bank’s subsidiary TAIB Yatırım Menkul Değerler A.Ş. (“TAIB Menkul”), and the transfer of Type A Variable Investment and Type B Variable Investment Fund legal entities. Following the CMB approval of share transfer on 6 December 2012, the Bank has approved the transfer of shares in the Extraordinary General Assembly on 28 December 2012. The sales price is determined as TL5.009 which is the sum of USD1.375 thousand licence premium that is equivalent to TL2.462 with the Turkish Central Bank’s closing date selling rate of exchange as well as the net asset value of TAIB Menkul and the total value of the transferred funds amounting to TL2.547 on the transaction completion date.

The Bank has been recorded sales gain amount to TL2.328 obtained from the related share transfer agreement to its 31 December 2012 financial statements. In accordance with the Board of Directors decision No: 69 dated 24 December 2012 and Corporate Tax Law Article 5/1,e; it has been decided to 75% of the sales gain of the subsidiary by the Bank, will be applied for tax exemption in the 2012 Corporate Tax declaration. Therefore, remaining amounts to TL1.577, corresponding to the 75% from the sales gain of subsidiary after the deducting costs of the sale, has been classified in other capital reserves account under shareholders' equity as at 26 March 2013.

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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

---

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)**

In the Board of Directors resolution No. 2009/15 dated 18 May 2009, the Bank has decided to purchase PDF Kurumsal Finansman Danışmanlık Hizmetleri A.Ş. (“PDF”) which was fully owned by TAIB Menkul, for the acquisition price and the net book value on the date of the sale and to carry out all necessary transactions. Following this resolution, in the Board of Directors resolution No. 2009/24 dated 3 July 2009, the Bank has decided to purchase PDF for TL7.926 calculated according to the method described above and this amount to be paid on 27 January 2010. PDF has become a fully owned subsidiary of the Bank following the share transfer on 7 July 2009.

As of the balance sheet date, the equity of the PDF is minus TL567 and its profit in the current period is TL16. The carrying value of the related subsidiary in the Bank’s accompanying financial statements is TL7.926 and loan balance including accrued interest granted to PDF by the Bank amounts to TL550. PDF lost two third of its Capital which is a technical bankruptcy limit mentioned in Turkish Commercial Code no: 376 which became valid from 1 July 2012.

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 parent company of the Bank 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 study, the value of PDF is determined as TL5.103 as at 31 December 2012, however no impairment provision is recorded for the difference of TL2.823 between value of PDF determined in the valuation study and the carrying value of PDF in the financial statements. The Bank is in the sale process within the Bank’s sale process and subject to the approval of BRSA, it is planned to net off the loan granted to PDF; to write off the carrying value of the subsidiary and the transfer PDF at this value to the TAIB Bank B.S.C (c) or any of the group companies of TAIB Bank B.S.C (c) as deemed suitable.

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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)**

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

The balances presented below are compiled from the subsidiaries’ unconsolidated financial statements dated 31 March 2013.

	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	111	(567)	23	-	-	16	(863)	- (*)

(\*) As described above, no provision is provided for the impairment on the value of related subsidiary.

**e. Movement schedules of consolidated subsidiaries:**

	31 March 2013	31 December 2012
<b>Balance at the beginning of the Period</b>	<b>7.926</b>	<b>12.807</b>
<b>Movements during the Period</b>		<b>4.881</b>
Purchases	-	-
Bonus Shares Obtained	-	-
Dividends from Current Year Income	-	-
Sales (*)	-	2.681
Revaluation Increase	-	-
Impairment Provision	-	-
Capital Deductions	-	2.200
<b>Balance at the end of the Period</b>	<b>7.926</b>	<b>7.926</b>
<b>Capital Commitments</b>	-	-
<b>Share Percentage at the end of the Period (%)</b>	<b>99,99</b>	<b>99,99</b>

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

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

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

(\*) In addition to the table above, PDF, whose carrying value is TL7.926 in the balance sheet and operates in the corporate finance consulting industry, is a consolidated subsidiary.

**g. Subsidiaries quoted on stock exchange:**

None (31 December 2012: None).

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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

---

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)**

**9. Information on joint ventures:**

None (31 December 2012: None).

**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 investment property:**

None (31 December 2012: None).

**13. Information on deferred tax asset:**

None (31 December 2012: None). The Bank has total accumulated financial loss that may be deducted from future period net income amounting to TL14.896 (31 December 2012: TL16.714) over which deferred tax asset has not been calculated as of 31 March 2013.

