

# **Yapı ve Kredi Bankası A.Ş.**

**Publicly announced unconsolidated financial  
statements and related disclosures at  
September 30, 2011 together with independent  
auditor's review report**

(Convenience translation of publicly announced unconsolidated financial statements  
and review report originally issued in Turkish, See Note I. of Section three)

**(Convenience translation of the independent auditor's review report originally issued in Turkish,  
See Note I. of Section three)**

To the Board of Directors of Yapı ve Kredi Bankası A.Ş.

We have reviewed the accompanying unconsolidated balance sheet of Yapı ve Kredi Bankası A.Ş. ("the Bank") at September 30, 2011 and the related unconsolidated income statement, unconsolidated statement of income and expense items accounted under shareholders' equity, unconsolidated statement of cash flows and unconsolidated statement of changes in shareholders' equity for the period 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.

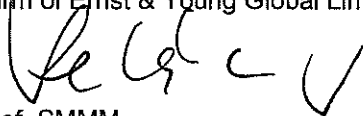
We conducted our review in accordance with the regulations on account and booking system and accounting and independent audit principles set out as per the Banking Act No. 5411. Those principles require that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to applying analytical procedures to financial data and making inquiries of the Bank's management, and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial statements do not give a true and fair view of the financial position of Yapı ve Kredi Bankası A.Ş. at September 30, 2011 and of 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 the Banking Act No. 5411 and other regulations, interpretations and circulars published by the Banking Regulation and Supervision Agency on accounting and financial reporting principles.

**Additional paragraph for convenience translation:**

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

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



Selim Elhadef, SMMM  
Partner

Istanbul, November 3, 2011

**Convenience translation of publicly announced unconsolidated interim financial statements  
and review report originally issued in Turkish, See Note I. of Section three**

**The unconsolidated interim financial report of  
Yapı ve Kredi Bankası A.Ş. as of September 30, 2011**

Yapı ve Kredi Bankası A.Ş.  
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The unconsolidated financial report includes the following sections in accordance with the "Communiqué Related to Publicly Announced Financial Statements of Banks and Explanations and Notes Related to these Financial Statements" 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 applied in the related period
- **Section four** - Information related to financial position of the bank
- **Section five** - Explanations and notes related to unconsolidated financial statements
- **Section six** - Other explanations
- **Section seven** - Independent auditor's review report

The accompanying unconsolidated 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 the Principles and Procedures Regarding Banks' Accounting Applications and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, and related appendices and interpretations of these, and have been reviewed.

**Mustafa V. KOÇ**  
Chairman of the  
Board of Directors

**H. Faik AÇIKALIN**  
Chief Executive Officer

**Marco CRAVARIO**  
Chief Financial Officer

**M. Gökmen UÇAR**  
Financial Reporting  
and Accounting  
Executive Vice President

**Gianni F. G. PAPA**  
President of Audit Committee

**Francesco GIORDANO**  
Member of Audit Committee

**Füsun Akkal BOZOK**  
Member of Audit Committee

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

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## **Section one**

### **General information about the Bank**

I.	History of the Bank including its incorporation date, initial legal status and amendments to legal status, if any	1
II.	Explanation about the Bank's capital structure, shareholders holding directly or indirectly, collectively or individually, the management and controlling power and changes in current year, if any and explanations on the controlling group of the Bank	1
III.	Explanations regarding the board of directors, members of the audit committee, Chief Executive Officer and executive vice presidents and their areas of responsibility and shares if any	1
IV.	Information on the individual and corporate shareholders having control shares of the Bank	3
V.	Summary Information on the Bank's activities and service types	3

## **Section two**

### **Unconsolidated financial statements**

I.	Balance sheet	4
II.	Off-balance sheet commitments	6
III.	Income statements	7
IV.	Statement of income and expense items accounted under shareholders' equity	9
V.	Statement of changes in shareholders' equity	10
VI.	Statement of cash flows	12

## **Section three**

### **Explanations on accounting policies**

I.	Basis of presentation	13
II.	Explanations on strategy of using financial instruments and foreign currency transactions	14
III.	Explanations on investments in associates, subsidiaries and joint ventures	14
IV.	Explanations on forward and option contracts and derivative instruments	15
V.	Explanations on interest income and expense	16
VI.	Explanations on fee and commission income and expense	17
VII.	Explanations on financial assets	17
VIII.	Explanations on impairment of financial assets	19
IX.	Explanations on offsetting financial assets	19
X.	Explanations on sales and repurchase agreements and securities lending transactions	19
XI.	Information on assets held for resale and related to discontinued operations and explanations on liabilities related with these assets	20
XII.	Explanations on goodwill and other intangible assets	20
XIII.	Explanations on property and equipment	21
XIV.	Explanations on leasing transactions	22
XV.	Explanations on provisions, contingent assets and liabilities	22
XVI.	Explanations on obligations related to employee rights	23
XVII.	Explanations on taxation	24
XVIII.	Explanations on borrowings	26
XIX.	Explanations on issuance of share certificates	26
XX.	Explanations on avalized drafts and acceptances	26
XXI.	Explanations on government grants	26
XXII.	Profit reserves and profit distribution	26
XXIII.	Earnings per share	27
XXIV.	Related parties	27
XXV.	Cash and cash equivalents	27
XXVI.	Explanations on operating segments	27
XXVII.	Reclassifications	27

## **Section four**

### **Information related to financial position of the Bank**

I.	Explanations on capital adequacy ratio	28
II.	Explanations on market risk	31
III.	Explanations on operational risk	31
IV.	Explanations on currency risk	31
V.	Explanations on interest rate risk	34
VI.	Explanations on liquidity risk	36
VII.	Explanations on operating segments	37

## **Section five**

### **Explanations and notes related to unconsolidated financial statements**

I.	Explanations and notes related to assets	40
II.	Explanations and notes related to liabilities	54
III.	Explanations and notes related to off-balance sheet accounts	61
IV.	Explanations and notes related to income statement	64
V.	Explanations and notes related to statement of cash flows	69
VI.	Explanations and notes related to the Bank's risk group	71
VII.	Explanations and notes related to subsequent events	73

## **Section six**

### **Other explanations**

I.	Other explanations on the Bank's operations	74
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## **Section seven**

### **Explanations on independent auditor's review report**

I.	Explanations on independent auditor's review report	74
II.	Explanations and notes prepared by independent auditor	74

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Section one**

**General information about the Bank**

**I. History of the Bank including its incorporation date, initial legal status and amendments to legal status, if any:**

Yapı ve Kredi Bankası A.Ş. ("the Bank" or "Yapı Kredi"), was established and started operations on September 9, 1944 with the permission of the Council of Ministers No. 3/6710 as a private capital commercial bank authorised to perform all banking, economic, financial and commercial activities which are allowed by the laws of the Turkish Republic. The statute of the Bank has not changed since its incorporation.

**II. Explanation about the Bank's capital structure, shareholders holding directly or indirectly, collectively or individually, the management and controlling power and changes in current year, if any and explanations on the controlling group of the Bank:**

The Bank's publicly traded shares are traded on the Istanbul Stock Exchange ("ISE") since 1987 and the representatives of these shares, Global Depository Receipts, are quoted in London Stock Exchange. As of September 30, 2011, 18,20% of the shares of the Bank are publicly traded (December 31, 2010 - 18,20%). The remaining 81,80% is owned by Koç Finansal Hizmetler A.Ş. ("KFS"), a joint venture of UniCredit ("UCI") and Koç Group.

KFS was established on March 16, 2001 to combine Koç Group finance companies under one organisation and it became the main shareholder of Koçbank in 2002. On October 22, 2002, Koç Group established a strategic partnership with UCI over KFS.

In 2005, the Bank's shares that were owned by Çukurova Group Companies and the Saving Deposits Insurance Fund ("SDIF") were purchased by Koçbank. In 2006, Koçbank purchased additional shares of the Bank from ISE and an investment fund and, during the same year, all rights, receivables, debts and liabilities of Koçbank were transferred to the Bank pursuant the merger of the two banks. As a result of the merger, the share transfer procedures in 2007 and capital increase by TL 920 million in 2008, KFS shares in the Bank increased to 81,80%.

**III. Explanation regarding the board of directors, members of the audit committee, Chief Executive Officer and executive vice presidents, and their areas of responsibility and shares if any:**

As of September 30, 2011, the Bank's Board of Directors, Members of the Audit Committee and General Manager and Assistant General Managers are as follows:

Board of Directors Members:

<b>Name</b>	<b>Responsibility</b>
Mustafa V. KOÇ	Chairman
Gianni F.G. PAPA	Vice Chairman
H. Faik AÇIKALIN	Chief Executive Officer
Carlo VIVALDI	Executive Director and Deputy Chief Executive Officer
Ahmet F. ASHABOĞLU	Member
Füsun Akkal BOZOK	Member
Francesco GIORDANO	Member
O. Turgay DURAK	Member
Massimiliano FOSSATI	Member
Vittorio G.M. OGLIENGO	Member

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, See Note I. of Section three)

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**General information about the Bank (continued)**

General Manager and Assistant General Managers:

<b>Name</b>	<b>Responsibility</b>
H. Faik AÇIKALIN	General Manager
Carlo VIVALDI	Deputy General Manager
Mehmet Güray ALPKAYA	Corporate Sales Management
Marco CRAVARIO	Financial Planning and Administration Management
Yakup DOĞAN	Alternative Distribution Channels
Mehmet Murat ERMERT	Corporate Communication Management
Mert GÜVENEN	Corporate and Commercial Banking Management
Süleyman Cihangir KAVUNCU	Human Resources Management
Mert ÖNCÜ	Treasury Management
Mehmet Erkan ÖZDEMİR	Compliance Officer
Stefano PERAZZINI	Internal Audit
Yüksel RİZELİ	Information Systems and Operation Management
Cemal Aybars SANAL	Legal Activities Management
Wolfgang SCHILK	Risk Management
Zeynep Nazan SOMER	Retail Banking Management
Feza TAN	Corporate and Commercial Credit Management
Selim Hakkı TEZEL	Consumer and SME Credit Management
Mert YAZICIOĞLU	Private Banking and Asset Management

Audit Committee Members:

<b>Name</b>	<b>Responsibility</b>
Gianni F.G. PAPA	Chairman
Fusun Akkal BOZOK	Member
Francesco GIORDANO	Member

Statutory Auditors:

<b>Name</b>	<b>Responsibility</b>
Abdullah GEÇER	Auditor
Adil G. ÖZTOPRAK	Auditor

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

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**General information about the Bank (continued)**

**IV. Information on the individual and corporate shareholders having control shares of the Bank:**

Name/Commercial title	Share amounts (nominal)	Share percentage	Paid-in capital (nominal)	Unpaid portion
Koç Finansal Hizmetler A.Ş.	3.555.712.396,07	81,80%	3.555.712.396,07	-

**V. Summary information on the Bank's activities and service types:**

The Bank's activities summarized from the section 5 of the articles of association are as follows:

The Bank's purpose and subject matter in accordance with the Banking Law, regulations and existing laws include:

- The execution of all banking activities
- The execution of all economic and financial activities which are allowed by the regulation
- The execution of the representation, attorney and agency activities related to the subjects written above
- The purchase and sale of share certificates, bonds and all the capital market instruments, in accordance with Capital Market Law and regulations

In case of necessity for performing activities which are useful and required but that are not specified in the articles of association, a Board of Directors' proposal is to be presented to the General Assembly. With the approval of the General Assembly the proposal becomes applicable, subject to the approvals required by law.

As of September 30, 2011, the Bank has 893 branches operating in Turkey and 1 branch in off-shore region (December 31, 2010 - 867 branches operating in Turkey, 1 branch in off-shore region). As of September 30, 2011, the Bank has 14.704 employees (December 31, 2010 - 14.411 employees).

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, See Note I. of Section three)

## Yapı ve Kredi Bankası A.Ş.

### Unconsolidated financial statements as of September 30, 2011 and December 31, 2010

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

#### Section two Unconsolidated financial statements

##### I. Balance sheet

		(30/09/2011)			(31/12/2010)			
		Note (Section Five)	TL	FC	Total	TL	FC	Total
I.	Cash and balances with Central Bank	I-a	5.971.629	5.230.729	11.202.358	2.558.309	3.345.174	5.903.483
II.	Financial assets at fair value through profit or (loss) (net)	I-b	506.547	65.347	571.894	777.810	104.311	882.121
2.1	Trading financial assets		506.547	65.347	571.894	777.810	104.311	882.121
2.1.1	Government debt securities		159.688	5.580	165.268	159.875	60.999	220.874
2.1.2	Share certificates		-	-	-	-	-	-
2.1.3	Derivative financial assets held for trading		346.859	58.844	405.703	617.935	43.112	661.047
2.1.4	Other marketable securities		-	923	923	-	200	200
2.2	Financial assets designated at fair value through profit/(loss)		-	-	-	-	-	-
2.2.1	Government debt securities		-	-	-	-	-	-
2.2.2	Share certificates		-	-	-	-	-	-
2.2.3	Loans		-	-	-	-	-	-
2.2.4	Other marketable securities		-	-	-	-	-	-
III.	Banks	I-c	187.030	1.684.812	1.871.842	69.745	994.796	1.064.541
IV.	Money markets		14.083	-	14.083	949.427	-	949.427
4.1	Interbank money market placements		-	-	-	-	-	-
4.2	Receivables from Istanbul Stock Exchange Money Market		14.083	-	14.083	-	-	-
4.3	Receivables from reverse repurchase agreements		-	-	-	949.427	-	949.427
V.	Financial assets available-for-sale (net)	I-d	5.698.513	881.456	6.579.969	4.086.092	847.152	4.933.244
5.1	Share certificates		3.912	192	4.104	2.903	156	3.059
5.2	Government debt securities		4.211.367	526.993	4.738.360	3.027.506	541.549	3.569.055
5.3	Other marketable securities		1.483.234	354.271	1.837.505	1.055.683	305.447	1.361.130
VI.	Loans and receivables	I-e	42.551.893	23.559.470	66.111.363	34.574.736	18.040.424	52.615.160
6.1	Loans and receivables		42.066.054	23.457.526	65.523.580	34.180.130	18.008.809	52.188.939
6.1.1	Loans to bank's risk group		544.050	647.018	1.191.068	722.352	284.021	1.006.373
6.1.2	Government debt securities		-	-	-	-	-	-
6.1.3	Other		41.522.004	22.810.508	64.332.512	33.457.778	17.724.788	51.182.566
6.2	Loans under follow-up		1.883.199	157.979	2.041.178	1.766.342	94.322	1.860.664
6.3	Specific provisions (-)		(1.397.360)	(56.035)	(1.453.395)	(1.371.736)	(62.707)	(1.434.443)
VII.	Factoring receivables		-	-	-	-	-	-
VIII.	Held-to-maturity investments (net)	I-f	3.396.222	8.995.179	12.391.401	5.245.468	7.285.189	12.530.657
8.1	Government debt securities		3.396.222	8.995.179	12.391.401	5.245.468	7.285.189	12.530.657
8.2	Other marketable securities		-	-	-	-	-	-
IX.	Investments in associates (net)	I-g	4.503	43.404	47.907	3.940	43.404	47.344
9.1	Consolidated based on equity method		-	-	-	-	-	-
9.2	Unconsolidated		4.503	43.404	47.907	3.940	43.404	47.344
9.2.1	Investments in financial associates		4.503	43.404	47.907	3.940	43.404	47.344
9.2.2	Investments in non-financial associates		-	-	-	-	-	-
X.	Subsidiaries (net)	I-h	1.392.800	408.423	1.801.223	1.392.800	397.041	1.789.841
10.1	Unconsolidated financial subsidiaries		1.390.500	408.423	1.798.923	1.390.500	397.041	1.787.541
10.2	Unconsolidated non-financial subsidiaries		2.300	-	2.300	2.300	-	2.300
XI.	Joint ventures (net)	I-i	24.592	-	24.592	24.592	-	24.592
11.1	Accounted based on equity method		-	-	-	-	-	-
11.2	Unconsolidated		24.592	-	24.592	24.592	-	24.592
11.2.1	Financial joint ventures		24.592	-	24.592	24.592	-	24.592
11.2.2	Non-financial joint ventures		-	-	-	-	-	-
XII.	Lease receivables	I-j	-	-	-	-	-	-
12.1	Financial lease receivables		-	-	-	-	-	-
12.2	Operating lease receivables		-	-	-	-	-	-
12.3	Other		-	-	-	-	-	-
12.4	Unearned income (-)		-	-	-	-	-	-
XIII.	Derivative financial assets held for hedging	I-k	212.345	136	212.481	34.463	3.738	38.201
13.1	Fair value hedge		212.345	-	212.345	34.463	-	34.463
13.2	Cash flow hedge		-	136	136	-	3.738	3.738
13.3	Foreign net investment hedge		-	-	-	-	-	-
XIV.	Property and equipment (net)		1.144.703	-	1.144.703	1.104.973	-	1.104.973
XV.	Intangible assets (net)	I-l	1.233.517	-	1.233.517	1.229.401	-	1,229,401
15.1	Goodwill		979.493	-	979.493	979.493	-	979.493
15.2	Other		254.024	-	254.024	249.908	-	249.908
XVI.	Investment property (net)	I-m	-	-	-	-	-	-
XVII.	Tax asset		281.183	-	281.183	215.964	-	215.964
17.1	Current tax asset		-	-	-	-	-	-
17.2	Deferred tax asset		281.183	-	281.183	215.964	-	215.964
XVIII.	Assets held for resale and related to discontinued operations (net)	I-n	88.819	-	88.819	79.377	-	79.377
18.1	Held for sale purposes		88.819	-	88.819	79.377	-	79.377
18.2	Related to discontinued operations		-	-	-	-	-	-
XIX.	Other assets	I-o	772.021	2.019.593	2.791.614	546.620	821.200	1.367.820
<b>Total assets</b>			<b>63.480.400</b>	<b>42.888.549</b>	<b>106.368.949</b>	<b>52.893.717</b>	<b>31.882.429</b>	<b>84.776.146</b>

The accompanying explanations and notes 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)