**14. Information on assets held for resale and discontinued operations:**

None (31 December 2012: None).

**15. Information on other assets:**

**a. Information on prepaid expenses, tax and similar transactions:**

Prepaid expenses mainly consist of financial operations fees, prepaid insurance and prepaid rent expenses. There is no prepaid tax (31 December 2012: None).

**b. If other assets exceed 10% of total assets excluding commitments in the off-balance sheet, the names and amounts of sub-accounts which comprise at least %20 of these balances are disclosed:**

As of 31 March 2013, other assets amount to TL505 (31 December 2012: TL269). TL436 (31 December 2012: TL204) of other assets comprises prepaid expenses.

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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)**

**II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES**

**1. Information on deposits:**

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

**2. Information on trading derivative financial liabilities:**

Schedule of negative differences concerning trading derivative financial liabilities:

	31 March 2013		31 December 2012	
	TL	FC	TL	FC
Forward Transactions	-	-	-	-
Swap Transactions	-	-	-	-
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
<b>Total</b>	-	-	-	-

**3. Information on borrowings:**

**a. Information on banks and other financial institutions:**

	31 March 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	-	1.561	-
<b>Total</b>	<b>1.561</b>	-	<b>1.561</b>	-

As of 31 March 2013 and 31 December 2012 all the Bank’s borrowings have been obtained from the Bank’s risk group.

**b. Information on maturity structure of borrowings:**

	31 March 2013		31 December 2012	
	TL	FC	TL	FC
Short-term	1.561	-	1.561	-
Medium and Long-term	-	-	-	-
<b>Total</b>	<b>1.561</b>	-	<b>1.561</b>	-

**4. Information on other liabilities:**

The Bank has no other liabilities that exceed 10% of the total assets of the Bank (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).

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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)**

**7. Information on provisions:**

**a. Information on general provisions:**

	31 March 2013	31 December 2012
Provisions for Group I. Loans and Receivables	6	8
Additional Provision for Loans and Receivables with Extended Maturities	22	-
Provisions for Group II. Loans and Receivables	-	-
Additional Provision for Loans and Receivables with Extended Maturities	-	-
Provisions for Non Cash Loans	-	-
Other	8	164
<b>General Provisions</b>	<b>109</b>	<b>172</b>

**b. 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 Bank 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 March 2013	31 December 2012
Discount rate (%)	2,50	2,50
Rate for the Probability of Retirement (%)	93,33	91,00

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. In this way, the discount rate used reflects the real rate net off expected inflation. As the maximum liability is revised semi-annually, the maximum amount of TL3.129,25 (1 January 2012: TL2.917,27) which is effective from 1 January 2013 has been taken into consideration in calculating the provision for employment termination benefits of the Bank.

The movement of employee termination benefits is shown below:

	31 March 2013	31 December 2012
<b>Balance at the Beginning of the Period</b>	<b>137</b>	<b>112</b>
Provisions Recognized During the Period	13	36
Paid During the Period	-	(11)
<b>Balance at the end of the period</b>	<b>150</b>	<b>137</b>

In addition, as of 31 March 2013 the Bank has unused vacation provision amounting to TL173 (31 December 2012: TL160).



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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)**

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

None (31 December 2012: None).

**d. Information on other provisions:**

**1. Information on provisions for possible risks:**

None (31 December 2012: None).

**2. Other provisions are explained if they exceed 10% of the total provision balance:**

	31 March 2013	31 December 2012
Provision for Legal Cases	84	61
Provision for Audit Fee	69	80
Provision for Consultancy	6	227
Other (*)	54	108
<b>Total</b>	<b>213</b>	<b>476</b>

(\*) Other provisions amount comes from the provisions allocated for various expenses.

**8. Information on taxes payable:**

**a. Information on current year tax liability:**

**Information on tax provision:**

Explanations on taxation are presented in Note XVII of Section Three. As of 31 March 2013 and 31 December 2012 the Bank has no tax liability after the deduction of temporary taxes paid (31 December 2012: None).

**Information on taxes payable:**

	31 March 2013	31 December 2012
Corporate Tax Payable	-	-
Taxation on Marketable Securities	-	-
Property Tax	-	39
Banking Insurance Transaction Tax (BITT)	1	2
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	-	-
Other	101	138
<b>Total</b>	<b>102</b>	<b>179</b>

**Information on premium payables:**

	31 March 2013	31 December 2012
Social Security Premiums – Employee	10	10
Social Security Premiums – Employer	13	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	1	1
Other	-	-
<b>Total</b>	<b>25</b>	<b>25</b>

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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)**

**b. Information on deferred tax liability:**

The Bank has no deferred tax liability (31 December 2012: None).