## Yapı ve Kredi Bankası A.Ş.

### Unconsolidated financial statements as of September 30, 2011 and December 31, 2010

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

#### I. Balance sheet

Liabilities	Note (Section Five)	(30/09/2011)			(31/12/2010)		
		TL	FC	Total	TL	FC	Total
I. Deposits	II-a	33.939.689	28.772.183	62.711.872	32.345.382	20.379.150	52.724.532
1.1 Deposits of the Bank's risk group		4.395.125	3.324.804	7.719.929	4.096.117	2.753.585	6.849.702
1.2 Other		29.544.564	25.447.379	54.991.943	28.249.265	17.625.565	45.874.830
II. Derivative financial liabilities held for trading	II-b	403.170	79.024	482.194	290.361	42.773	333.134
III. Funds borrowed	II-c	640.156	11.369.141	12.009.297	967.174	7.405.771	8.372.945
IV. Money markets		1.904.346	5.074.572	6.978.918	44.350	2.915.611	2.959.961
4.1 Funds from interbank money market		-	-	-	-	-	-
4.2 Funds from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3 Funds provided under repurchase agreements		1.904.346	5.074.572	6.978.918	44.350	2.915.611	2.959.961
V. Marketable securities issued (net)	II-d	935.729	-	935.729	-	-	-
5.1 Bonds		935.729	-	935.729	-	-	-
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bills		-	-	-	-	-	-
VI. Funds		-	-	-	-	-	-
6.1 Borrower funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
VII. Miscellaneous payables		3.840.965	430.314	4.271.279	3.261.858	677.040	3.938.898
VIII. Other liabilities	II-e	1.198.625	614.827	1.813.452	699.659	314.021	1.013.680
IX. Factoring payables		-	-	-	-	-	-
X. Lease payables (net)	II-f	-	27.191	27.191	-	16.044	16.044
10.1 Financial lease payables		-	28.305	28.305	-	16.430	16.430
10.2 Operational lease payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred lease expenses (-)		-	(1.114)	(1.114)	-	(386)	(386)
XI. Derivative financial liabilities held for hedging	II-g	254.512	449.155	703.667	352.025	101.638	453.663
11.1 Fair value hedge		66.164	-	66.164	313.917	-	313.917
11.2 Cash flow hedge		188.348	449.155	637.503	38.108	101.638	139.746
11.3 Foreign net investment hedge		-	-	-	-	-	-
XII. Provisions	II-h	1.918.268	432.399	2.350.667	1.904.100	375.417	2.279.517
12.1 General loan loss provision		600.536	360.288	960.824	521.573	298.726	820.299
12.2 Restructuring provisions		-	-	-	-	-	-
12.3 Reserve for employee rights		164.741	-	164.741	162.205	-	162.205
12.4 Insurance technical provisions (net)		-	-	-	-	-	-
12.5 Other provisions		1.152.991	72.111	1.225.102	1.220.322	76.691	1.297.013
XIII. Tax liability	II-i	231.346	-	231.346	255.798	-	255.798
13.1 Current tax liability		231.346	-	231.346	255.798	-	255.798
13.2 Deferred tax liability		-	-	-	-	-	-
XIV. Liabilities for property and equipment held for sale and related to discontinued operations (net)		-	-	-	-	-	-
14.1 Held for sale		-	-	-	-	-	-
14.2 Related to discontinued operations		-	-	-	-	-	-
XV. Subordinated loans	II-j	-	2.598.485	2.598.485	-	2.110.274	2.110.274
XVI. Shareholders' equity	II-k	11.599.809	(344.957)	11.254.852	10.325.912	(8.212)	10.317.700
16.1 Paid-in capital		4.347.051	-	4.347.051	4.347.051	-	4.347.051
16.2 Capital reserves		672.730	(344.957)	327.773	716.069	(8.212)	707.857
16.2.1 Share premium		543.881	-	543.881	543.881	-	543.881
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Marketable securities valuation differences	II-k	16.102	49.009	65.111	101.047	84.026	185.073
16.2.4 Property and equipment revaluation differences		-	-	-	-	-	-
16.2.5 Intangible assets revaluation differences		-	-	-	-	-	-
16.2.6 Revaluation differences of investment property		-	-	-	-	-	-
16.2.7 Bonus shares from investments in associates, subsidiaries and joint ventures		-	-	-	-	-	-
16.2.8 Hedging funds (effective portion)		(33.894)	(393.966)	(427.860)	(9.590)	(92.238)	(101.828)
16.2.9 Value increase in assets held for sale and related to discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		146.641	-	146.641	80.731	-	80.731
16.3 Profit reserves		5.197.101	-	5.197.101	3.202.502	-	3.202.502
16.3.1 Legal reserves		266.973	-	266.973	163.959	-	163.959
16.3.2 Status reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		4.930.128	-	4.930.128	3.038.543	-	3.038.543
16.3.4 Other profit reserves		-	-	-	-	-	-
16.4 Income or (loss)		1.382.927	-	1.382.927	2.060.290	-	2.060.290
16.4.1 Prior years' income or (loss)		-	-	-	-	-	-
16.4.2 Current year income or (loss)		1.382.927	-	1.382.927	2.060.290	-	2.060.290
<b>Total liabilities and shareholders' equity</b>		<b>56.866.615</b>	<b>49.502.334</b>	<b>106.368.949</b>	<b>50.446.619</b>	<b>34.329.527</b>	<b>84.776.146</b>

The accompanying explanations and notes 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)

## Yapı ve Kredi Bankası A.Ş.

### Unconsolidated financial statements as of September 30, 2011 and December 31, 2010 (Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

#### II. Off-balance sheet commitments

		(30/09/2011)			(31/12/2010)		
		TL	FC	Total	TL	FC	Total
A	Off-balance sheet commitments (I+II+III)	56,813,796	78,295,976	135,109,772	46,765,703	54,018,284	100,783,987
I.	Guarantees and warranties	10,208,621	15,733,664	25,942,285	7,798,057	11,665,319	19,463,376
1.1	Letters of guarantee	9,390,884	8,875,567	18,266,451	7,780,045	7,030,946	14,810,991
1.1.1	Guarantees subject to state tender law	497,109	672,703	1,169,812	510,007	598,097	1,108,104
1.1.2	Guarantees given for foreign trade operations	1,086,139	8,202,864	9,289,003	840,037	6,434,849	7,274,886
1.1.3	Other letters of guarantee	7,827,636	-	7,827,636	6,430,001	-	6,430,001
1.2	Bank acceptances	-	163,360	163,360	-	165,797	165,797
1.2.1	Import letter of acceptance	-	163,360	163,360	-	165,797	165,797
1.2.2	Other bank acceptances	-	-	-	-	-	-
1.3	Letters of credit	8,007	5,205,205	5,213,212	12,337	3,894,831	3,907,168
1.3.1	Documentary letters of credit	8,007	5,205,205	5,213,212	12,337	3,894,831	3,907,168
1.3.2	Other letters of credit	-	-	-	-	-	-
1.4	Refinancing given as guarantee	143	2,461	2,604	143	2,062	2,205
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	809,587	541,358	1,350,945	5,532	269,072	274,604
1.9	Other warranties	-	945,713	945,713	-	302,611	302,611
II.	Commitments	23,236,008	3,326,951	26,562,959	19,805,392	2,750,840	22,556,232
2.1	Irrevocable commitments	23,236,008	3,326,951	26,562,959	19,805,392	2,750,840	22,556,232
2.1.1	Asset purchase and sale commitments	368,136	2,337,733	2,705,869	-	2,544,040	2,544,040
2.1.2	Deposit purchase and sales commitments	1,069	-	1,069	44	9,797	9,841
2.1.3	Share capital commitments to associates and subsidiaries	1,000	-	1,000	2,000	-	2,000
2.1.4	Loan granting commitments	3,915,094	989,188	4,904,282	3,070,259	186,250	3,256,509
2.1.5	Securities issue brokerage commitments	-	-	-	-	-	-
2.1.6	Commitments for reserve deposit requirements	-	-	-	-	-	-
2.1.7	Commitments for cheques	4,141,074	-	4,141,074	3,653,626	-	3,653,626
2.1.8	Tax and fund liabilities from export commitments	36,127	-	36,127	39,486	-	39,486
2.1.9	Commitments for credit card limits	13,352,994	-	13,352,994	11,706,172	-	11,706,172
2.1.10	Commitments for credit cards and banking services promotions	-	-	-	-	-	-
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	1,420,514	30	1,420,544	1,333,805	10,753	1,344,558
2.2	Revocable commitments	-	-	-	-	-	-
2.2.1	Revocable loan granting commitments	-	-	-	-	-	-
2.2.2	Other revocable commitments	-	-	-	-	-	-
III.	Derivative financial instruments	23,369,167	59,235,361	82,604,528	19,162,254	39,602,125	58,764,379
3.1	Derivative financial instruments for hedging purposes	8,902,828	28,872,827	37,775,655	3,446,632	9,997,626	12,844,258
3.1.1	Transactions for fair value hedge	2,811,228	3,385,890	6,197,118	2,106,632	2,210,606	4,317,238
3.1.2	Transactions for cash flow hedge	6,091,600	25,486,937	31,578,537	1,340,000	7,187,020	8,527,020
3.1.3	Transactions for foreign net investment hedge	-	-	-	-	-	-
3.2	Trading transactions	14,466,339	30,362,534	44,828,873	15,715,622	30,204,499	45,920,121
3.2.1	Forward foreign currency buy/sell transactions	2,560,576	4,661,452	7,222,028	2,332,158	3,667,734	5,999,892
3.2.1.1	Forward foreign currency transactions-buy	448,703	3,178,122	3,626,825	639,241	2,347,493	2,986,734
3.2.1.2	Forward foreign currency transactions-sell	2,111,873	1,483,330	3,595,203	1,692,917	1,320,241	3,013,158
3.2.2	Swap transactions related to foreign currency and interest rates	5,685,953	15,494,417	21,180,370	7,923,100	20,304,304	28,227,404
3.2.2.1	Foreign currency swap-buy	4,397,157	4,381,039	8,778,196	5,869,467	7,007,043	12,876,510
3.2.2.2	Foreign currency swap-sell	1,288,796	7,570,356	8,859,152	1,853,633	10,479,439	12,333,072
3.2.2.3	Interest rate swap-buy	-	1,771,511	1,771,511	100,000	1,408,911	1,508,911
3.2.2.4	Interest rate swap-sell	-	1,771,511	1,771,511	100,000	1,408,911	1,508,911
3.2.3	Foreign currency, interest rate and securities options	5,512,810	9,654,517	15,167,327	4,910,363	5,878,631	10,788,994
3.2.3.1	Foreign currency options-buy	2,369,140	2,922,116	5,291,256	2,205,493	2,995,826	5,201,319
3.2.3.2	Foreign currency options-sell	2,594,044	2,677,908	5,271,952	2,399,726	2,815,730	5,215,456
3.2.3.3	Interest rate options-buy	262,350	2,363,118	2,625,468	-	-	-
3.2.3.4	Interest rate options-sell	187,350	1,691,375	1,878,725	-	-	-
3.2.3.5	Securities options-buy	50,463	-	50,463	152,572	67,075	219,647
3.2.3.6	Securities options-sell	50,463	-	50,463	152,572	-	152,572
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	-	-	-	1	-	1
3.2.5.1	Interest rate futures-buy	-	-	-	1	-	1
3.2.5.2	Interest rate futures-sell	-	-	-	-	-	-
3.2.6	Other	707,000	552,148	1,259,148	550,000	353,830	903,830
B.	Custody and pledges received (IV+V+VI)	96,417,975	26,760,975	123,178,950	99,965,963	20,279,816	120,245,779
IV.	Items held in custody	46,394,713	3,881,330	50,276,043	58,791,500	3,686,984	62,478,484
4.1	Customer fund and portfolio balances	-	125	125	-	102	102
4.2	Investment securities held in custody	38,233,233	3,289,826	39,523,059	50,473,276	3,243,830	53,717,206
4.3	Checks received for collection	8,386,363	88,591	8,474,954	6,607,943	58,497	6,666,440
4.4	Commercial notes received for collection	1,789,889	477,251	2,267,140	1,707,506	363,578	2,071,084
4.5	Other assets received for collection	-	25,537	25,537	-	20,877	20,877
4.6	Assets received for public offering	-	-	-	-	-	-
4.7	Other items under custody	5,228	-	5,228	2,775	-	2,775
4.8	Custodians	-	-	-	-	-	-
V.	Pledges received	48,988,767	22,202,552	71,191,319	40,304,331	15,999,918	56,304,249
5.1	Marketable securities	204,017	200	204,217	281,601	167	281,768
5.2	Guarantee notes	550,789	454,002	1,004,791	433,773	380,268	814,041
5.3	Commodity	40,961	-	40,961	58,680	-	58,680
5.4	Warrants	-	-	-	-	-	-
5.5	Properties	33,794,180	16,825,018	50,619,198	27,491,727	11,473,952	38,965,679
5.6	Other pledged items	14,398,820	4,920,044	19,318,864	12,038,550	4,142,785	16,181,335
5.7	Pledged items-depository	-	3,288	3,288	-	2,746	2,746
VI.	Accepted independent guarantees and warranties	1,034,495	677,093	1,711,588	870,132	592,914	1,463,046
<b>Total off-balance sheet commitments (A+B)</b>		<b>153,231,771</b>	<b>105,056,951</b>	<b>258,288,722</b>	<b>146,731,666</b>	<b>74,298,100</b>	<b>221,029,766</b>

The accompanying explanations and notes 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)

## Yapı ve Kredi Bankası A.Ş.

### Unconsolidated financial statements As of September 30, 2011 and 2010

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

#### III. Income statement

Income and expense items		Note (Section Five)	01/01-30/09/2011	01/01-30/09/2010
I.	Interest income	IV-a	5.139.625	4.343.514
1.1	Interest on loans	IV-a-1	3.986.584	3.366.918
1.2	Interest received from reserve deposits		-	54.980
1.3	Interest received from banks	IV-a-2	17.867	18.110
1.4	Interest received from money market transactions		2.474	41.033
1.5	Interest received from marketable securities portfolio	IV-a-3	1.131.119	861.701
1.5.1	Trading financial assets		19.429	9.500
1.5.2	Financial assets at fair value through profit or (loss)		-	-
1.5.3	Available-for-sale financial assets		389.266	116.519
1.5.4	Held to maturity investments		722.424	735.682
1.6	Financial lease income		-	-
1.7	Other interest income		1.581	772
II.	Interest expense	IV-b	(2.752.813)	(1.928.499)
2.1	Interest on deposits	IV-b-3	(2.197.938)	(1.687.993)
2.2	Interest on funds borrowed	IV-b-1	(319.659)	(205.174)
2.3	Interest expense on money market transactions		(202.427)	(30.650)
2.4	Interest on securities issued		(23.527)	-
2.5	Other interest expenses		(9.262)	(4.682)
III.	Net interest income (I + II)		2.386.812	2.415.015
IV.	Net fees and commissions income		1.324.912	1.164.773
4.1	Fees and commissions received		1.558.788	1.352.794
4.1.1	Non-cash loans		166.767	151.518
4.1.2	Other	IV-k	1.392.021	1.201.276
4.2	Fees and commissions paid		(233.876)	(188.021)
4.2.1	Non-cash loans		(292)	(95)
4.2.2	Other		(233.584)	(187.926)
V.	Dividend income		128.203	155.181
VI.	Trading gain/(loss) (net)	IV-c	(191.565)	(7.823)
6.1	Trading gains/(losses) on securities		25.249	61.283
6.2	Derivative financial transactions gains/(losses)	IV-d	(317.633)	(532.408)
6.3	Foreign exchange gains/(losses)		100.819	463.302
VII.	Other operating income	IV-e	597.660	761.151
VIII.	Total operating income (III+IV+V+VI+VII)		4.246.022	4.488.297
IX.	Provision for impairment of loans and other receivables (-)	IV-f	(569.448)	(529.838)
X.	Other operating expenses (-)	IV-g	(1.950.862)	(1.808.419)
XI.	Net operating income/(loss) (VIII-IX-X)		1.715.712	2.150.040
XII.	Excess amount recorded as income after merger		-	-
XIII.	Income/(loss) from investments accounted based on equity method		-	-
XIV.	Income/(loss) on net monetary position		-	-
XV.	Profit/loss before taxes from continuing operations (XI+XII+XIII+XIV)	IV-h	1.715.712	2.150.040
XVI.	Tax provision for continuing operations (±)	IV-i	(332.785)	(370.692)
16.1	Current tax provision		(307.512)	(357.031)
16.2	Deferred tax provision		(25.273)	(13.661)
XVII.	Net profit/loss from continuing operations (XV±XVI)		1.382.927	1.779.348
XVIII.	Income from discontinued operations		-	-
18.1	Income from non-current assets held for resale		-	-
18.2	Profit from sales of associates, subsidiaries and joint ventures		-	-
18.3	Other income from discontinued operations		-	-
XIX.	Expenses from discontinued operations (-)		-	-
19.1	Expenses for non-current assets held for resale		-	-
19.2	Loss from sales of associates, subsidiaries and joint ventures		-	-
19.3	Other expenses from discontinued operations		-	-
XX.	Profit /losses before taxes from discontinued operations (XVIII-XIX)		-	-
XXI.	Tax provision for discontinued operations (±)		-	-
21.1	Current tax provision		-	-
21.2	Deferred tax provision		-	-
XXII.	Net profit/loss from discontinued operations (XX±XXI)		-	-
XXIII.	Net profit/loss (XVII+XXII)	IV-j	1.382.927	1.779.348
	Earnings/(loss) per share (full TL)		0,0032	0,0041

The accompanying explanations and notes 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)

## Yapı ve Kredi Bankası A.Ş.

### Unconsolidated financial statements As of September 30, 2011 and 2010

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

#### III. Income statements

Income and expense items		Note (Section Five)	01/07-30/09/2011	01/07-30/09/2010
I.	Interest income	IV-a	1,919,187	1,502,143
1.1	Interest on loans	IV-a-1	1,489,678	1,162,436
1.2	Interest received from reserve deposits		-	20,081
1.3	Interest received from banks	IV-a-2	6,273	7,881
1.4	Interest received from money market transactions		625	8,669
1.5	Interest received from marketable securities portfolio	IV-a-3	421,686	302,914
1.5.1	Trading financial assets		11,024	3,992
1.5.2	Financial assets at fair value through profit or (loss)		-	-
1.5.3	Available-for-sale financial assets		128,946	37,619
1.5.4	Held to maturity investments		281,716	261,303
1.6	Financial lease income		-	-
1.7	Other interest income		925	162
II.	Interest expense	IV-b	(1,054,695)	(714,100)
2.1	Interest on deposits	IV-b-3	(836,833)	(622,621)
2.2	Interest on funds borrowed	IV-b-1	(119,471)	(70,217)
2.3	Interest expense on money market transactions		(73,101)	(17,055)
2.4	Interest on securities issued		(19,537)	-
2.5	Other interest expenses		(5,753)	(4,207)
III.	Net interest income (I + II)		864,492	788,043
IV.	Net fees and commissions income		473,066	407,666
4.1	Fees and commissions received		557,759	479,084
4.1.1	Non-cash loans		56,708	49,637
4.1.2	Other	IV-k	501,051	429,447
4.2	Fees and commissions paid		(84,693)	(71,418)
4.2.1	Non-cash loans		(30)	(29)
4.2.2	Other		(84,663)	(71,389)
V.	Dividend income		-	-
VI.	Trading gain/(loss) (net)	IV-c	(145,518)	9,258
6.1	Trading gains/(losses) on securities		16,435	32,286
6.2	Derivative financial transactions gains/(losses)	IV-d	(124,402)	387,908
6.3	Foreign exchange gains/(losses)		(37,551)	(410,936)
VII.	Other operating income	IV-e	143,963	279,806
VIII.	Total operating income (III+IV+V+VI+VII)		1,336,003	1,484,773
IX.	Provision for impairment of loans and other receivables (-)	IV-f	(162,454)	(198,116)
X.	Other operating expenses (-)	IV-g	(664,378)	(597,357)
XI.	Net operating income/(loss) (VIII-IX-X)		509,171	689,300
XII.	Excess amount recorded as income after merger		-	-
XIII.	Income/(loss) from investments accounted based on equity method		-	-
XIV.	Income/(loss) on net monetary position		-	-
XV.	Profit/loss before taxes from continuing operations (XI+XII+XIII+XIV)	IV-h	509,171	689,300
XVI.	Tax provision for continuing operations (±) (±)	IV-i	(103,064)	(99,953)
16.1	Current tax provision		(71,526)	(3,369)
16.2	Deferred tax provision		(31,538)	(96,584)
XVII.	Net profit/loss from continuing operations (XV±XVI)		406,107	589,347
XVIII.	Income from discontinued operations		-	-
18.1	Income from non-current assets held for resale		-	-
18.2	Profit from sales of associates, subsidiaries and joint ventures		-	-
18.3	Other income from discontinued operations		-	-
XIX.	Expenses from discontinued operations (-)		-	-
19.1	Expenses for non-current assets held for resale		-	-
19.2	Loss from sales of associates, subsidiaries and joint ventures		-	-
19.3	Other expenses from discontinued operations		-	-
XX.	Profit /losses before taxes from discontinued operations (XVIII-XIX)		-	-
XXI.	Tax provision for discontinued operations (±)		-	-
21.1	Current tax provision		-	-
21.2	Deferred tax provision		-	-
XXII.	Net profit/loss from discontinued operations (XX±XXI)		-	-
XXIII.	Net profit/loss (XVII+XXII)	IV-j	406,107	589,347
	Earnings/(loss) per share (full TL)		0,0009	0,0014

The accompanying explanations and notes 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)

**Yapı ve Kredi Bankası A.Ş.**

**Unconsolidated financial statements  
As of September 30, 2011 and 2010**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**IV. Statement of income and expense items accounted under shareholders' equity**

	Income and expense items accounted under shareholders' equity	(30/09/2011)	(30/09/2010)
I.	Transfers to marketable securities valuation differences from financial assets available for sale	(145.218)	48.590
II.	Property and equipment revaluation differences	-	-
III.	Intangible assets revaluation differences	-	-
IV.	Currency translation differences for foreign currency transactions	(1.591)	(3.196)
V.	Profit /loss on cash flow hedges (effective part of the fair value changes)	(389.677)	(176.007)
VI.	Profit/loss on foreign net investment hedges (effective part of the fair value changes)	-	-
VII.	Effects of changes in accounting policy and adjustment of errors	-	-
VIII.	Other income and expense items accounted under shareholders' equity according to TAS	219	-
IX.	Deferred tax on valuation differences	90.492	28.298
X.	Net profit or loss accounted directly under shareholders' equity (I+II+...+IX)	(445.775)	(102.315)
XI.	Current year profit/loss	1.382.927	1.779.348
11.1	Net change in fair value of marketable securities (recycled to profit-loss)	2.824	3.078
11.2	Part of cash flow hedge derivative financial instruments reclassified and presented on the income statement	(128.422)	(38.903)
11.3	Part of foreign net investment hedges reclassified and presented on the income statement	-	-
11.4	Other	1.508.525	1.815.173
XII.	<b>Total income/loss accounted for the period (X+XI)</b>	<b>937.152</b>	<b>1.677.033</b>

The accompanying explanations and notes 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)

**Yapı ve Kredi Bankası A.Ş.**

**Unconsolidated statement of changes in shareholders' equity as of September 30, 2010**  
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**V. Statement of changes in shareholders' equity**

	Note (Section five)	Paid-in capital	Adjustment to share capital	Share premium	Share cancellation	Share profits	Legal reserves	Status reserves	Extra ord. reserves	Other reserves	Current period net income/(loss)	Prior period income/(loss)	Marketable securities value increase fund	Property and equipment and intangible assets revaluation fund	Bonus shares from investments	Hedging funds	Assets held for resale/ discontinued operations revaluation fund	Total shareholders' equity
September 30, 2010		4,347,051	-	543,881	-	96,220	-	1,769,658	61,969	61,969	1,354,777	-	93,811	-	-	-	-	8,257,357
I. Period opening balance																		
II. Changes in accounting policies according to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New balance (I+II)		4,347,051	-	543,881	-	96,220	-	1,769,658	61,969	61,969	1,354,777	-	93,811	-	-	-	-	8,257,357
IV. Changes in the period																		
IV. Increase/decrease due to merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Marketable securities valuation differences		-	-	-	-	-	-	-	-	-	-	-	41,686	-	-	-	-	41,686
VI. Hedging transactions (effective portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(140,805)	-	(140,805)
6.1 Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(140,805)	-	(140,805)
6.2 Foreign net investment hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Property and equipment revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Intangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Bonus shares from investments in associates, subsidiaries and joint ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Foreign exchange differences		-	-	-	-	-	-	-	-	-	-	-	(3,196)	-	-	-	-	(3,196)
XI. Changes due to the disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Changes due to the reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Effect of the changes in equity of investment in associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Capital increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1 Cash increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2 Internal resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Share premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Paid in-capital inflation adjustment difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII. Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX. Current year income or loss		-	-	-	-	-	-	-	-	-	1,779,348	-	-	-	-	-	-	1,779,348
XX. Profit distribution		-	-	-	-	67,739	-	1,268,885	18,153	18,153	(1,354,777)	-	-	-	-	-	-	-
20.1 Dividend paid		-	-	-	-	67,739	-	1,268,885	18,153	18,153	(1,354,777)	-	-	-	-	-	-	-
20.2 Transfers to reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period end balance (III+ .....+ XVIII+XIX+XX)		4,347,051	-	543,881	-	163,959	-	3,038,543	80,122	80,122	1,779,348	-	132,301	-	-	(140,805)	-	9,944,400

The accompanying explanations and notes 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)

**Yapı ve Kredi Bankası A.Ş.**

**Unconsolidated statement of changes in shareholders' equity as of September 30, 2011**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**V. Statement of changes in shareholders' equity**

	Note (Section Five)	Paid-in capital	Adjustment to share capital	Share cancellation premium	Share cancellation profits reserves	Legal reserves	Status reserves	Extraord. reserves	Other reserves	Current period net income/(loss)	Prior period income/(loss)	Marketable securities value increase fund	Property and equipment assets revaluation fund	Bonus shares from investments	Hedging revaluation funds	Assets held for resale/ discontinued operations revaluation fund	Total shareholders' equity
September 30, 2011		4.347.051	-	543.881	-	163.959	-	3.038.543	80.731	2.060.290	-	185.073	-	-	(101.828)	-	10.317.700
I. Prior period end balance		4.347.051	-	543.881	-	163.959	-	3.038.543	80.731	2.060.290	-	185.073	-	-	(101.828)	-	10.317.700
II. Changes in the period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Increase/decrease due to the merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Marketable securities valuation differences		-	-	-	-	-	-	-	-	-	-	(132.979)	-	-	-	-	(132.979)
IV. Hedging transactions (effective portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	(311.742)	-	(311.742)
4.1 Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	(311.742)	-	(311.742)
4.2 Foreign net investment hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Property and equipment revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Intangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus shares from investments in associates, subsidiaries and joint ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign exchange differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Changes due to the disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Changes due to the reclassification of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	(14.290)	-	(14.290)
XI. Effect of the changes in equity of investment in associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Capital increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Share premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Paid in-capital inflation adjustment difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other		-	-	-	-	-	-	-	219	-	-	-	-	-	-	-	219
XVII. Current year income or loss		-	-	-	-	-	-	-	-	1.382.927	-	-	-	-	-	-	1.382.927
XVIII. Profit distribution		-	-	-	-	-	-	-	-	(2.060.290)	-	-	-	-	-	-	(2.060.290)
18.1 Dividend paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfers to reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period end balance		4.347.051	-	543.881	-	266.973	-	4.930.128	146.641	1.382.927	-	65.111	-	-	(427.860)	-	11.254.852
(I+II+III+...+XVI)+XVII+XVIII)		4.347.051	-	543.881	-	266.973	-	4.930.128	146.641	1.382.927	-	65.111	-	-	(427.860)	-	11.254.852

The accompanying explanations and notes 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)

## Yapı ve Kredi Bankası A.Ş.

### Unconsolidated financial statements as September 30, 2011 and 2010 (Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

#### VI. Statement of cash flows

	Notes (Section Five)	(30/09/2011)	(30/09/2010)
<b>A. Cash flows from banking operations</b>			
1.1 Operating profit before changes in operating assets and liabilities		457.423	3.566.608
1.1.1 Interest received		4.658.381	4.545.085
1.1.2 Interest paid		(2.619.459)	(1.932.093)
1.1.3 Dividend received		116.258	147.288
1.1.4 Fees and commissions received		1.563.140	1.352.838
1.1.5 Other income		(143.731)	(336.586)
1.1.6 Collections from previously written-off loans and other receivables		1.034.045	1.161.808
1.1.7 Payments to personnel and service suppliers		(1.710.362)	(1.557.274)
1.1.8 Taxes paid		(422.190)	(485.065)
1.1.9 Other	V-c	(2.018.659)	670.607
1.2 Changes in operating assets and liabilities		1.393.657	(1.573.836)
1.2.1 Net (increase)/decrease in trading securities		54.493	64.322
1.2.2 Net (increase)/decrease in fair value through profit/loss financial assets		-	-
1.2.3 Net (increase)/decrease in banks		(1.246.342)	483.918
1.2.4 Net (increase)/decrease in loans		(14.005.775)	(9.935.426)
1.2.5 Net (increase)/decrease in other assets		(1.432.972)	(648.969)
1.2.6 Net increase /(decrease) in bank deposits		(531.478)	57.073
1.2.7 Net increase /(decrease) in other deposits		10.462.119	5.920.600
1.2.8 Net increase /(decrease) in funds borrowed		6.385.646	1.390.168
1.2.9 Net increase /(decrease) in payables		-	-
1.2.10 Net increase /(decrease) in other liabilities	V-c	1.707.966	1.094.478
<b>I. Net cash flows from banking operations</b>		<b>1.851.080</b>	<b>1.992.772</b>
<b>B. Cash flows from investing activities</b>			
<b>II. Net cash flows from investing activities</b>		<b>(484.167)</b>	<b>(937.292)</b>
2.1 Cash paid for acquisition of investments in associates, subsidiaries and joint ventures		-	-
2.2 Cash obtained from disposal of investments in associates, subsidiaries and joint ventures		-	-
2.3 Purchases of property and equipment		(122.982)	(116.731)
2.4 Disposals of property and equipment		4.469	10.944
2.5 Purchase of investments available-for-sale		(2.536.378)	(4.216.759)
2.6 Sale of investments available-for-sale		785.511	2.479.048
2.7 Purchase of investment securities		(609.107)	(599.461)
2.8 Sale of investment securities		1.994.320	1.505.667
2.9 Other		-	-
<b>C. Cash flows from financing activities</b>			
<b>III. Net cash flows from financing activities</b>		<b>2.085.845</b>	<b>(773.778)</b>
3.1 Cash obtained from funds borrowed and securities issued		3.989.681	1.453.705
3.2 Cash used for repayment of funds borrowed and securities issued		(1.860.943)	(2.204.086)
3.3 Issued capital instruments		-	-
3.4 Dividends paid		-	-
3.5 Payments for finance leases		(42.893)	(23.397)
3.6 Other		-	-
<b>IV. Effect of change in foreign exchange rates on cash and cash equivalents</b>	V-c	<b>474.787</b>	<b>(140.853)</b>
<b>V. Net increase in cash and cash equivalents (I+II+III+IV)</b>		<b>3.927.545</b>	<b>140.849</b>
<b>VI. Cash and cash equivalents at beginning of the period</b>	V-a	<b>4.966.401</b>	<b>4.457.804</b>
<b>VII. Cash and cash equivalents at end of the period</b>	V-a	<b>8.893.946</b>	<b>4.598.653</b>

The accompanying explanations and notes form an integral part of these financial statements.



**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Section three**

**Explanations on accounting policies**

**I. Basis of presentation:**

The Bank maintains its books of accounts in Turkish Lira in accordance with the Banking Act No. 5411 ("Banking Act"), which is effective from November 1, 2005, the Turkish Commercial Code ("TCC"), 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 November 1, 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 "Communiqué Related to Publicly Announced Financial Statements of Banks and Explanations and Notes Related to these Financial Statements" published in the Official Gazette No. 26430 dated February 10, 2007.

The unconsolidated financial statements have been prepared in TL, under the historical cost convention as modified in accordance with inflation adjustments applied until December 31, 2004, except for the trading and available for sale financial assets, trading and hedging derivative financial assets and financial liabilities carried at fair value. Besides, the carrying values of financial assets carried at amortised cost but subject to fair value hedge are adjusted to reflect the fair value changes related to the hedged risks.

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 on the balance sheet and contingent issues as of the balance sheet date. These estimates are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are explained in the related notes and reflected to the income statement.

The accounting policies and valuation principles applied in the preparation of interim financial statements are defined and applied in accordance with TAS and are consistent with the accounting policies applied at financial statements for the year ended December 31, 2010. TAS/TFRS changes (TFRIC 14 (Change) "Repayments of a Minimum Funding Instrument"; TAS 32 (Change), "Classification on Rights Issue"; TFRIC 19, "Extinguishing Financial Liabilities with Equity Instruments; TAS 24, "Related Party Disclosures" Improvements to TFRS (Published in 2010)) (effective from January 1, 2011) do not have an effect on the Bank's accounting policies, financial position or performance. Those accounting policies and valuation principles are explained in Notes II. to XXVII. below.

TFRS 9, "Financial Instruments" which will be compulsory for periods beginning on or after January 1, 2013, is allowed for the volunteering banks for early adoption starting as of December 31, 2010 as announced in "Change in Communiqué Related to Publicly Announced Financial Statements of Banks and Explanations and Notes Related to these Financial Statements" published in the Official Gazette numbered 27824 dated January 23, 2011. The standard which the Bank did not early adopt for 2010, will primarily have an effect on the classification and measurement of the Bank's financial assets. The Bank is currently assessing the impact of adopting TFRS 9. However, as the impact of adoption depends on the assets held by the Bank at the date of adoption itself, it is not practical or possible to quantify the effect at this stage. As of the date of these financial statements, the other TAS/TFRS standards announced but not yet effective are not expected to have significant impact on the Bank's accounting policies, financial position and performance.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations on accounting policies (continued)**

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

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

**II. Explanations on strategy of using financial instruments and foreign currency transactions:**

The general strategy of the Bank in 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 deposits. The Bank can also sustain a lengthened liability structure by using long-term foreign currency borrowings from foreign financial institutions. Funds obtained from deposits and other sources are invested in quality financial assets in order to keep currency, interest rate and liquidity risks within the limits determined by the asset-liability strategy. The currency, interest and liquidity risks of on-balance sheet and off-balance sheet assets and liabilities are managed accordingly within the risk limits accepted by the Bank and the related legal limits. Derivative instruments are mainly utilized for liquidity needs and for mitigating currency and interest rate risks. The position of the Bank as a result of foreign currency activities is being held at minimum levels and the currency risk exposure is followed within the determined levels by the Board of Directors, by considering the limits specified by the Banking Act.

Foreign currency denominated monetary assets and liabilities are translated with the exchange rates prevailing at the balance sheet date. Gains and losses arising from such valuations are recognized in the income statement under the account of "Foreign exchange gains or losses", except for valuation differences arising from foreign currency subsidiaries and foreign currency non-performing loans. Since the foreign currency investments and subsidiaries are considered as non-monetary items, they are translated with the exchange rates at the transaction date and therefore no foreign exchange differences are realized. Foreign currency non-performing loans are translated with the exchange rates at the date of transfer to non-performing loans accounts.

**III. Explanations on investments in associates, subsidiaries and joint ventures:**

Based on the "Turkish Accounting Standard for Consolidated and Separate Financial Statements" ("TAS 27"), Turkish Lira denominated investments in associates, subsidiaries and joint ventures are accounted at cost and are reflected to the unconsolidated financial statements after deducting the provision for impairment, if any.

Foreign currency denominated investments in associates and subsidiaries are accounted at their original foreign currency costs translated into Turkish Lira using the exchange rates prevailing at the transaction date and are reflected to the financial statements after deducting the provision for impairment, if any.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations on accounting policies (continued)**

**IV. Explanations on forward and options contracts and derivative instruments:**

The Bank's derivative transactions mostly include foreign currency money and interest rate swaps, forward foreign exchange purchase and sale transactions and options.

Derivative instruments are measured at fair value on initial recognition and subsequently re-measured at their fair values. As a result, the fair values of derivatives are reflected as net liability or net asset on a contract by contract basis. The accounting method of the income or loss arising from derivative instruments depends on whether the derivative is being used for hedging purposes or not and depends on the type of item being hedged.

At the transaction date, the Bank documents the relationship between hedging instruments and hedged items, together with the risk management policies and the strategies on hedging transactions. Besides, the Bank regularly documents the effectiveness of the hedging instruments in offsetting the changes in the fair value of the hedged items.