**9. Information on shareholders' equity:**

**a. Presentation of paid-in capital:**

	<b>31 March 2013</b>	<b>31 December 2012</b>
Common Stock	37.000	37.000
Preferred Stock	-	-

At the extraordinary general assembly on 14 December 2012, it has been decided to increase share capital to TL37.000 from TL34.200, by way of paying back the loan of TL2.800 from Parent Bank TAIB B.S.C. (c), to be used for the capital increase. In addition, as at 31 March 2013, due to accumulated losses, the Bank's total shareholders' equity has been decreased to TL15.337, and in accordance with Banking Act No. 5411 Article 7, the Bank's total shareholders' equity is lower than the required minimum shareholders' equity which is TL20.000. Furthermore, as of 31 March 2013, in accordance with the Turkish Commercial Code Article 376, half of the share capital of the Bank is lost.

In line with banking regulations and in the context of the ability of the Bank to continue its operations, it has been requested from the Bank at 25 September 2012 that necessary measures including, the sale of subsidiaries and finding new shareholders with the objective of raising capital, be adapted fully or partially within the next 12 months period.

Within the scope of the necessary measures, The Bank submitted a written request to BRSA on 6 November 2012 in order to get the necessary permission for the deducting the total accumulated loss from shareholder's equity and making necessary amendment on the Bank's articles of association on the Ordinary General Assembly Meeting of the year 2012. According to BRSA reply letter no 24661 dated 3 December 2012, Bank's request to reflect the fulfillment of the related measure in the 31 December 2012 financial statements was deemed appropriate. On 2 April 2013 with the 2013/09 Board of Directors decision, Bank has included the issue of netting off of the remaining accumulated loss amount of TL22.570 (after the reclassification of the sales gain of the subsidiary of TL1.577 in the related fund accounts for tax exemption in the Corporate Tax declaration) from the paid capital, to the agenda of the General Assembly which will be held on 30 April 2013. In addition, on 5 April 2013 the Bank submitted a written request to BRSA to defer the netting off the accumulated loss from the paid capital and making the necessary amendments on the Bank's articles of association as included in the agenda of the Ordinary General Assembly until to the date of the First Extraordinary General Assembly which will be held for the transfer of the Bank's shares to the buyer group at the end of sale process. According to BRSA reply letter No. 10782 dated 29 April 2013, Bank's request to defer for the deducting of total accumulated loss from shareholders equity and making necessary amendments on the Bank's articles of association was not accepted. Within this process, The Bank submitted a written request to BRSA on 25 April 2013 in order to get the necessary permission for reducing the paid capital by TL22.570 to TL14.430 from TL37.000 and making the necessary amendments on the Bank's articles of association. At the ordinary general assembly meeting on 30 April 2013, since BRSA's necessary permission has not been obtained yet as of the meeting date, it has been decided to discuss the capital reduction and necessary amendments on the Bank's articles of association in the next general assembly meeting following the BRSA's approval.

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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)**

In line with the decision taken by the main shareholder on the selling of the Bank shares, the Bank's main shareholder has signed a share transfer agreement with buyer group on 13 May 2013 with respect to the sale of the Bank and the BRSA's approval is awaited for the share transfer. The sales process of the Bank continues as of the date of approval of these financial statements. In case of not finalizing the sale transaction of the Bank within the expected time period, the necessary measures must be taken to raise capital in order to ensure the continuity of the Bank. The continuity of the Bank depends on the fulfillment of the necessary measures.

**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 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:**

At the extraordinary general assembly on 14 December 2012, it has been decided to increase share capital to TL37.000 from TL34.200, by way of paying back the loan of TL2.800 from Parent Bank TAIB Bank B.S.C. (c), to be used for the capital increase. The capital has been transferred to capital accounts as of 31 December 2012 in accordance with BRSA approval No.27021 dated 26 December 2012, and capital increase is registered in the Trade Registry Gazette of Turkey No. 8234 dated 11 January 2013.

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

None (31 December 2012: None)

**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 Bank's income, profitability, prior period indicators on liquidity and uncertainty on these indicators and their potential effects on the Bank's capital:**

The Bank considers there is no uncertainty regarding the prior period income, profitability and liquidity indicators, therefore the Bank does not foresee an effect on capital (31 December 2012: None).