Changes in the fair value of derivative instruments subject to fair value hedges are recognized under profit or loss accounts together with the variation in the fair value of hedged items. The changes of fair value of derivative transactions for fair value hedge are classified in "Derivative Financial Transactions Gains/Losses" account. In the balance sheet, changes in the fair value of hedged assets and liabilities, during the period in which the hedge is effective, are shown with the related assets and liabilities. If the underlying hedge does not conform to the hedge accounting requirements, the adjustments made to the carrying value (amortised cost) of the hedged item are amortized with the straight line method within the time to maturity and recognized under the profit and loss accounts.

The Bank hedges its cash flow risk arising from foreign currency and Turkish Lira floating interest rate liabilities by using interest rate swaps. The effective portion of the fair value changes of the hedging instruments within this context are recorded in "Hedging funds" under shareholders' equity. These funds are transferred to profit or loss from equity when the cash flows of the hedged items (interest expense) impact the income statement.

In case the cash flow hedge accounting is discontinued due to the expiry, realization for sale of the hedging instrument, or due to the results of the effectiveness test the amounts accounted under shareholders' equity are transferred to the profit and loss accounts as these cash flows of the hedged item are realized.

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

"Financial instruments at fair value through profit or loss" are measured at fair value. 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 "derivative financial assets held for trading" and if the fair value difference is negative, it is disclosed under "derivative financial liabilities held for trading". Fair value changes are recorded under "Derivative Financial Transactions Gains/(Losses)" in the income statement.

The fair values of the derivative financial instruments are calculated using quoted market prices or by using discounted cash flow models.

Options in the Bank's portfolio are valued on a daily basis. Parameters vary according to the type of option (barrier/digital etc.).

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations on accounting policies (continued)**

Liabilities and receivables arising from the derivative instruments are followed in the off-balance sheet accounts as their contractual values. Embedded derivatives are separated from the host contract and accounted as derivative instruments according to TAS 39; in case, (i) the related embedded derivative's economic features and risks are not closely related to the host contract, (ii) another instrument that has the same contract conditions with the embedded derivative satisfies the definition of a derivative instrument and (iii) the hybrid instrument is not carried at fair value through profit or loss.

Credit derivatives are capital market tools designed to transfer credit risk from one party to another.

As of September 30, 2011, the Bank's credit derivatives portfolio included in the off-balance sheet accounts is composed of credit linked notes (embedded derivatives are separated from host contract in line with TAS 39 and recorded as credit default swaps) and credit default swaps.

Credit default swaps are the contracts, in which the seller commits to pay the contract value to the buyer in cases of certain credit risk events in return for the premium paid by the buyer for the contract.

As of September 30, 2011 credit derivative portfolio included in the off balance sheet is composed of credit default swaps arising from direct protection sale and credit linked notes. Credit linked notes are bonds that have repayments depending on a credit event or the credit risk evaluation of a reference asset or asset pool. Depending on whether the reference assets are included in the balance sheet of the issuer or the owner of the assets, these transactions can be accounted by the party assuming the credit risk as insurance or as an embedded derivative. As per the Bank's management evaluation, the embedded derivatives included in the credit linked notes are separated from the host contracts in accordance with TAS 39 and recorded and evaluated as credit default swaps. The bond itself (host contract) is fair valued using the valuation model adopted by the Bank. Credit default swaps are contracts, in which the seller commits to pay the contract value to the buyer in cases of certain credit risk events in return for the premium paid by the buyer for the contract.

Credit default swaps are valued daily by the valuation model of the Bank and then accounted over their fair values; while credit linked notes are valued and accounted monthly.

Market risks of these products are monitored using the Bank's internal modelling system for the Value-at-Risk and basis points sensitivity analysis; the liquidity risks are monitored using the short term liquidity report on daily and the long term liquidity report on monthly basis.

According to the regulations of BRSA, those currency exchange transactions realized at value date in the initial phase of currency swaps are recorded and followed as irrevocable commitments in off-balance sheet accounts until the value date.

**V. Explanations on interest income and expense:**

Interest income and expenses are recognized in the income statement on an accrual basis by using the effective interest method periodically. The Bank ceases accruing interest income on non-performing loans and any interest income accruals from such receivables are reversed and no income is accounted until collection is made according to the related regulation.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations on accounting policies (continued)**

**VI. Explanations on fee and commission income and expenses:**

All fees and commission income/expenses are recognized on an accrual basis, certain commission income and fees from various banking services are recorded as income at the time of realization. Loan related fees and commissions paid to or received from the other institutions are considered as transaction costs and accounted using the effective interest method. Contract-based fees or fees received in return for services like the purchase and sale of assets on behalf of a third party are recognized as income at the time of collection.

**VII. 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". 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. Regular purchases and sales of financial assets are recorded based on settlement date. Settlement date of a financial asset is the date that the asset is received or delivered by the Bank. Settlement date accounting requires; (a) accounting for the financial asset when the asset is received and (b) accounting of disposal of the financial asset and recording the related profit and loss when the asset is delivered. The fair value changes of an asset to be acquired between the trade date and settlement date is accounted in the same manner as acquired assets.

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

Financial assets, which are classified as "financial assets at fair value through profit or loss", are trading financial assets and are either acquired for generating profit from short-term fluctuations in the price or dealer's margin, or are financial assets included in a portfolio in which a pattern of short-term profit making exists independent from the acquisition purpose.

Trading financial assets are initially recognized at fair value and are subsequently re-measured at their fair value. However, if fair values cannot be obtained from active market transactions, it is assumed that the fair value cannot be measured reliably and fair values are calculated by alternative models. All gains and losses arising from these valuations are recognized 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 designated as hedge instruments. The principles regarding the accounting of derivative financial instruments are explained in detail in Note IV. of this section.

**b. Held-to-maturity financial assets:**

Held-to-maturity financial assets are non-derivative financial assets other than 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 and that are not initially classified as financial assets at fair value through profit/loss or available for sale. Held-to-maturity financial assets are initially recognized at total of acquisition and transaction cost. Held-to-maturity securities are carried at "amortized cost" using the "effective interest method" after their initial recognition. Interest income related with held-to-maturity securities is recorded in "Interest income" and impairment arising from a decrease in cost or revalued amounts is recorded in "Provision for impairment of loans and other receivables" accounts.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations on accounting policies (continued)**

There are no financial assets that were previously classified as held-to-maturity but cannot be subject to this classification for two years due to breach of classification principles.

**c. Loans and receivables:**

Loans and receivables are non-derivative financial assets that are not quoted in a market or classified as held for trading at fair value through profit or loss or available for sale, and which have fixed or determinable payments. Loans and receivables are recognized initially at cost including transaction costs (which reflect fair values) and subsequently carried at the amortized cost using the "effective interest method". The expenses incurred for the assets received as collateral are not considered as transaction costs and are recognized 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 November 1, 2006. In this context, the management estimates are determined, on the basis of the prudence principle and Bank credit risk policies, considering the general structure of the loan portfolio, the financial conditions of the customers, non-financial information and the economic conjuncture. General provisions are determined in accordance with the "incurred loss" model taking into consideration the factors listed above and the principles of TAS 39. The parameters of the incurred loss model are reviewed regularly and the effects of the changes are reflected in the income statement accordingly. The general loan loss provision determined through this methodology is higher than the minimum amount required by the related regulations.

Provision expenses are deducted from the net income of the year. If there is a subsequent collection from a receivable that was already provisioned in previous years, the recovery amount is classified under "other operating income". Uncollectible receivables are written-off after all the legal procedures are finalized.

**d. 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 assets at fair value through profit or loss".

Available-for-sale financial assets are subsequently re-measured at fair value. When fair values based on market prices cannot be obtained reliably, the available-for-sale financial assets are carried at fair values determined by using alternative models. Available for sale equity securities which are not quoted in a market and the fair values of which can not be determined reliably, are carried at cost less any impairment. "Unrealized gains and losses" arising from changes in the fair value of financial assets classified as available-for-sale are recognized in the shareholders' equity as "Marketable securities valuation differences", until the related assets are impaired or disposed. When these financial assets are disposed or impaired, the related fair value differences accumulated in the shareholders' equity are transferred to the income statement. Interest and dividends received from available for sale assets are recorded in interest income and dividend income as appropriate.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations on accounting policies (continued)**

**VIII. Explanations on impairment of financial assets:**

The existence of objective evidence whether a financial asset or group of financial assets is impaired, is assessed at each balance sheet date. If such evidence exists, impairment provision is provided based on the financial assets classification.

Impairment for held to maturity financial assets carried at amortized cost is calculated as the difference between the expected future cash flows discounted at the effective interest rate method and the carrying value. The impairment amount transferred from shareholders' equity to profit or loss for available for sale securities is calculated as the difference between the purchase cost (after deduction of principal repayments and redemption) and the fair value less any impairment that was previously recorded in profit or loss. This amount is recorded in expense accounts in accordance with the Uniform Chart of Accounts ("UCA").

The principles for the accounting of provisions for loans and receivables are explained in Note VII. of this section.

**IX. 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 recognized amounts and there is an intention to collect/pay related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

**X. Explanations on sales and repurchase agreements and securities lending transactions:**

Securities subject to repurchase agreements ("repos") are classified as "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 the repurchase agreements using the "effective interest method". Interest expense on repo transactions are recorded under "interest expense on money market transactions" in the income statement.

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

The Bank has no securities lending transactions.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations on accounting policies (continued)**

**XI. Information on assets held for resale and related to discontinued operations and explanations on liabilities related with these assets:**

According to the TFRS 5, a tangible asset (or a group of assets to be disposed) classified as "asset held for resale" is measured at lower of carrying value and fair value less costs to sell. An asset (or a group of assets to be disposed) is regarded as "asset held for sale" only when the sale is highly probable and the asset (or a group of assets to be disposed) is available for immediate sale in its present condition. For a highly probable sale, there must be a valid plan prepared by the management for the sale of asset including identification of possible buyers and completion of sale process. Furthermore, the asset should be actively in the market at a price consistent with its fair value.

Additionally, assets that were acquired due to non-performing receivables 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 November 1, 2006, No. 26333 and classified as assets held for resale.

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

The Bank has no discontinued operations.

**XII. Explanations on goodwill and other intangible assets:**

**a. Goodwill:**

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

In line with "Turkish Financial Reporting Standard for Business Combinations" ("TFRS 3"), the goodwill is not subject to amortisation but is tested annually or more frequently for impairment and carried at cost less accumulated impairment losses, if any, in line with "Turkish Accounting Standard for Impairment on Assets" ("TAS 36").

**b. Other intangible assets:**

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



**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations on accounting policies (continued)**

The Bank evaluates the possibility of existence of impairment of other intangible assets at the end of each reporting period. If there is an evidence of impairment, the Bank estimates the recoverable amount. The recoverable amount is the higher of net sales price or the value in use. When the book value of an other intangible asset exceeds the recoverable amount, the related asset is considered to be impaired. If there is no evidence of impairment, there is no need to estimate the recoverable amount.

Intangibles are amortized over their estimated useful lives 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 utilize the economic benefit from the asset. The rates used are presented below:

Credit card brand value, deposit base and customer portfolio	10%
Other intangible assets	20%

**XIII. Explanations on property and equipment:**

Property and equipment is measured at its cost when initially recognized 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 impairment.

Depreciation is calculated over the cost of property and equipment using the straight-line method. The rates used are stated below:

Buildings	2%
Movables, movables acquired under financial leasing	20%

The depreciation charge for items remaining in property and equipment for less than a full 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 to its "recoverable amount" and the provision for impairment is charged to the income statement.

Property and equipment have not been re-valued in order to be presented at fair value 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 proceeds.

Expenditures for the repair and maintenance of property and equipment are recognized as expense. The capital expenditures made in order to increase the capacity of the tangible asset or to increase its future benefits are capitalized 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.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**XIV. Explanations on leasing transactions:**

The Bank performs financial and operational leasing in the capacity of the lessee.

**Financial lease**

The Bank includes the lower of the market value of the fixed asset subject to financial leasing in the beginning of the financial leasing period or present value of the lease payments in property and equipment and records the liabilities arising from financial leasing in liabilities. Financing costs arising due to leasing are spread through the lease period forming a fixed interest rate. In addition, fixed assets that are obtained by the way of financial leasing are subject to depreciation based on their useful lives. If a decrease in the value of fixed assets that are subject to financial leasing is noticed, impairment provision is recognized. The liabilities arising from financial leasing contracts are accounted under "financial lease payables". Expenses arising from interest and exchange rate changes related to financial leasing liabilities are charged to the income statement. Lease payments are deducted from financial leasing payables. The Bank does not perform financial leasing operations as "Lessor".

**Operational lease**

Leases, in which the majority of risk and return of property belongs to lessor, are classified as operational lease. Payments that are made under operational leases, are accounted in income statements on a straight line basis during the lease period.

**XV. Explanations on provisions, contingent assets and liabilities:**

Provisions and contingent liabilities, except for the specific and general provisions recognized for loans and other receivables, are accounted in accordance with the "Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets" ("TAS 37").

Provisions are recognized 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. Provisions for contingent liabilities arisen from past events are recognized in the period of occurrence in accordance with the "Matching principle". A provision is recognized when it is probable that the contingent event will occur and a reliable estimate can be made. When a reliable estimate of the amount of obligation cannot be made or it is not probable that an outflow of resources will be required to settle the obligation, it is considered that a "contingent" liability exists and it is disclosed in the related notes to the financial statements.

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 recognized in financial statements since this may result in the recognition of income that may never be realized. 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 recognized in the financial statements of the period in which the change occurs.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations on accounting policies (continued)**

**XVI. Explanations on obligations related to employee rights:**

**a. Employee termination benefits**

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 for the reasons specified in the Turkish Labour Law. The reserve for employment termination benefits represents the present value of the estimated total liability for the future probable obligation of the Bank determined by using certain actuarial assumptions.

**b. Pension rights**

The Bank's personnel are members of the Yapı ve Kredi Bankası Anonim Şirketi Mensupları Yardım ve Emekli Sandığı Vakfı ("the Fund") which was established in accordance with the 20th temporary article of the Social Security Law No.506. The technical financial statements of the Fund are audited in accordance with the Article 38 of the Insurance Supervision Law and the "Regulation Regarding the Actuaries" by a registered independent actuary.

Temporary article 23 paragraph one of the Banking Act published in the Official Gazette No. 25983 dated November 1, 2005 stated that foundations like the Fund are to be transferred to the Social Security Institution ("SSI") within three years beginning from the publication date of the article.

The article of the Law related to the transfer was cancelled (pursuant to the application by the President on November 2, 2005) by the decision of Constitutional Court (decision no: E.2005/39, K. 2007/33 dated March 22, 2007) published in the Official Gazette No. 26479 dated March 31, 2007, and the effect of the law article was suspended from the date of the publication of the decision.

The reasoning of the Constitutional Court regarding the abrogation of the corresponding article was published in the Official Gazette dated December 15, 2007, No 26372. With the publication of the reasoning of the decision, the Grand National Assembly of Turkey ("GNAT") started to work on new legal arrangements regarding the transfer of the fund members to SSI and the related articles of the "Law Regarding the Changes in Social Insurance and General Health Insurance Law and Other Related Laws and Regulations" No 5754 ("the New Law") regulating the transfer of the funds were approved by the GNAT on April 17, 2008. The New Law was published in the Official Gazette No. 26870 dated May 8, 2008 and came into force. With the new law, the banks' pension funds will be transferred to SSI within three years from the date of publication of the decree and this period can be extended for a maximum of two years with the decision of the Council of Ministers. The transfer period is extended for another two years with the decision of the Council of Ministers No. 2011/1559 published in the Official Gazette dated April 9, 2011.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations on accounting policies (continued)**

A commission whose members are the representatives of the SSI, the Ministry of Finance, Turkish Treasury, State Planning Organization, BRSA, Saving Deposit Insurance Fund ("SDIF"), one member representing the Fund and one member representing the Fund members is in charge of the calculation of the value of the payment that would need to be made to SSI to settle the obligation using a technical interest rate of 9,8% taking into consideration income and expenses by insurance branches of the funds and the excess of salaries and income paid by the funds over the salaries and income to be paid in accordance with the SSI arrangements related to the members of the Fund as of the date of the transfer including the members who have left the scheme.

In accordance with the New Law, after the transfer to SSI, any social rights and payments to Fund members and their beneficiaries which are not provided although they are included in the Fund Title Deed will continue to be provided by the Fund and the employers of the Fund members.

The main opposition party has applied to the Constitutional Court at June 19, 2008 for cancellation of some articles and requested them to be ineffective until the case of abrogation is finalized. The Constitutional Court announced that it has rejected the cancellation request with the decision taken in the meeting dated March 30, 2011. The decision with reasoning is not yet published in the Official Gazette. The Bank accounts for a provision for the technical deficit based on the report prepared by a registered actuary in accordance with the rates determined by the New Law.

**c. Short term benefits of employee:**

According to TAS 19, liabilities derived from unused vacation pay defined in "Short term benefits of employee" are accrued in the period in which they are realized and are not discounted.

**XVII. Explanations on taxation:**

**a. Current tax:**

The corporate tax rate in Turkey is 20 %. The corporate tax is calculated on the total income after adjusting for certain disallowable expenses, exempt income 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 no withholding tax incurs in such a case.

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 for the current period is credited against the annual corporation tax calculated on the 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.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations on accounting policies (continued)**

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

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Tax returns are required to be filled and delivered to the related tax office until the evening of the 25th of the fourth month following the balance sheet date and the accrued tax is paid until the end of the same month. Tax returns are open for 5 years from the beginning of the year following the balance sheet date and during this 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 calculates and accounts for deferred income taxes for 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") and in accordance with BRSA's explanations and circulars and the tax legislation, the Bank calculates deferred tax on temporary differences except for general loan loss provisions, to the extent that future taxable income is estimated to be available. 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 future taxable profit will be available against which the deferred tax asset can be utilised.

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

Tax effects of the transactions that are directly accounted under equity are also reflected to equity.

**c. Transfer pricing:**

The article no.13 of the Corporate Tax Law No.5520 describes the issue of transfer pricing under the title of "disguised profit distribution" by way of transfer pricing (previously included as "disguised profit" in the Corporate Tax Law No.5422). "The General Communiqué on Disguised Profit Distribution by Way of Transfer Pricing" published at November 18, 2007, explains the application related issues on this topic effective from January 1, 2007, also taking into account the regulations in Article 41 of the Income Tax Law.

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

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

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations on accounting policies (continued)**

**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. No convertible bonds have been issued by the Bank.

Also, the Bank has started to obtain funds by issuing bonds at the current period.