**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).

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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)**

**III. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT**

**1. Information on interest income:**

**a. Information on interest income on loans:**

	31 March 2013		31 March 2012	
	TL	FC	TL	FC
Short-term Loans	22	-	13	-
Medium/Long-term Loans	-	-	-	-
Interest on Loans Under Follow-up	-	-	-	-
Premiums Received from Resource Utilisation Support Fund	-	-	-	-
<b>Total</b>	<b>22</b>	<b>-</b>	<b>13</b>	<b>-</b>

**b. Information on interest income on banks:**

	31 March 2013		31 March 2012	
	TL	FC	TL	FC
From the CBRT	-	-	-	-
From Domestic Banks	-	-	-	-
From Foreign Banks	-	-	-	-
Headquarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

	31 March 2013		31 March 2012	
	TL	FC	TL	FC
Interest income received from investments in associates and subsidiaries	22	-	13	-
<b>Total</b>	<b>22</b>	<b>-</b>	<b>13</b>	<b>-</b>

**2. Information on interest expense:**

**a. Information on interest expense on borrowings:**

	31 March 2013		31 March 2012	
	TL	FC	TL	FC
Banks	37	-	133	-
The CBRT	-	-	-	-
Domestic Banks	-	-	-	-
Foreign Banks	37	-	133	-
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	-	-	-
<b>Total</b>	<b>37</b>	<b>-</b>	<b>133</b>	<b>-</b>

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

	31 March 2013		31 March 2012	
	TL	FC	TL	FC
Interest expense given to investments in associates and subsidiaries	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)**

**3. Information on trading income/loss (Net):**

	31 March 2013	31 March 2012
<b>Income</b>	<b>82</b>	<b>107</b>
Income from Capital Market Transactions	14	1
Income from Derivative Financial Transactions (*)	-	-
Foreign Exchange Gains	68	106
<b>Loss (-)</b>	<b>95</b>	<b>59</b>
Loss from Capital Market Transactions	12	(51)
Loss from Derivative Financial Transactions (*)	-	-
Foreign Exchange Loss	83	110

(\*) The major part of the gain/loss from derivative financial transactions stems from the changes in FX rates due to the fact that these derivatives are short term.

**4. Information on other operating income:**

**Information on new developments and significant factors affecting the Bank’s income, including the extent of the effect on income:**

Other operating income does not include income from extraordinary operating activities.

**5. Provision expenses related to loans and other receivables:**

	31 March 2013	31 March 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	-	5
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	-	-
<b>Total</b>	<b>-</b>	<b>5</b>

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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)**

**6. Information related to other operating expenses:**

	31 March 2013	31 March 2012
Personnel Expenses	502	582
Reserve For Employee Termination Benefits	13	-
Bank Social Aid Pension Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	14	16
Impairment Expenses of Intangible Assets	-	-
Goodwill impairment expenses	-	-
Amortisation Expenses of Intangible Assets	1	4
Impairment Expenses 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	448	556
Operational Lease Expenses	118	131
Maintenance Expenses	30	-
Advertising Expenses	8	8
Other Expense	292	417
Loss on Sales of Assets	-	-
Other	229	141
<b>Total</b>	<b>1.207</b>	<b>1.299</b>

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

Loss before tax comes from net interest income amounting TL83, net commission fee expenses amounting TL7, trading loss amounting to TL13, other operating income amounting TL150, other operating expenses amounting TL1.207.

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

**a. Information on calculated current tax income or expense and deferred tax income or expense:**

None (31 March 2012: None).

**b. Explanations on deferred tax income or expense arising from the temporary differences occurred or have been closed:**

None (31 March 2012: None).

**c. Information on recognition of temporary difference, financial loss, diminution of tax and exemptions on income statement:**

None (31 March 2012: None).

**9. Information on net income/(loss) for the period from continuing or discontinued operations:**

The Bank has no discontinued operations. The net loss for the period from continuing operations amounting TL994 (31 March 2012: TL1.140).

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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)**

**10. 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 Bank, the composition and amount of these items:**

None (31 March 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 which would affect the current or the subsequent periods.

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

TL14 (31 March 2012: TL68) of other operating income, which exceed 10% of the income statement total, comes from the rent income of the Bank collected from its subsidiaries.