**XIX. Explanations on issuance of share certificates:**

When shares are issued above their nominal value, the excess over the nominal value is accounted under shareholders' equity as share premium.

No dividend payments were announced after the balance sheet date.

**XX. Explanations on avalized drafts and letter of acceptances:**

Avalized drafts and acceptances are included in the "off-balance sheet commitments".

**XXI. Explanations on government grants:**

In accordance with the related articles of the "Law Regarding the Supporting of Research and Development Activities" numbered 5746, until September 30, 2011, the Bank received government grant from TÜBİTAK amounting to TL 828. (December 31, 2010 - TL 609).

**XXII. 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. Legal reserves consist of first and second reserves as foreseen in the TCC. The TCC specifies that the first legal reserve is appropriated at the rate of 5% until the total reserve is equal to 20% of paid-in capital and that the second legal reserve is appropriated at the rate of 10% of distributions in excess of 5% of paid-in capital; however holding companies are not subject to this application. According to the Turkish Commercial Code, legal reserves can only be used to compensate for accumulated losses and cannot be used for other purposes unless they exceed 50% of paid-in capital.

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, See note I. of Section three)

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations on accounting policies (continued)**

**XXIII. Earnings per share:**

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

	September 30, 2011	September 30, 2010
Net Income/(loss) to be appropriated to ordinary shareholders	1.382.927	1.779.348
Weighted average number of issued ordinary shares(thousand)	434.705.128	434.705.128
<b>Earnings per share (disclosed in full TL)</b>	<b>0,0032</b>	<b>0,0041</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. These bonus shares are treated as issued shares in earnings per share computations. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year is adjusted in respect of bonus shares issued without a corresponding change in resources by giving them a retroactive effect. In case bonus shares are distributed after the balance sheet date but before the preparation of the financial statements, earnings per share is calculated considering the new number of shares.

No bonus shares were issued during 2011 (December 31, 2010- no bonus shares were issued).

**XXIV. Related parties:**

For the purpose of these financial statements, shareholders having control shares of the Bank, key management personnel and board members together with their families and companies controlled by/affiliated with them, associated companies and joint ventures and the Fund providing post employment benefits 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 VI. of Section Five.

**XXV. Cash and cash equivalents:**

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

**XXVI. Explanations on operating segments:**

Information about operating segments which are determined in line with "Turkish Financial Reporting Standard about Operating Segments" ("TFRS 8") together with organizational and internal reporting structure of the Bank, are disclosed in Note VII. of Section Four.

**XXVII.Reclassifications:**

Reclassifications have been made on comparative figures as of December 31, 2010 and September 30, 2010, to conform to changes in presentation in the September 30, 2011 financials.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Section four**

**Information related to financial position of the Bank**

**I. Explanations on capital adequacy ratio:**

- a. The capital adequacy ratio of the Bank is 13,85% (December 31, 2010 - 16,14%).
- b. The capital adequacy ratio is calculated in accordance with the "Regulation Regarding the Measurement and Evaluation of Banks' Capital Adequacy Ratio" and "Regulation Regarding Banks' Shareholders' Equity" published as of November 1, 2006 (together referred as "Regulation Regarding Capital Adequacy"). The following tables show the details of "Risk weighted assets" and the calculation of "shareholders' equity" for the capital adequacy ratio calculation.
- c. **Information related to capital adequacy ratio:**

	Risk weights <sup>(1)</sup>					
	0%	20%	50%	100%	150%	200%
<b>Amount subject to credit risk</b>						
<b>Balance sheet items (net)</b>	<b>26.699.369</b>	<b>3.614.684</b>	<b>10.856.146</b>	<b>54.217.573</b>	<b>825.010</b>	<b>1.263.109</b>
Cash	1.249.578	439	-	-	-	-
Matured marketable securities	-	-	-	-	-	-
The Central Bank of the Republic of Turkey	6.552.408	-	-	-	-	-
Domestic, foreign banks, head offices and branches abroad	-	1.719.201	-	148.807	-	-
Interbank money market placements	14.000	-	-	-	-	-
Receivables from reverse repurchase transactions	-	-	-	-	-	-
Reserve requirements	3.679.970	-	-	-	-	-
Loans	2.466.558	1.048.798	10.615.699	47.764.476	825.010	1.263.109
Non-performing receivables (net)	-	-	-	587.783	-	-
Lease receivables	-	-	-	-	-	-
Available-for-sale financial assets	-	-	-	-	-	-
Held-to-maturity investments	12.258.977	-	-	-	-	-
Receivables from the disposal of assets	-	-	-	32.386	-	-
Miscellaneous receivables	-	784.331	-	977.424	-	-
Interest and income accruals	188.377	27.494	240.447	1.095.248	-	-
Investments in associates, subsidiaries and joint ventures (net)	-	-	-	1.801.223	-	-
Fixed assets	-	-	-	1.148.813	-	-
Other assets	289.501	34.421	-	661.413	-	-
<b>Off-balance sheet items</b>	<b>940.722</b>	<b>3.495.595</b>	<b>483.578</b>	<b>17.263.996</b>	-	-
Non-cash loans and commitments	940.722	2.032.635	483.578	17.107.581	-	-
Derivative financial instruments	-	1.462.960	-	156.415	-	-
Non-risk weighted accounts	-	-	-	-	-	-
<b>Total risk weighted assets<sup>(2)</sup></b>	<b>27.640.091</b>	<b>7.110.279</b>	<b>11.339.724</b>	<b>71.481.569</b>	<b>825.010</b>	<b>1.263.109</b>

(1) There are no assets weighted with 10% risk.

(2) Not weighted.



(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, See note I. of Section three)

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Information related to financial position of the Bank (continued)**

**d. Summary information about capital adequacy ratio:**

	September 30, 2011	December 31, 2010
Amount subject to credit risk (ASCR)	82.337.220	64.043.140
Amount subject to market risk (ASMR)	3.582.850	1.410.150
Amount subject to operational risk (ASOR)	8.842.703	7.806.018
Shareholders' equity	13.120.803	11.820.819
Shareholders' equity /(ASCR+ASMR+ASOR) *100	13,85	16,14

**e. Information about shareholders' equity items:**

	September 30, 2011	December 31, 2010
<b>Core capital</b>		
Paid-in capital	4.347.051	4.347.051
Nominal capital	4.347.051	4.347.051
Capital commitments (-)	-	-
Inflation adjustment to share capital	-	-
Share premium	543.881	543.881
Share cancellation profits	-	-
Legal reserves	266.973	163.959
First legal reserve (Turkish Commercial Code 466/1)	266.973	163.959
Second legal reserve (Turkish Commercial Code 466/2)	-	-
Other legal reserve per special legislation	-	-
Status reserves	-	-
Extraordinary reserves	4.930.128	3.038.543
Reserves allocated by the general assembly	4.930.128	3.038.543
Retained earnings	-	-
Accumulated loss	-	-
Foreign currency share capital exchange difference	-	-
Inflation adjustment of legal reserves, status reserves and extraordinary reserves	-	-
Profit	1.382.927	2.060.290
Current period net profit	1.382.927	2.060.290
Prior periods profit	-	-
Provisions for possible risks (up to 25% of core capital)	134.254	114.906
Profit on disposal of associates, subsidiaries and immovables	146.641	80.731
Primary subordinated loans (up to 15% of core capital)	-	-
Portion of loss not covered with reserves (-)	-	-
Current period net loss	-	-
Prior periods loss	-	-
Leasehold improvements (-)	75.976	95.906
Prepaid expenses (-) <sup>(1)</sup>	-	121.397
Intangible assets (-)	1.233.517	1.229.401
Deferred tax asset amount exceeding 10% of core capital (-)	-	-
Amount exceeding limits as per the third clause of the article 56 of the Law(-)	-	-
<b>Total core capital</b>	<b>10.442.362</b>	<b>8.902.657</b>

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, See note I. of Section three)

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Information related to financial position of the Bank (continued)**

	September 30, 2011	December 31, 2010
<b>Supplementary capital</b>		
General provisions	960.824	820.299
45% of the movables revaluation fund	-	-
45% of the immovables revaluation fund	-	-
Bonus shares of investment in associates, subsidiaries and joint ventures	-	-
Primary subordinated loans that are not considered in the calculation of core capital	-	-
Secondary subordinated loans <sup>(2)</sup>	1.907.537	2.097.218
45% of marketable securities valuation differences	29.301	83.283
Investments in associates and subsidiaries	-	-
Available-for-sale financial assets	29.301	83.283
Inflation adjustment of capital reserve, profit reserve and prior years' income or loss (except inflation adjustment of legal reserves, status reserves and extraordinary reserves)reserves, status reserves and extraordinary reserves)	-	-
<b>Total supplementary capital</b>	<b>2.897.662</b>	<b>3.000.800</b>
<b>Tier III capital</b>	<b>-</b>	<b>-</b>
<b>Capital</b>	<b>13.340.024</b>	<b>11.903.457</b>
<b>Deductions from the capital</b>	<b>219.221</b>	<b>82.638</b>
Investments in unconsolidated financial institutions (domestic, foreign) and banks in which 10% or more equity interest exist	72.499	71.936
Investments in financial institutions (domestic, foreign) and banks, in which less than 10% equity interest exist and that exceeds 10% or more of the total core and supplementary capital of the bank	-	-
The secondary subordinated loans extended to banks, financial institutions (domestic or foreign) or significant shareholders of the bank and the debt instruments that have primary or secondary subordinated loan nature purchased from them	-	-
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 due to the receivables from customers and are to be disposed according to banking law article 57 as they have been held for more than five years from the acquisition date	8.733	10.702
Other	137.989	-
<b>Total shareholders' equity</b>	<b>13.120.803</b>	<b>11.820.819</b>

(1) In accordance with the article no.1 of the "Regulation Regarding Banks' Shareholders Equity" published in the Official Gazette No.27870 dated March 10, 2011, prepaid expenses are no longer deducted from core capital.

(2) In accordance with the Regulation, the balance is disclosed net of the related receivables from banks and debt instruments issued by these banks.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Information related to financial position of the Bank (continued)**

**II. Explanations on market risk:**

The Bank considers currency risk, liquidity risk and interest rate risk as the most important components of market risk. The Bank's market risk exposure is calculated on a daily and weekly basis with the "Value-at-Risk Method" on the basis of the marketable securities portfolio and net foreign currency position including the Bank's currency risk. The Bank monitors its position in terms of portfolio according to risk management policy and value-at-risk limits on a daily basis. All the Bank's on- and off-balance-sheet positions and exchange positions are taken into consideration in the value-at-risk calculations. The results are presented daily to the senior management and monthly to the Executive Committee as a result of its Asset and Liability Management function. The below table represents the details of market risk calculation as of September 30, 2011 in accordance with Section 3 of the "Regulation Regarding Measurement and Evaluation of Banks' Capital Adequacy Ratio" published in the Official Gazette No. 26333 dated November 1, 2006, namely the "Calculation of Market Risk with Standard Method".

**a. Information on market risk:**

	September 30, 2011	December 31, 2010
(I) Capital to be employed for general market risk - standard method	192.706	60.040
(II) Capital to be employed for specific risk -standard method	40.091	35.319
(III) Capital to be employed for currency risk – standard method	43.485	16.182
(IV) Capital to be employed for commodity risk - standard method	1.996	390
(V) Capital to be employed for settlement risk-standard method	-	-
(VI) Capital to be employed for market risk due to options-standard method	8.350	881
(VII) Total capital to be employed for market risk for banks applying risk measurement model	-	-
(VIII) Total capital to be employed for market risk (I+II+III+IV+V+VI+VII)	286.628	112.812
<b>(IX) Amount subject to market risk 12,5xVIII) or (12,5xVII)</b>	<b>3.582.850</b>	<b>1.410.150</b>

**III. Explanations on operational risk:**

The Bank calculates the amount subject to operational risk based on "Basic Indicator Method" by using 2010, 2009 and 2008 year-end gross income balances of the Bank, in accordance with Section 4 of the "Regulation Regarding Measurement and Evaluation of Banks' Capital Adequacy Ratio" effective from June 1, 2007, published in the Official Gazette No. 26333 dated November 1, 2006, namely "The Calculation of the Amount Subject to Operational Risk". As of September 30, 2011, the total amount subject to operational risk is TL 8.842.703 (December 31, 2010 - TL 7.806.018) and the amount of the related capital requirement is TL 707.416 (December 31, 2010 - TL 624.481).

**IV. Explanations on currency risk:**

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. Another important dimension of the currency risk is the change in the exchange rates of different foreign currencies in "Net foreign currency position" (cross currency risk).

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, See note I. of Section three)

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Information related to financial position of the Bank (continued)**

The Bank keeps the amount of currency risk exposure within the related legal limits and follows the exchange position on a daily/regular basis. Notwithstanding, the internal exchange position limit is minimal when compared to the related legal limit, internal position limits are not exceeded during the period. As a tool of currency risk management, derivatives such as swap and forwards are used to reduce risk whenever needed. In order to guard against extreme volatility during the year stress tests are applied.

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

(Exchange rates presented as full TL)

	USD	EUR	Yen
<b>Balance sheet evaluation rate</b>	<b>1,79920 TL</b>	<b>2,45280 TL</b>	<b>0,02345 TL</b>
September 29, 2011 bid rate	1,79160 TL	2,44320 TL	0,02340 TL
September 28, 2011 bid rate	1,79500 TL	2,42880 TL	0,02344 TL
September 27, 2011 bid rate	1,79640 TL	2,42010 TL	0,02349 TL
September 26, 2011 bid rate	1,78050 TL	2,40300 TL	0,02331 TL
September 23, 2011 bid rate	1,77280 TL	2,39110 TL	0,02317 TL

The simple arithmetic average of the Bank's foreign exchange bid rates for the last thirty days preceding the balance sheet date for major foreign currencies are shown below:

USD : TL 1,73782  
Euro : TL 2,40230  
Yen : TL 0,02259

**As of December 31, 2010;**

	USD	EUR	Yen
<b>Balance sheet evaluation rate</b>	<b>TL 1,50730</b>	<b>TL 1,99780</b>	<b>TL 0,01845</b>

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Information related to financial position of the Bank (continued)**

**Information on currency risk of the Bank:**

The foreign currency position of the Bank is disclosed in terms of the material currencies in the following table. Foreign currency indexed assets, classified as Turkish Lira assets according to Uniform Chart of Accounts, are considered as foreign currency assets for the calculation of the Net foreign currency position. In addition, foreign currency general provisions in the balance sheet, specific provision for non cash loans, prepaid expenses, marketable securities valuation differences and non-performing loans are considered as Turkish Lira in the calculation of the net currency Position regarding the related regulation. Therefore, there is a difference between the sum of the foreign currency assets and liabilities in the following table and in the balance sheet. The Bank's real position, both in financial and economic terms, is presented in the table below:

	EURO	USD	Yen	Other FC	Total
<b>September 30, 2011</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	3.387.357	1.831.427	1.195	10.750	5.230.729
Banks	416.126	1.179.705	22.542	66.439	1.684.812
Financial assets at fair value through profit or loss	7.773	55.801	1.130	643	65.347
Money market placements	-	-	-	-	-
Available-for-sale financial assets	24.701	856.755	-	-	881.456
Loans <sup>(1)</sup>	8.802.517	17.876.729	82.315	529.073	27.290.634
Investments in associates, subsidiaries and joint ventures	275.967	132.456	-	43.404	451.827
Held-to-maturity investments	504.201	8.490.978	-	-	8.995.179
Hedging derivative financial assets	-	136	-	-	136
Tangible assets	-	-	-	-	-
Intangible assets	-	-	-	-	-
Other assets	182.612	743.439	29	1.073.435	1.999.515
<b>Total assets</b>	<b>13.601.254</b>	<b>31.167.426</b>	<b>107.211</b>	<b>1.723.744</b>	<b>46.599.635</b>
<b>Liabilities</b>					
Bank deposits	106.300	24.345	17	76.295	206.957
Foreign currency deposits	7.041.112	19.865.287	10.386	1.648.441	28.565.226
Funds from money market	712.536	4.362.036	-	-	5.074.572
Funds borrowed from other financial institutions	5.715.995	5.600.689	49.106	3.351	11.369.141
Marketable securities issued	-	-	-	-	-
Miscellaneous payables	234.856	184.330	245	10.883	430.314
Hedging derivative financial liabilities	60.360	388.795	-	-	449.155
Other liabilities	2.918.448	396.756	1.857	2.466	3.319.527
<b>Total liabilities</b>	<b>16.789.607</b>	<b>30.822.238</b>	<b>61.611</b>	<b>1.741.436</b>	<b>49.414.892</b>
<b>Net on-balance sheet position</b>	<b>(3.188.353)</b>	<b>345.188</b>	<b>45.600</b>	<b>(17.692)</b>	<b>(2.815.257)</b>
<b>Net off-balance sheet position <sup>(2)</sup></b>	<b>3.226.524</b>	<b>(753.472)</b>	<b>(29.387)</b>	<b>(98.316)</b>	<b>2.345.349</b>
Financial derivative assets	8.718.724	21.632.729	59.841	379.061	30.790.355
Financial derivative liabilities	5.492.200	22.386.201	89.228	477.377	28.445.006
<b>Non-cash loans</b>	<b>5.096.007</b>	<b>10.030.827</b>	<b>430.559</b>	<b>176.271</b>	<b>15.733.664</b>
<b>December 31, 2010</b>					
Total assets	10.361.532	22.790.732	88.582	749.919	33.990.765
Total liabilities	13.047.640	20.044.191	55.417	815.074	33.962.322
<b>Net on-balance sheet position</b>	<b>(2.686.108)</b>	<b>2.746.541</b>	<b>33.165</b>	<b>(65.155)</b>	<b>28.443</b>
<b>Net off-balance sheet position</b>	<b>3.699.938</b>	<b>(4.023.903)</b>	<b>(48.640)</b>	<b>35.104</b>	<b>(337.501)</b>
Financial derivative assets	7.131.378	11.971.441	137.937	391.556	19.632.312
Financial derivative liabilities	3.431.440	15.995.344	186.577	356.452	19.969.813
<b>Non-cash loans</b>	<b>3.925.920</b>	<b>7.227.463</b>	<b>324.972</b>	<b>186.964</b>	<b>11.665.319</b>

(1) Includes FX indexed loans amounting to 3.833.108 (December 31, 2010 – TL 2.161.909) which have been disclosed as TL in the financial statements.

(2) Foreign exchange commitments with future value dates amounting to TL 131.374 booked under commitments are not included.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Information related to financial position of the Bank (continued)**

**V. Explanations on interest rate risk:**

The monitoring of interest rate sensitive assets and liabilities and sensitivity analysis regarding the effect of interest rate fluctuations on the financial statements are performed by the risk management department for all interest sensitive instruments. The results are presented monthly to the Executive Committee as a result of its Asset and Liability Management function. By using sensitivity and scenario analyses, the possible effects due to the interest rate volatility are analyzed. In these analyses possible losses are calculated for the change in fair value of interest sensitive products by applying shock tests to interest rates.

Sensitivity analyses are also calculated daily within Market Risk reporting on the basis of maturity and foreign exchange types and reported to Senior Management by checking them against the determined limits.

The bank utilizes TL/foreign currency and TL/TL interest rate swap transactions in order to limit the interest and foreign currency risk arising from short-term deposit and long-term consumer loans within the TL balance sheet. Furthermore, in order to reduce the repricing mismatch in the foreign currency balance sheet, foreign currency/foreign currency interest rate swaps were utilized.

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

September 30, 2011	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years 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	-	-	-	-	-	11.202.358	11.202.358
Banks	698.273	214.049	94.089	181.793	-	683.638	1.871.842
Financial assets at fair value through profit/loss	128.186	144.984	196.960	90.057	11.707	-	571.894
Money market placements	14.083	-	-	-	-	-	14.083
Available-for-sale financial assets	657.603	688.823	755.627	2.142.473	2.331.339	4.104	6.579.969
Loans	8.010.672	7.235.740	14.950.495	20.826.709	13.197.778	1.889.969	66.111.363
Held-to-maturity investments	423.767	1.039.055	1.928.422	2.507.493	6.492.664	-	12.391.401
Other assets	29.494	68.317	114.670	-	-	7.413.558	7.626.039
<b>Total assets</b>	<b>9.962.078</b>	<b>9.390.968</b>	<b>18.040.263</b>	<b>25.748.525</b>	<b>22.033.488</b>	<b>21.193.627</b>	<b>106.368.949</b>
<b>Liabilities</b>							
Bank deposits	11.756	45.709	8.250	-	-	429.020	494.735
Other deposits	41.020.927	8.818.984	2.050.455	67.618	-	10.259.153	62.217.137
Funds from money market	2.908.441	1.481.157	2.589.320	-	-	-	6.978.918
Miscellaneous payables	-	-	-	-	-	4.271.279	4.271.279
Marketable securities issued	-	935.729	-	-	-	-	935.729
Funds borrowed from other financial institutions	2.817.298	5.378.817	1.749.747	1.478.861	584.574	-	12.009.297
Other liabilities and shareholders' equity	1.182.185	993.558	1.558.919	57.354	11.944	15.657.894	19.461.854
<b>Total liabilities</b>	<b>47.940.607</b>	<b>17.653.954</b>	<b>7.956.691</b>	<b>1.603.833</b>	<b>596.518</b>	<b>30.617.346</b>	<b>106.368.949</b>
<b>Balance sheet long position</b>	-	-	<b>10.083.572</b>	<b>24.144.692</b>	<b>21.436.970</b>	-	<b>55.665.234</b>
<b>Balance sheet short position</b>	<b>(37.978.529)</b>	<b>(8.262.986)</b>	-	-	-	<b>(9.423.719)</b>	<b>(55.665.234)</b>
Off-balance sheet long position	5.908.096	12.995.021	-	-	-	-	18.903.117
Off-balance sheet short position	-	-	(385.715)	(17.864.343)	(531.650)	-	(18.781.708)
<b>Total position</b>	<b>(32.070.433)</b>	<b>4.732.035</b>	<b>9.697.857</b>	<b>6.280.349</b>	<b>20.905.320</b>	<b>(9.423.719)</b>	<b>121.409</b>

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, See note I. of Section three)

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Information related to financial position of the Bank (continued)**

December 31, 2010	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years 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	-	-	-	-	-	5,903.483	5,903.483
Banks	56.318	315.246	103.256	229.252	-	360.469	1,064.541
Financial assets at fair value through profit/loss	277.150	352.636	102.369	23.300	126.666	-	882.121
Money market placements	949.427	-	-	-	-	-	949.427
Available-for-sale financial assets	589.046	104.872	712.803	1.756.402	1.767.062	3.059	4,933.244
Loans	9,735.927	5,371.958	13,410.601	15,410.095	7,711.756	974.823	52,615.160
Held-to-maturity investments	1,906.880	2,141.929	817.963	1,987.010	5,676.875	-	12,530.657
Other assets	477.200	9.298	28.903	-	-	5,382.112	5,897.513
<b>Total assets</b>	<b>13,991.948</b>	<b>8,295.939</b>	<b>15,175.895</b>	<b>19,406.059</b>	<b>15,282.359</b>	<b>12,623.946</b>	<b>84,776.146</b>
<b>Liabilities</b>							
Bank deposits	264.672	240.856	160	246.139	-	302.311	1,054.138
Other deposits	36,317.162	5,939.190	704.871	9.361	-	8,699.810	51,670.394
Funds from money market	889.114	1,692.612	378.235	-	-	-	2,959.961
Miscellaneous payables	2,640.080	-	-	-	-	1,298.818	3,938.898
Marketable securities issued	-	-	-	-	-	-	-
Funds borrowed from other financial institutions	3,905.526	1,675.425	1,985.616	273.283	533.095	-	8,372.945
Other liabilities and shareholders' equity	149.222	1,173.573	1,587.573	2.748	-	13,866.694	16,779.810
<b>Total liabilities</b>	<b>44,165.776</b>	<b>10,721.656</b>	<b>4,656.455</b>	<b>531.531</b>	<b>533.095</b>	<b>24,167.633</b>	<b>84,776.146</b>
<b>Balance sheet long position</b>	-	-	<b>10,519.440</b>	<b>18,874.528</b>	<b>14,749.264</b>	-	<b>44,143.232</b>
<b>Balance sheet short position</b>	<b>(30,173.828)</b>	<b>(2,425.717)</b>	-	-	-	<b>(11,543.687)</b>	<b>(44,143.232)</b>
Off-balance sheet long position	3,043.780	4,581.012	415.602	-	-	-	8,040.394
Off-balance sheet short position	-	-	-	(7,766.037)	(500.565)	-	(8,266.602)
<b>Total position</b>	<b>(27,130.048)</b>	<b>2,155.295</b>	<b>10,935.042</b>	<b>11,108.491</b>	<b>14,248.699</b>	<b>(11,543.687)</b>	<b>(226.208)</b>

**b. Average interest rates for monetary financial instruments:**

The following average interest rates have been calculated by weighting the rates with their principal amounts outstanding as of the balance sheet date.

September 30, 2011	EURO	USD	Yen	TL
	%	%	%	%
<b>Assets<sup>(2)</sup></b>				
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	-	-	-	-
Banks	0,80	1,00	-	7,88
Financial assets at fair value through profit/loss	6,44	4,34	-	8,03
Money market placements	-	-	-	8,83
Available-for-sale financial assets	7,87	6,45	-	9,16
Loans <sup>(1)</sup>	5,59	4,62	4,85	13,40
Held-to-maturity investments	5,26	6,71	-	9,68
<b>Liabilities<sup>(2)</sup></b>				
Bank deposits	-	1,60	-	6,74
Other deposits	3,54	4,24	0,30	9,15
Funds from money market	2,27	1,70	-	5,90
Miscellaneous payables	-	-	-	-
Marketable securities issued	-	-	-	8,86
Funds borrowed from other financial institutions	3,16	2,30	2,34	10,28

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, See note I. of Section three)

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Information related to financial position of the Bank (continued)**

December 31, 2010	EURO	USD	Yen	TL
	%	%	%	%
<b>Assets<sup>(2)</sup></b>				
Cash (Cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	-	-	-	-
Banks	-	1,19	-	7,91
Financial assets at fair value through profit/loss	8,02	4,62	-	8,24
Money market placements	-	-	-	6,02
Available-for-sale financial assets	6,89	6,81	-	7,72
Loans <sup>(1)</sup>	4,95	4,35	4,72	12,87
Held-to-maturity Investments	5,23	6,76	-	9,98
<b>Liabilities<sup>(2)</sup></b>				
Bank deposits	0,55	1,05	-	8,13
Other deposits	2,54	2,78	0,30	8,71
Funds from money market	1,75	1,49	-	5,42
Miscellaneous payables	-	-	-	-
Marketable securities issued	-	-	-	-
Funds borrowed from other financial institutions	2,44	2,46	2,38	10,74

(1) Does not include credit card loans.

(2) Does not include demand/non-interest transactions.

**VI. Explanations on liquidity risk:**

Liquidity risk comprises the risks arising from the inability to fund the increase in the assets, the inability to cover the liabilities due and the operations performed in illiquid markets. The liquidity risk is managed within the Asset and Liability Management strategy of the Bank in accordance with the policies of the market risk policies. In this scope, the funding sources are being diversified, and sufficient cash and cash equivalents are held, the liquidity position of the Bank in the short and the long term is followed. During the monthly meetings of the Executive Committee as Asset and Liability Management, the liquidity position of the Bank is evaluated and it is ensured that the required actions are taken when considered necessary.

Off-balance-sheet derivative instruments and bonds issued are used in order to extend the short-term funding structure in the banking sector.



(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, See note I. of Section three)

## Yapı ve Kredi Bankası A.Ş.

### Notes to unconsolidated financial statements at September 30, 2011 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

#### Information related to financial position of the Bank (continued)

#### Breakdown of assets and liabilities according to their outstanding maturities:

	Demand	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Unclassified (1)(2)	Total
<b>September 30, 2011</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	7.522.387	3.679.971	-	-	-	-	-	11.202.358
Banks	683.638	674.182	237.601	4.126	272.295	-	-	1.871.842
Financial assets at fair value through profit or loss	-	126.987	120.399	175.178	111.000	38.330	-	571.894
Money market placements	-	14.083	-	-	-	-	-	14.083
Available-for-sale financial assets	77.543	-	37.512	138.830	2.523.528	3.798.452	4.104	6.579.969
Loans	-	9.287.797	7.235.704	14.975.386	20.682.866	13.341.827	587.783	66.111.363
Held-to-maturity investments	-	-	2	375.960	4.483.720	7.531.719	-	12.391.401
Other assets (3)	1.073.025	1.807.421	815	70.094	127.123	14.449	4.533.112	7.626.039
<b>Total assets</b>	<b>9.356.593</b>	<b>15.590.441</b>	<b>7.632.033</b>	<b>15.739.574</b>	<b>28.200.532</b>	<b>24.724.777</b>	<b>5.124.999</b>	<b>106.368.949</b>
<b>Liabilities</b>								
Bank deposits	429.020	11.756	45.709	8.250	-	-	-	494.736
Other deposits	10.259.153	39.761.834	8.766.828	3.242.830	186.492	-	-	62.217.137
Funds borrowed from other financial institutions	-	2.419.132	126.703	4.376.403	4.065.020	1.022.039	-	12.009.297
Funds from money market	-	2.541.760	1.389.900	2.427.744	619.514	-	-	6.978.918
Marketable securities issued	-	-	935.729	-	-	-	-	935.729
Miscellaneous payables	407.736	3.863.543	-	-	-	-	-	4.271.279
Other liabilities (2)	1.945.063	224.012	208.139	437.697	4.007.907	831.804	11.807.232	19.461.854
<b>Total liabilities</b>	<b>13.040.972</b>	<b>48.822.037</b>	<b>11.473.008</b>	<b>10.492.924</b>	<b>8.878.933</b>	<b>1.853.843</b>	<b>11.807.232</b>	<b>106.368.949</b>
<b>Net liquidity gap</b>	<b>(3.684.379)</b>	<b>(33.231.596)</b>	<b>(3.840.975)</b>	<b>5.246.650</b>	<b>19.321.599</b>	<b>22.870.934</b>	<b>(6.682.233)</b>	<b>-</b>
<b>December 31, 2010</b>								
Total assets	4.410.548	15.647.522	5.558.151	12.200.004	22.642.672	19.259.752	5.057.497	84.776.146
Total liabilities	9.568.362	42.664.764	7.690.945	5.532.470	5.354.047	3.287.105	10.678.453	84.776.146
<b>Net liquidity gap</b>	<b>(5.157.814)</b>	<b>(27.017.242)</b>	<b>(2.132.794)</b>	<b>6.667.534</b>	<b>17.288.625</b>	<b>15.972.647</b>	<b>(5.620.956)</b>	<b>-</b>

- (1) Assets that are necessary for banking activities and that cannot be liquidated in the short-term, such as fixed and intangible assets, investments in associates, subsidiaries, stationery stocks, prepaid expenses and loans under follow-up, are classified in this column.
- (2) Shareholders' equity is presented under the "Other liabilities" item in the "Unclassified" column.

#### VII. Explanations on operating segments:

The Bank carries out its banking operations through three main business units: (1) Retail Banking (including card payment systems and SME banking), (2) Corporate and Commercial Banking (3) Private Banking and Wealth Management.

The Bank's Retail Banking activities include credit cards, SME (small medium size enterprises) banking and individual banking. Retail Banking products and services offered to customers include card payment systems, consumer loans (including general purpose loans, auto loans and mortgages), commercial instalment loans, SME loans, time and demand deposits, investment accounts, life and non-life insurance products and payroll services. Credit card operations cover the management of products and services for member merchants as well as the sales and marketing operations for a variety of customer types. Crystal, Play, Adios and Taksitçi are the other card brands providing different services for the different segments within the World brand, shopping and marketing platform of the Bank. The Bank also offers debit cards and a prepaid card named World Hediye Card.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Information related to financial position of the Bank (continued)**

Corporate and Commercial Banking is organized into two sub-segments: Commercial Banking, which serves mid-sized companies; and Corporate Banking, which serves large local and multinational companies. Corporate and commercial banking provides products and services including working capital financing, foreign trade finance, project finance, domestic and international non-cash credit line facilities such as letters of credit and guarantees, cash management and e-banking services.

Through its Private Banking and Wealth Management activities, the Bank serves high net worth customers and delivers investment products to this customer segment. Among the products and services offered to Private Banking customers are time deposits, mutual funds, derivative products such as forwards, futures and options, personal loans, foreign exchange, gold and equity trading, pension plans, insurance products, safe deposit boxes and e-banking services. Private Banking services are enhanced by investment advisory and portfolio management services provided by the Bank.

The Bank's widespread branch network and alternative distribution channels including ATMs, telephone banking, internet banking and mobile banking are utilized to serve customers in all segments.

Other operations mainly consist of Treasury transactions, operations of supporting business units and other unallocated transactions.

**Some balance sheet and income statement items based on operating segments:**

September 30, 2011	Retail banking	Corporate and commercial banking	Private banking and wealth management	Other	Total operations of the Bank
Operating revenue	1.928.827	1.195.826	99.238	893.928	4.117.819
Operating expenses	(1.082.965)	(312.956)	(48.574)	(1.085.815)	(2.530.310)
<b>Net operating income</b>	<b>845.862</b>	<b>882.870</b>	<b>50.664</b>	<b>(191.887)</b>	<b>1.587.509</b>
Dividend income <sup>(1)</sup>	-	-	-	128.203	128.203
<b>Profit before tax</b>	<b>845.862</b>	<b>882.870</b>	<b>50.664</b>	<b>(63.684)</b>	<b>1.715.712</b>
Tax provision <sup>(1)</sup>	-	-	-	(332.785)	(332.785)
<b>Net profit</b>	<b>845.862</b>	<b>882.870</b>	<b>50.664</b>	<b>(396.469)</b>	<b>1.382.927</b>
Segment assets <sup>(3)</sup>	28.714.119	32.396.034	219.616	43.165.458	104.495.227
Investments in associates, subsidiaries and joint ventures	-	-	-	1.873.722	1.873.722
<b>Total assets</b>	<b>28.714.119</b>	<b>32.396.034</b>	<b>219.616</b>	<b>45.039.180</b>	<b>106.368.949</b>
Segment liabilities <sup>(3)</sup>	25.508.870	23.514.542	14.897.161	31.193.524	95.114.097
Shareholders' equity	-	-	-	11.254.852	11.254.852
<b>Total liabilities</b>	<b>25.508.870</b>	<b>23.514.542</b>	<b>14.897.161</b>	<b>42.448.376</b>	<b>106.368.949</b>

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, See note I. of Section three)

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Information related to financial position of the Bank (continued)**

December 31, 2010	Retail banking	Corporate and commercial banking	Private banking and wealth management	Other	Total operations of the Bank
Operating revenue <sup>(2)</sup>	2.051.955	822.914	135.041	1.323.206	4.333.116
Operating expenses <sup>(2)</sup>	(806.894)	(335.737)	(44.756)	(1.150.870)	(2.338.257)
<b>Net operating income<sup>(2)</sup></b>	<b>1.245.061</b>	<b>487.177</b>	<b>90.285</b>	<b>172.336</b>	<b>1.994.859</b>
Dividend income <sup>(1) (2)</sup>				155.181	155.181
<b>Profit before tax<sup>(2)</sup></b>	<b>1.245.061</b>	<b>487.177</b>	<b>90.285</b>	<b>327.517</b>	<b>2.150.040</b>
Tax provision <sup>(1) (2)</sup>				(370.692)	(370.692)
<b>Net profit<sup>(1)</sup></b>	<b>1.245.061</b>	<b>487.177</b>	<b>90.285</b>	<b>(43.175)</b>	<b>1.779.348</b>
Segment assets	26.522.965	28.966.163	347.550	27.077.691	82.914.369
Investments in associates, subsidiaries and joint ventures				1.861.777	1.861.777
<b>Total assets</b>	<b>26.522.965</b>	<b>28.966.163</b>	<b>347.550</b>	<b>28.939.468</b>	<b>84.776.146</b>
Segment liabilities	23.676.641	18.520.932	10.719.556	21.541.317	74.458.446
Shareholders' equity				10.317.700	10.317.700
<b>Total liabilities</b>	<b>23.676.641</b>	<b>18.520.932</b>	<b>10.719.556</b>	<b>31.859.017</b>	<b>84.776.146</b>

- (1) Dividend income and tax provision have not been distributed based on operating segments and presented under "Other".
- (2) Income statement figures represent balances for the 9 months period ended September 30, 2010.
- (3) Segment assets and liabilities balances are prepared according to Management Information Systems datas.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Section five**

**Explanations and notes related to unconsolidated financial statements**

**I. Explanations and notes related to assets**

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

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

	September 30, 2011		December 31, 2010	
	TL	FC	TL	FC
Cash	729.415	240.126	513.677	172.513
The CBRT	5.242.214	4.990.164	2.044.632	3.172.303
Other	-	439	-	358
<b>Total</b>	<b>5.971.629</b>	<b>5.230.729</b>	<b>2.558.309</b>	<b>3.345.174</b>

2. Information on the account of the CBRT:

	September 30, 2011		December 31, 2010	
	TL	FC	TL	FC
Demand unrestricted amount <sup>(1)</sup>	5.242.214	1.310.194	2.044.632	865.256
Time unrestricted amount	-	-	-	-
Reserve requirement	-	3.679.970	-	2.307.047
<b>Total</b>	<b>5.242.214</b>	<b>4.990.164</b>	<b>2.044.632</b>	<b>3.172.303</b>

(1) The TL reserve requirement has been classified in "Central Bank Demand Unrestricted Account" based on the correspondence with BRSA letter as of January 3, 2008.