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

**1. Information on off-balance sheet commitments:**

- a. **The amount and type of irrevocable commitments:**

	31 March 2013	31 December 2012
Other Commitments	-	-
Guarantee Letter	132	132
Letters of Credit	-	-
Bank Acceptances	-	-
Factoring Commitments	-	-
<b>Total</b>	<b>132</b>	<b>132</b>

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

1. **Non-cash loans including guarantees, bank acceptances, collaterals and others that are accepted as financial commitments and other letters of credit:**

None (31 December 2012: None).

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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)**

**2. Revocable, irrevocable guarantees, contingencies and other similar commitments:**

	31 March 2013	31 December 2012
Irrevocable Letters of Guarantee	-	-
Letters of Guarantee Given in Advance	-	-
Guarantees Given to Customs	-	-
Other Letters of Guarantee	132	132
<b>Total</b>	<b>132</b>	<b>132</b>

**c. Total amount of non-cash loans:**

	31 March 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	132	132
<b>Total</b>	<b>132</b>	<b>132</b>

(\*) The Bank has no non-cash loans that are classified in Group II.

**2. Information on contingent liabilities and assets:**

*(i) Contingent assets*

Recognition of contingent assets and liabilities is based on the probability of realization of contingent events.

On 28 December 2012, "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 "Istanbul Altın Borsası ve Vadeli İşlemler Opsiyon Borsası" to Borsa İstanbul A.Ş., which was not in force yet on 11 September 2012 when the Bank signed the share transfer agreement. According to Securities Exchange Act No: 6362, part of the shares, representing the contribution related to "Istanbul 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 Bank, and if the share transfer happens after more than 12 months, all of the contribution will belong to the new shareholder.



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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)**

*(ii) Contingent liabilities*

As a result of tax investigations performed regarding the years ended in 2001, 2002 and 2003, tax and tax penalties have been charged to the Bank amounting to TL799, TL1.628 and TL35, respectively. The Bank has opened 5 lawsuits in tax courts regarding these tax and tax penalties. As of 14 January 2008 the lawsuit regarding the tax penalty in 2001 has been concluded in favour of the Bank but the Taxation Authority appealed this decision to the Council of State. The four lawsuits regarding years 2002 and 2003 have also been concluded in favour of the Bank on 22 December 2009. The Taxation Authority also appealed the decision for the four lawsuits to the Council of State. In the Board of Directors Meeting dated 11 April 2011 No:2011/9, it has been decided to withdraw tax cases in order to take advantage of provisions of code related to "Restructuring some Receivables" published in the Official Gazette dated 25 February 2011 No. 27857. As a result of the agreement with the tax office regarding these litigations, it has been decided to pay TL187 in 18 installments. As of 31 March 2013, a provision has been allocated in these financial statements regarding the payment amounting to TL62 for the unpaid installments.

As of 31 March 2013, the Bank has ongoing lawsuits about unfair termination of employment, overtime and unused vacation of a former employee. Based on current information, the Bank has provided TL55 (31 December 2012: TL55) for reemployment and TL6 (31 December 2012: TL6) for the initial claim for overtime and unused vacation in total TL61 (31 December 2012: TL61) in its financial statements. The process regarding the lawsuit continues as of the date the financial statements and the final compensation amount will be determined as a result of the judgement.

As of 5 April 2013, the previous land-lord of the Bank notified the Bank that they will not pay-back the amount of TL23 from the total deposit of USD24.864 due to non-fulfilment of exit term of the rent contract by the Bank. A provision of TL23 is recorded in the financial statements of the Bank as at 31 March 2013.

Provision of TL114 has been reflected to PDF's financial statements for a possible compensation to be paid related an ongoing lawsuit against PDF as of 31 March 2013; regarding the unfair termination of employment of an employee by the employer. Regarding the same lawsuit, additional compensation for bad faith damages was demanded by the claimant, for an amount of 3 (three) times the payment of notice. Whether the mentioned liability comes true or not is totally a matter of the result of the judgment; but the opinion of the legal representatives of the Bank is that the related claim for damages will be refused. The process regarding the lawsuit continues as of the date the financial statements.

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 Bank issued indemnification letters in favour of its 5 (five) members of Board of Directors to protect them against possible claims.

BRSA has provided additional time to the Bank for the improvements in Bank's information systems and banking processes until 20 September 2013.

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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)**

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

Prior period financial information is presented as at 31 December 2012 for balance sheet and as at 31 March 2012 for income statements items.

**a. Current Period (31 March 2013):**

Banks’ Risk Group (*)	Investments in Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		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	750	-	6	-	-	-
End of the Period	550	-	6	-	-	-
Interest and Commission Income Received	22	-	-	-	-	-

(\*) 5 Defined in Article 49 of subsection 2 of the Banking Act No. 5411.