3. Information on reserve requirements:

In accordance with the "Communiqué Regarding the Reserve Requirements" numbered 2005/1, the banks operating in Turkey place reserves in the CBRT for their TL and foreign currency liabilities according to the maturities stated below as of September 30, 2011.

a) TL liabilities;

- Demand, notice deposits and private current accounts 16%,
- Up to 1 month time deposit accounts (1 month included) 16%,
- Up to 3 months time deposit accounts (3 months included) 13%,
- Up to 6 months time deposit accounts (6 months included) 9%,
- Up to 1 year time deposit accounts 6%,
- 1 year and over 1 year time deposit accounts and accumulating deposit accounts 5%,
- Liabilities excluding deposit 13%

b) Foreign currency liabilities;

- Demand, notice FC deposits and private current accounts and up to 1 month, up to 3 months, up to 6 months, and up to 1 year time FC deposits 11,5%
- 1 year time and more than 1 year time FC deposits 9,5%,
- Up to 1 year time FC liabilities (1 year included) 11,5%,
- Up to 3 years time FC liabilities (3 years included) 9,5%,
- More than 3 years time FC liabilities 8,5%

**b. Information on financial assets at fair value through profit and loss:**

1. As of September 30, 2011, the Bank does not have financial assets at fair value through profit and loss subject to repo transactions (December 31, 2010 - TL 43.734), and does not have financial assets at fair value through profit and loss given as collateral/blocked amount (December 31, 2010 - None).

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations and notes related to unconsolidated financial statements (continued)**

2. Positive differences related to trading derivative financial assets:

	September 30, 2011		December 31, 2010	
	TL	FC	TL	FC
Forward transactions	113.616	26	26.842	-
Swap transactions	87.916	43.062	541.681	25.312
Futures transactions	-	-	-	-
Options	145.327	15.756	49.412	17.800
Other	-	-	-	-
<b>Total</b>	<b>346.859</b>	<b>58.844</b>	<b>617.935</b>	<b>43.112</b>

**c. Information on banks:**

1. Information on banks:

	September 30, 2011		December 31, 2010	
	TL	FC	TL	FC
Banks	187.030	1.684.812	69.745	994.796
Domestic	144.208	162.457	49.623	399
Foreign	42.822	1.522.355	20.122	994.397
Head quarters and branches abroad	-	-	-	-
<b>Total</b>	<b>187.030</b>	<b>1.684.812</b>	<b>69.745</b>	<b>994.796</b>

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

1. Characteristics and carrying values of available-for-sale financial assets given as collateral:

As of September 30, 2011, available-for-sale financial assets given as collateral/blocked amount to TL 9.490 (December 31, 2010 - TL 7.654) and available-for-sale financial assets subject to repo transactions amount to TL 1.087.136. (December 31, 2010 - none).

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

	September 30, 2011	December 31, 2010
Debt securities	6.562.846	4.879.749
Quoted in stock exchange <sup>(1)</sup>	4.796.341	3.569.394
Not quoted <sup>(2)</sup>	1.766.505	1.310.355
Share certificates	49.405	44.862
Quoted in stock exchange	-	-
Not quoted	49.405	44.862
Impairment provision (-)	(109.825)	(44.332)
Other <sup>(3)</sup>	77.543	52.965
<b>Total</b>	<b>6.579.969</b>	<b>4.933.244</b>

(1) As of September 30, 2011, Eurobonds amounting to TL 517.508 (December 31, 2010 - TL 530.625) have been classified under debt securities quoted on stock exchange even though they are not quoted on a stock exchange since they are traded in the secondary market.

(2) As of September 30, 2011, not quoted debt securities amounting to TL 1.009.814 (December 31, 2010 - TL 729.227) are credit linked notes.

(3) As of September 30, 2011, other available-for-sale financial assets include mutual funds amounting to TL 77.543 (December 31, 2010 - TL 52.965).

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, See note I. of Section three)

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations and notes related to unconsolidated financial statements (continued)**

**e. Explanations on loans:**

1. Information on all types of loans or advance balances given to shareholders and employees of the Bank:

	September 30, 2011		December 31, 2010	
	Cash	Non-cash	Cash	Non-cash
Direct loans granted to shareholders	-	-	-	-
Corporate shareholders	-	-	-	-
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	9.503	215.072	7.962	81.282
Loans granted to employees	90.276	71	84.879	83
<b>Total</b>	<b>99.779</b>	<b>215.143</b>	<b>92.841</b>	<b>81.365</b>

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

Cash Loans	Standard loans and other receivables		Loans and other receivables under close monitoring	
	Loans and other receivables	Restructured or rescheduled	Loans and other receivables	Restructured or rescheduled
<b>Non-specialised loans</b>	<b>64.132.793</b>	-	<b>1.313.546</b>	<b>77.241</b>
Discount and purchase notes	985.219	-	3.941	-
Export loans	7.684.983	-	196.524	-
Import loans	-	-	-	-
Loans granted to financial sector	1.154.385	-	-	-
Foreign loans	1.129.986	-	12	-
Consumer loans	11.896.695	-	374.067	2.658
Credit cards	9.304.088	-	201.053	16.642
Precious metal loans	374.752	-	5.188	-
Other <sup>(1)</sup>	31.602.685	-	532.761	57.941
<b>Specialised loans</b>	-	-	-	-
<b>Other receivables</b>	-	-	-	-
<b>Total</b>	<b>64.132.793</b>	-	<b>1.313.546</b>	<b>77.241</b>

- (1) As explained in the Note I.k of Section V, TL 237.147 of fair value difference of hedged items is classified under other loans.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations and notes related to unconsolidated financial statements (continued)**

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

	Short-term	Medium and long-term	Total
<b>Consumer loans-TL</b>	<b>80.985</b>	<b>11.800.114</b>	<b>11.881.099</b>
Real estate loans	3.276	6.000.882	6.004.158
Automotive loans	6.258	1.095.043	1.101.301
Consumer loans	351	42.107	42.458
Other	71.100	4.662.082	4.733.182
<b>Consumer loans-FC indexed</b>	<b>-</b>	<b>194.837</b>	<b>194.837</b>
Real estate loans	-	186.604	186.604
Automotive loans	-	963	963
Consumer loans	-	4.739	4.739
Other	-	2.531	2.531
<b>Consumer loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Individual credit cards-TL</b>	<b>8.803.327</b>	<b>203.707</b>	<b>9.007.034</b>
With installments	4.674.851	195.589	4.870.440
Without installments	4.128.476	8.118	4.136.594
<b>Individual credit cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installments	-	-	-
Without installments	-	-	-
<b>Personnel loans-TL</b>	<b>2.804</b>	<b>38.295</b>	<b>41.099</b>
Real estate loans	4	1.332	1.336
Automotive loans	12	910	922
Consumer loans	-	-	-
Other	2.788	36.053	38.841
<b>Personnel loans-FC indexed</b>	<b>-</b>	<b>6</b>	<b>6</b>
Real estate loans	-	6	6
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Personnel loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Personnel credit cards-TL</b>	<b>47.973</b>	<b>423</b>	<b>48.396</b>
With installments	27.494	423	27.917
Without installments	20.479	-	20.479
<b>Personnel credit cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installments	-	-	-
Without installments	-	-	-
<b>Credit deposit account-TL (real person)<sup>(1)</sup></b>	<b>156.379</b>	<b>-</b>	<b>156.379</b>
<b>Credit deposit account-FC (real person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>9.091.468</b>	<b>12.237.382</b>	<b>21.328.850</b>

(1) TL 775 of the credit deposit account belongs to the loans used by personnel.

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, See note I. of Section three)

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations and notes related to unconsolidated financial statements (continued)**

4. Information on commercial installment loans and corporate credit cards:

	Short-term	Medium and long-term	Total
<b>Commercial installments loans-TL</b>	<b>189.907</b>	<b>5.046.034</b>	<b>5.235.941</b>
Business loans	1.115	294.537	295.652
Automotive loans	28.311	1.617.844	1.646.155
Consumer loans	-	182	182
Other	160.481	3.133.471	3.293.952
<b>Commercial installments loans-FC indexed</b>	<b>27.503</b>	<b>553.430</b>	<b>580.933</b>
Business loans	-	33.536	33.536
Automotive loans	1.055	118.567	119.622
Consumer loans	-	-	-
Other	26.448	401.327	427.775
<b>Commercial installments loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Business loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Corporate credit cards-TL</b>	<b>464.424</b>	<b>1.929</b>	<b>466.353</b>
With installment	177.058	1.929	178.987
Without installment	287.366	-	287.366
<b>Corporate credit cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Credit deposit account-TL (legal person)</b>	<b>518.460</b>	<b>-</b>	<b>518.460</b>
<b>Credit deposit account-FC (legal person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1.200.294</b>	<b>5.601.393</b>	<b>6.801.687</b>

5. Distribution of domestic and foreign loans: Distribution has been disclosed based on the location where the customers operate.

	September 30, 2011	December 31, 2010
Domestic loans	64.393.582	51.236.608
Foreign loans	1.129.998	952.331
<b>Total</b>	<b>65.523.580</b>	<b>52.188.939</b>

6. Loans granted to associates and subsidiaries:

	September 30, 2011	December 31, 2010
Direct loans granted to associates and subsidiaries	548.827	194.199
Indirect loans granted to associates and subsidiaries	-	-
<b>Total</b>	<b>548.827</b>	<b>194.199</b>



**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations and notes related to unconsolidated financial statements (continued)**

7. Specific provisions provided against loans:

	September 30, 2011	December 31, 2010
Loans and other receivables with limited collectability	57.433	47.547
Loans and other receivables with doubtful collectability	176.214	340.021
Uncollectible loans and other receivables	1.219.748	1.046.875
<b>Total</b>	<b>1.453.395</b>	<b>1.434.443</b>

8. Information on non-performing loans (net):

8 (i). Information on non-performing loans restructured or rescheduled, and other receivables:

	III. Group Loans and other receivables with limited collectability	IV. Group Loans and other receivables with doubtful collectability	V. Group Uncollectible loans and other receivables
<b>September 30, 2011</b>			
(Gross amounts before specific reserves)	22.583	27.642	43.159
Restructured loans and other receivables	22.583	27.642	43.159
Rescheduled loans and other receivables	-	-	-
<b>December 31, 2010</b>			
(Gross amounts before specific reserves)	22.242	34.388	31.201
Restructured loans and other receivables	22.242	34.388	31.201
Rescheduled loans and other receivables	-	-	-

8 (ii). Information on the movement of total non-performing loans:

	III. Group Loans and other receivables with limited collectability	IV. Group Loans and other receivables with doubtful collectability	V. Group Uncollectible loans and other receivables
<b>December 31, 2010</b>	<b>233.800</b>	<b>373.419</b>	<b>1.253.445</b>
Additions (+)	1.070.555	41.230	102.774
Transfers from other categories of non-performing loans (+)	-	524.990	430.038
Transfer to other categories of non-performing loans (-)	(524.990)	(430.038)	-
Collections (-)	(414.502)	(190.769)	(428.774)
Write-offs(-)	-	-	-
Corporate and commercial loans	-	-	-
Consumer loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
<b>September 30, 2011</b>	<b>364.863</b>	<b>318.832</b>	<b>1.357.483</b>
Specific provision (-)	(57.433)	(176.214)	(1.219.748)
<b>Net balance on balance sheet</b>	<b>307.430</b>	<b>142.618</b>	<b>137.735</b>

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations and notes related to unconsolidated financial statements (continued)**

8 (iii). Information on non-performing loans granted as foreign currency loans:

	III. Group Loans and other receivables with limited collectability	IV. Group Loans and other receivables with doubtful collectability	V. Group Uncollectible loans and other receivables
<b>September 30, 2011</b>			
Period end balance	101.776	1.179	55.024
Specific provision (-)	(10.909)	(603)	(44.523)
<b>Net balance on-balance sheet</b>	<b>90.867</b>	<b>576</b>	<b>10.501</b>
<b>December 31, 2010</b>			
Period end balance	-	-	94.322
Specific provision (-)	-	-	(62.707)
<b>Net balance on-balance sheet</b>	<b>-</b>	<b>-</b>	<b>31.615</b>

8 (iv). Information on the gross and net amounts of the non-performing loans according to types of borrowers:

	III. Group Loans and other receivables with limited collectability	IV. Group Loans and other receivables with doubtful collectability	V. Group Uncollectible loans and other receivables
<b>September 30, 2011 (net)</b>			
Loans granted to real persons and corporate entities (gross)	364.863	293.842	1.273.477
Specific provision amount (-)	(57.433)	(151.224)	(1.135.742)
Loans granted to real persons and corporate entities (net)	307.430	142.618	137.735
Banks (gross)	-	24.990	-
Specific provision amount (-)	-	(24.990)	-
Banks (net)	-	-	-
Other loans and receivables (gross)	-	-	84.006
Specific provision amount (-)	-	-	(84.006)
Other loans and receivables (net)	-	-	-
<b>December 31, 2010 (net)</b>			
Loans granted to real persons and corporate entities (gross)	233.800	372.696	1.168.053
Specific provision amount (-)	(47.547)	(339.298)	(961.483)
Loans granted to real persons and corporate entities (Net)	186.253	33.398	206.570
Banks (gross)	-	723	1.380
Specific provision amount (-)	-	(723)	(1.380)
Banks (net)	-	-	-
Other loans and receivables (gross)	-	-	84.012
Specific provision amount (-)	-	-	(84.012)
Other loans and receivables (net)	-	-	-

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations and notes related to unconsolidated financial statements (continued)**

9. Information on the performing loans the maturity of which were extended:

Extended Agreements	Up to 1 month	1-3 months	3-6 months	6months-1 year	1 - 5 years	Total
1	80.996	156.580	120.319	14.901	6.052	378.848
2	106.842	25.332	32.750	612	24	165.560
3 and over	85.831	18.999	1.536	1.960	-	108.326
<b>Total</b>	<b>273.669</b>	<b>200.911</b>	<b>154.605</b>	<b>17.473</b>	<b>6.076</b>	<b>652.734</b>

**f. Information on held-to-maturity investments:**

1. Information on government debt securities held-to-maturity:

	September 30, 2011	December 31, 2010
Government bond	12.391.401	12.530.657
Treasury bill	-	-
Other debt securities	-	-
<b>Total</b>	<b>12.391.401</b>	<b>12.530.657</b>

2. Information on investment securities held-to-maturity:

	September 30, 2011	December 31, 2010
Debt securities	12.545.695	12.609.092
Quoted on stock exchange <sup>(1)</sup>	12.545.695	12.609.092
Not quoted	-	-
Impairment provision (-)	(154.294)	(78.435)
<b>Total</b>	<b>12.391.401</b>	<b>12.530.657</b>

(1) As of September 30, 2011, Eurobonds amounting to TL 8.995.179 have been classified under debt securities quoted on stock exchange even though they are not quoted on a stock exchange because they are traded in the secondary market (December 31, 2010 - TL 7.285.189).

3. Movement of held-to-maturity investments within the period:

	September 30, 2011	December 31, 2010
<b>Beginning balance</b>	<b>12.530.657</b>	<b>12.014.792</b>
Foreign currency differences on monetary assets <sup>(1)</sup>	1.321.816	96.351
Purchases during year	609.107	3.002.737
Disposals through sales and redemptions	(1.994.320)	(2.569.034)
Impairment provision (-)	(75.859)	(14.189)
<b>Period end balance</b>	<b>12.391.401</b>	<b>12.530.657</b>

(1) Also includes the changes in the interest income accruals.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations and notes related to unconsolidated financial statements (continued)**

4. Characteristics and carrying values of held-to-maturity investments given as collateral:

As of September 30, 2011, held-to-maturity investments given as collateral/blocked amount to TL 3.314.143 (December 31, 2010 - TL 1.416.697). Held-to-maturity investments subject to repo transactions amount to TL 6.990.918 (December 31, 2010 - TL 3.336.835).

**g. Information on investments in associates (net):**

1. General information on unconsolidated investments in associates:

No	Description	Address (City/ Country)	Bank's share holding percentage if different voting percentage (%)	Bank's risk group share holding percentage(%)
1	Banque de Commerce et de Placements S.A. <sup>(1)</sup>	Geneva/ Switzerland	30,67	30,67
2	Kredi Kayıt Bürosu <sup>(1)</sup>	Istanbul/Turkey	18,18	18,18
3	Bankalararası Kart Merkezi <sup>(2)</sup>	Istanbul/Turkey	9,98	9,98

2. Main financial figures of the investments in associates in the order of the above table:

No	Total assets	Shareholders' equity	Total fixed assets	Interest income	Income from marketable securities portfolio	Current period profit/loss	Prior period profit/loss	Market value
1	5.263.368	321.216	7.458	64.499	11.346	42.741	48.211	-
2	39.034	27.914	2.552	1.933	4	12.265	9.905	-
3	21.526	17.174	6.364	430	-	1.309	2.525	-

- (1) Financial statement information disclosed above shows September 30, 2011 results.  
(2) Financial statement information disclosed above shows June 30, 2011 results.

3. Movement of unconsolidated investments in associates:

	September 30, 2011	December 31, 2010
<b>Balance at the beginning of the period</b>	<b>47.344</b>	<b>47.344</b>
<b>Movements during the period</b>	<b>563</b>	<b>-</b>
Purchases	-	-
Transfers	-	-
Bonus shares obtained <sup>(1)</sup>	563	-
Share of current period income	-	-
Sales	-	-
Revaluation (decrease)/increase	-	-
Impairment provision	-	-
<b>Balance at the end of the period</b>	<b>47.907</b>	<b>47.344</b>
<b>Capital commitments</b>	<b>-</b>	<b>-</b>
<b>Share holding percentage at the end of the period (%)</b>	<b>-</b>	<b>-</b>

- (1) As a result of the General Assembly Meeting of Bankalararası Kart Merkezi A.Ş registered on April 12, 2011; this amount represents the share of the Bank in capital increase .