**b. Previous Period (31 December 2012):**

Banks’ Risk Group (*)	Investments in Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		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	-	132	-	-	-	-
End of the Period	750	-	6	-	-	-
Interest and Commission Income Received	13	1	-	-	-	-

(\*) Defined in Article 49 of subsection 2 of the Banking Act No. 5411.

**c. Information on deposits of the Bank’s risk group:**

Banks’ Risk Group (*)	Investments in Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012	31 March 2013	31 December 2012
Deposit (**)						
Beginning of the Period	-	-	1.561	5.919	-	-
End of the Period	-	-	1.561	1.561	-	-
Interest Expense on Deposits (**)	-	-	37	133	-	-

(\*) Defined in Article 49 of subsection 2 of the Banking Act No. 5411.

(\*\*) The balances stated above indicate borrowings.

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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)**

**d. Information on forward and option agreements and other similar agreements made with the Bank’s risk group:**

Banks’ Risk Group (*)	Investments in Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012	31 March 2013	31 December 2012
<b>Transactions for trading purposes</b>						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
<b>Total Profit/Loss</b>	-	-	-	-	-	-
<b>Transactions for hedging purposes</b>						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
<b>Total Profit/Loss</b>	-	-	-	-	-	-

**e. Information on key management compensation:**

Information on key management compensation is presented below:

	31 March 2013	31 March 2012
Short Term Employee Benefits (*)	165	172
Post Employment Benefits (**)	-	-
Other Long Term Benefits (***)	18	6
Termination Benefits (****)	-	-
Share-based Payments	-	-
<b>Total Key Management Compensation</b>	<b>183</b>	<b>178</b>

(\*) Salaries, bonus, accommodation, vehicle, social insurance, health insurance, vacation etc. payment

(\*\*) The planned payments for the retired key management personnel.

(\*\*\*) Employee termination benefits provisions expense, long term part of vacation provisions, long term bonus plans, etc.

(\*\*\*\*) The employee termination benefits, payment in lieu of notice and other legal payments to terminated key management personnel.

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

**TAIB YATIRIMBANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued)**

**V. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS**

According to Board of Directors decision no: 2013/10 dated 4 April 2013, Bank has decided to hold the Ordinary General Assembly Meeting at 30 April 2013. The agenda of the General Assembly meeting includes the related items; Granting approval for transfer of 75% of the sale profit of TAIB Menkul to a "Fund Account" under equity as per Corporate Tax Law Article 5/1,e, submission to the shareholders of the remedies to be adopted as per Article 376 of the Turkish Commercial Code in order to restore the capital loss caused by the accumulated losses and Granting approval for netting off of the accumulated losses from Share Capital of the Bank as per the instructions of the BRSA and decreasing the share capital thus amending the Article 7 of the Articles of Association titled "Share Capital". In addition on 5 April 2013 the Bank submitted a written request to BRSA to defer the netting of the accumulated loss from the paid capital and making the necessary amendments on the Bank's articles of association as included in the agenda of the Ordinary General Assembly until to the date of the First Extraordinary General Assembly which will be held for the transfer of the Bank's shares to the buyer group at the end of sale process. According to BRSA reply letter No. 10782 dated 29 April 2013, Bank's request to defer for the deducting of total accumulated loss from shareholders equity and making necessary amendments on the Bank's articles of association was not accepted. Within this process, the Bank submitted a written request to BRSA on 25 April 2013 in order to get the necessary permission for reducing the paid capital by TL22.570 to TL14.430 from TL37.000 and making the necessary amendments on the Bank's articles of association. At the ordinary general assembly meeting on 30 April 2013, since BRSA's necessary permission has not been obtained yet as of the meeting date, it has been decided to discuss the capital reduction and necessary amendments on the Bank's articles of association in the next general assembly meeting following the BRSA's approval.

**SECTION SIX**

**OTHER EXPLANATIONS AND NOTES**

**I. OTHER EXPLANATIONS RELATED TO OPERATIONS OF THE BANK**

None.

**SECTION SEVEN**

**EXPLANATIONS ON REVIEW REPORT**

**I. EXPLANATIONS ON REVIEW REPORT**

The unconsolidated financial statements for the period ended 31 March 2013 have been reviewed by Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of PricewaterhouseCoopers) and the independent auditor's review report dated 15 May 2013 has been presented prior to the unconsolidated financial statements.

**II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITOR**

None (31 December 2012: None).

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