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations and notes related to unconsolidated financial statements (continued)**

4. Information on sectors and the carrying amounts of unconsolidated investments in associates:

	September 30, 2011	December 31, 2010
Banks	43.404	43.404
Insurance companies	-	-
Factoring companies	-	-
Leasing companies	-	-
Finance companies	-	-
Other financial investments	4.503	3.940
<b>Total financial investments</b>	<b>47.907</b>	<b>47.344</b>

5. Valuation of unconsolidated investments in associates:

	September 30, 2011	December 31, 2010
Valuation with cost	47.907	47.344
Valuation with fair value	-	-
Valuation with equity method	-	-
<b>Total</b>	<b>47.907</b>	<b>47.344</b>

6. The Bank has no investments in associates quoted on a stock exchange.

**h. Information on subsidiaries (net):**

1. Information on subsidiaries:

No	Description	Address (City/ Country)	Bank's share holding percentage if different voting percentage (%)	Bank's risk group share holding percentage (%)
1	Yapı Kredi Portföy Yönetimi A.Ş.	Istanbul/Turkey	12,65	99,99
2	Yapı Kredi Holding B.V. <sup>(1)</sup>	Amsterdam/The Netherlands	100,00	100,00
3	Yapı Kredi Yatırım Menkul Değerler A.Ş.	Istanbul/ Turkey	99,98	99,99
4	Yapı Kredi Kültür Sanat Yayıncılık Tic.ve San.A.Ş.	Istanbul/ Turkey	99,99	100,00
5	Yapı Kredi Faktoring A.Ş.	Istanbul/ Turkey	99,95	100,00
6	Yapı Kredi Moscow <sup>(2)</sup>	Moscow/Russia	99,84	100,00
7	Yapı Kredi Sigorta A.Ş.	Istanbul/Turkey	74,01	93,94
8	Yapı Kredi Finansal Kiralama A.O.	Istanbul/Turkey	98,85	99,58
9	Yapı Kredi B Tipi Yatırım Ortaklığı A.Ş.	Istanbul/ Turkey	11,09	56,07
10	Enternasyonal Turizm Yatırım A.Ş.	Istanbul/ Turkey	99,96	99,99
11	Yapı Kredi Azerbayjan <sup>(3)</sup>	Baku/Azerbaijan	99,80	100,00
12	Yapı Kredi Niderland N.V. <sup>(1)</sup>	Amsterdam/The Netherlands	67,24	100,00

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, See note I. of Section three)

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations and notes related to unconsolidated financial statements (continued)**

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

No	Total assets	Shareholders' equity	Total fixed assets	Interest income	Income from marketable securities portfolio	Current period profit / loss	Prior period profit /loss	Market value <sup>(1)</sup>
1	75.682	67.450	773	4.708	39	31.513	39.414	-
2	111.441	111.350	-	-	-	(93)	999	-
3	1.245.893	281.764	5.526	56.734	9.902	75.738	66.920	-
4	12.485	10.445	171	37	-	884	867	-
5	1.786.641	115.889	561	94.738	-	32.584	16.151	-
6	336.101	105.001	9.755	14.812	1.620	7.678	6.472	-
7	947.050	346.445	18.841	26.344	17.390	42.619	45.428	1.036.000
8	2.987.934	843.014	2.898	164.073	-	107.808	70.675	1.633.800
9	80.032	77.716	29	2.086	(646)	77	3.557	32.700
10	37.378	23.274	3.960	757	3	577	1.085	-
11	446.980	124.518	9.299	18.035	781	10.375	10.952	-
12	4.337.794	536.236	611	122.543	16.977	23.214	58.653	-

(1) Calculated with the ISE market prices as of September 30, 2011 considering the total number of shares.

Financial statement information disclosed above shows September 30, 2011 results.

3. Movement schedule of subsidiaries:

	September 30, 2011	December 31, 2010
<b>Balance at the beginning of the period</b>	<b>1.789.841</b>	<b>1.781.948</b>
<b>Movements during the period</b>	<b>11.382</b>	<b>7.893</b>
Purchases	-	-
Transfers	-	-
Bonus shares obtained <sup>(1)(2)</sup>	11.382	7.893
Share of current year income	-	-
Sales	-	-
Revaluation (decrease) / increase	-	-
Impairment provision	-	-
<b>Balance at the end of the period</b>	<b>1.801.223</b>	<b>1.789.841</b>
<b>Capital commitments</b>	-	-
<b>Share holding percentage at the end of the period (%)</b>	-	-

(1) As a result of the General Assembly Meeting of Yapı Kredi Azerbaijan registered on April 30, 2010; capital was increased by 4.392 thousand AZN from the profit of 2009.

(2) As a result of the General Assembly Meeting of Yapı Kredi Azerbaijan registered on April 20, 2011; capital was increased by 6.499 thousand AZN from the profit of 2010.

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, See note I. of Section three)

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations and notes related to unconsolidated financial statements (continued)**

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

<b>Financial subsidiaries</b>	<b>September 30, 2011</b>	<b>December 31, 2010</b>
Banks	297.519	286.137
Insurance companies	148.019	148.019
Factoring companies	183.325	183.325
Leasing companies	722.491	722.491
Finance companies	-	-
Other financial subsidiaries	447.569	447.569
<b>Total financial subsidiaries</b>	<b>1.798.923</b>	<b>1.787.541</b>

5. Subsidiaries quoted to stock exchange:

	<b>September 30, 2011</b>	<b>December 31, 2010</b>
Quoted on domestic stock exchanges	876.095	876.095
Quoted on foreign stock exchanges	-	-
<b>Total of subsidiaries quoted to stock exchanges</b>	<b>876.095</b>	<b>876.095</b>

i. **Information on joint ventures (net):**

1. Information on joint ventures:

<b>Joint ventures</b>	<b>Bank's share</b>	<b>Group's share</b>	<b>Current assets</b>	<b>Non- current assets</b>	<b>Long term debt</b>	<b>Income</b>	<b>Expense</b>
Yapı Kredi - Koray Gayrimenkul Yatırım Ortaklığı A.Ş.	30,45	30,45	84.442	20.592	362	16.392	(23.609)

Financial statement information disclosed above shows September 30, 2011 results.

j. **Information on lease receivables (net):**

None (December 31, 2010 - None).

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations and notes related to unconsolidated financial statements (continued)**

**k. Information on hedging derivative financial assets:**

	September 30, 2011		December 31, 2010	
	TL	FC	TL	FC
Fair value hedge	212.345	-	34.463	-
Cash flow hedge	-	136	-	3.738
Foreign net investment hedge	-	-	-	-
<b>Total</b>	<b>212.345</b>	<b>136</b>	<b>34.463</b>	<b>3.738</b>

Starting from March 1, 2009, the Bank has hedged the possible fair value effects of changes in market interest rates on part of its fixed interest TL mortgage and car loan portfolios and fair value effects of changes in foreign exchange rates on part of its foreign currency denominated funds using cross-currency interest rate swaps. The net carrying value of hedging instruments at September 30, 2011 is an asset amounting to TL 146.181 (December 31, 2010 - TL 279.454 liability). At September 30, 2011, the fair value difference of the hedging instruments since the inception date is TL 249.181 (December 31, 2010 - TL 240.233) and the fair value difference of the hedged loans is TL 237.147 (December 31, 2010 - TL 224.429).

In order to hedge its cash flow risk from liabilities, the Bank started to apply cash flow hedge accounting from January 1, 2010 onwards. The hedging instruments are USD, EUR and TL interest rate swaps with floating receive, fixed pay legs, and the hedged item is the cash outflows due to financing of interests of repricing USD, EUR and TL deposits and repos.

**l. Information on intangible assets:**

	September 30, 2011	December 31, 2010
<b>Balance at the beginning of the period</b>	<b>1.229.401</b>	<b>1.186.024</b>
Additions during the period	45.187	83.295
Unused and disposed items (-)	-	(159)
Impairment reversal	-	4.015
Amortisation expenses (-)	(41.071)	(43.774)
<b>Balance at the end of the period</b>	<b>1.233.517</b>	<b>1.229.401</b>

**m. Information on investment property:**

None (December 31, 2010 - None).



(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, See note I. of Section three)

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations and notes related to unconsolidated financial statements (continued)**

**n. Movement schedule of assets held for resale and related to discontinued operations:**

	<b>September 30, 2011</b>	<b>December 31, 2010</b>
<b>Net book value at the beginning of the period</b>	<b>79.377</b>	<b>86.966</b>
Additions	44.762	56.716
Disposals (-), net	(34.259)	(64.901)
Impairment reversal	844	2.752
Impairment (-)	(169)	(219)
Depreciation (-)	(1.736)	(1.937)
<b>Net book value at the end of the period</b>	<b>88.819</b>	<b>79.377</b>
Cost at the end of the period	95.791	85.836
Accumulated depreciation at the end of the period (-)	(6.972)	(6.459)
<b>Net book value at the end of the period</b>	<b>88.819</b>	<b>79.377</b>

As of September 30, 2011, the Bank booked impairment provision on assets held for resale with an amount of TL 10.258 (December 31, 2010 - TL 10.933).

**o. Information on other assets:**

As of September 30, 2011, other assets do not exceed 10% of the total assets.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2011 (continued)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations and notes related to unconsolidated financial statements (continued)

II. Explanations and notes related to liabilities

a. Information on deposits:

1. Information on maturity structure of deposits/collected funds:

1 (i). September 30, 2011:

	Demand	Up to 1 month	1-3 months	3-6 months	6 months- 1 year	1 year and over	Total
Saving deposits	2.017.492	1.702.298	13.832.799	761.658	730.777	1.619.625	20.664.649
Foreign currency deposits	4.046.301	4.193.443	17.107.351	906.998	70.009	877.464	27.201.566
Residents in Turkey	3.930.327	4.122.166	15.779.815	815.262	66.701	472.289	25.186.560
Residents abroad	115.974	71.277	1.327.536	91.736	3.308	405.175	2.015.006
Public sector deposits	610.683	465	108.772	-	154	573	720.647
Commercial deposits	2.542.356	1.957.642	5.167.351	1.604.656	251.691	105.232	11.628.928
Other institutions deposits	34.126	16.824	454.958	83.213	187	48.379	637.687
Precious metals vault	1.008.195	304.180	16.149	14.994	20.142	-	1.363.660
Bank deposits	429.020	52.515	4.746	-	5.417	3.037	494.735
The CBRT	-	-	-	-	-	-	-
Domestic banks	159.352	6.005	-	-	-	3.037	168.394
Foreign banks	262.114	46.510	4.746	-	5.417	-	318.787
Participation banks	7.554	-	-	-	-	-	7.554
Other	-	-	-	-	-	-	-
<b>Total</b>	<b>10.688.173</b>	<b>8.227.367</b>	<b>36.692.126</b>	<b>3.371.519</b>	<b>1.078.377</b>	<b>2.654.310</b>	<b>62.711.872</b>

1 (ii). December 31, 2010:

	Demand	Up to 1 month	1-3 months	3-6 months	6 months- 1 year	1 year and over	Total
Saving deposits	1.816.685	4.434.620	10.869.254	210.358	37.088	114.112	17.482.117
Foreign currency deposits	3.875.115	3.885.684	10.800.664	461.711	68.061	334.546	19.425.781
Residents in Turkey	3.782.129	3.821.711	9.661.596	233.794	63.117	194.396	17.756.743
Residents abroad	92.986	63.973	1.139.068	227.917	4.944	140.150	1.669.038
Public sector deposits	320.906	14.937	60.880	543	-	-	397.266
Commercial deposits	2.414.474	3.252.232	6.502.676	177.890	3.206	70.312	12.420.790
Other institutions deposits	34.853	85.306	1.478.796	288	65	990	1.600.298
Precious metals vault	237.777	-	45.422	16.774	17.917	26.252	344.142
Bank deposits	302.311	262.655	36.965	-	206.068	246.139	1.054.138
The CBRT	-	-	-	-	-	-	-
Domestic banks	68.467	261.885	4.022	-	-	246.139	580.513
Foreign banks	219.571	770	32.943	-	206.068	-	459.352
Participation banks	14.273	-	-	-	-	-	14.273
Other	-	-	-	-	-	-	-
<b>Total</b>	<b>9.002.121</b>	<b>11.935.434</b>	<b>29.794.657</b>	<b>867.564</b>	<b>332.405</b>	<b>792.351</b>	<b>52.724.532</b>

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations and notes related to unconsolidated financial statements (continued)**

2. Information on saving deposits insurance:

2 (i). Information on saving deposits under the guarantee of the saving deposits insurance fund and exceeding the limit of deposit insurance fund:

Saving deposits	Under the guarantee of deposit insurance		Exceeding limit of the deposit insurance	
	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010
Saving deposits	8.590.442	8.779.823	12.073.646	8.651.347
Foreign currency savings deposit	2.205.699	2.448.173	8.124.654	5.572.934
Other deposits in the form of savings deposits	575.854	117.017	628.690	196.827
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore banking regions' deposits under foreign authorities' insurance	-	-	-	-

2 (ii). Saving deposits which are not under the guarantee of saving deposit insurance fund of real persons:

	September 30, 2011	December 31, 2010
Foreign branches' deposits and other accounts	-	-
Saving deposits and other accounts of controlling shareholders and deposits of their mother, father, spouse, children in care	-	-
Saving deposits and other accounts of president and members of board of directors, CEO and vice presidents and deposits of their mother, father, spouse, children in care	32.194	21.080
Saving deposits and other accounts in scope of the property holdings derived from crime defined in article 282 of Turkish criminal law no:5237 dated 26.09.2004	-	-
Saving deposits in deposit bank which is established in Turkey in order to engage in off-shore banking activities solely	11.672	116.231

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

	September 30, 2011		December 31, 2010	
	TL	FC	TL	FC
Forward transactions	44.451	-	41.498	-
Swap transactions	242.240	40.084	203.119	21.075
Futures transactions	-	-	-	-
Options	116.479	38.940	45.744	21.698
Other	-	-	-	-
<b>Total</b>	<b>403.170</b>	<b>79.024</b>	<b>290.361</b>	<b>42.773</b>

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations and notes related to unconsolidated financial statements (continued)**

**c. Information on borrowings:**

1. Information on borrowings:

	September 30, 2011		December 31, 2010	
	TL	FC	TL	FC
The CBRT borrowings	-	-	-	-
From domestic banks and institutions	153.636	188.055	98.681	125.898
From foreign banks, institutions and funds	486.520	11.181.086	868.493	7.279.873
<b>Total</b>	<b>640.156</b>	<b>11.369.141</b>	<b>967.174</b>	<b>7.405.771</b>

2. Information on maturity structure of borrowings:

	September 30, 2011		December 31, 2010	
	TL	FC	TL	FC
Short-term	211.169	6.077.963	451.197	3.807.190
Medium and long-term	428.987	5.291.178	515.977	3.598.581
<b>Total</b>	<b>640.156</b>	<b>11.369.141</b>	<b>967.174</b>	<b>7.405.771</b>

3. Information on securitisation borrowings:

The Bank has a securitisation borrowing deal from Standard Chartered Bank and Unicredit Markets and Investment Banking amounting USD 441 million and EUR 225 million, the equivalent of TL 1.344.689 using Yapı Kredi Diversified Payment Rights Finance Company ("Special Purpose Entity") as an intermediary and Assured Guaranty, MBIA, Radian, Ambac, FGIC and XL Capital as guarantors. The borrowing has floating interest rates based on Euribor/Libor, the maturity is between 2014 and 2015. The repayments commenced in 2010, and during 2011, a total of TL 284.928 is paid (2010 – TL 345.191).

The Bank also made a securitisation borrowing deal at August and September 2011, from Standard Chartered Bank, Wells Fargo, West LB and SMBC amounting USD 225 million and EUR 206 million, the equivalent of TL 909.805 using Yapı Kredi Diversified Payment Rights Finance Company ("Special Purpose Entity"). The borrowing has floating interest rates based on Euribor/Libor, the maturity is between 2016 and 2023.

**d. Information on marketable securities issued:**

On June 8-9-10, 2011, the Bank issued bonds amounting to TL 1.000.000 (nominal) at an interest rate of 8,67% with 175 days to maturity. As per the related legislation, these bonds could be re-purchased and net outstanding balances are reflected on the accompanying financial statements.

**e. Information on other liabilities:**

As of September 30, 2011, other liabilities do not exceed 10% of the total balance sheet commitments.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**f. Information on lease payables:**

1. Information on financial leasing agreements:

	September 30, 2011		December 31, 2010	
	Gross	Net	Gross	Net
Less than 1 year	-	-	-	-
Between 1-4 years	28.211	27.107	13.619	13.300
More than 4 years	94	84	2.811	2.744
<b>Total</b>	<b>28.305</b>	<b>27.191</b>	<b>16.430</b>	<b>16.044</b>

2. Information on operational leasing agreements:

The Bank enters into operational leasing agreements annually for some of its branches and ATMs. The leases are prepaid and accounted as prepaid expenses under "Other Assets". The Bank has no liability that stems from operational leasing agreements.

**g. Information on hedging derivative financial liabilities:**

	September 30, 2011		December 31, 2010	
	TL	FC	TL	FC
Fair value hedge <sup>(1)</sup>	66.164	-	313.917	-
Cash flow hedge <sup>(1)</sup>	188.348	449.155	38.108	101.638
Foreign net investment hedge	-	-	-	-
<b>Total</b>	<b>254.512</b>	<b>449.155</b>	<b>352.025</b>	<b>101.638</b>

(1) Explained in Note I.k of Section Five

**h. Information on provisions:**

1. Information on general provisions:

	September 30, 2011	December 31, 2010
Provisions for Group I loans and receivables	692.665	577.959
Provisions for Group II loans and receivables	83.282	104.422
Provisions for non cash loans	65.644	61.590
Other	119.233	76.328
<b>Total</b>	<b>960.824</b>	<b>820.299</b>

2. Information on reserve for employee rights:

In accordance with Turkish Labour Law, the reserve for employment termination benefits is calculated as the present value of the probable future obligation in case of the retirement of employees. TAS 19 necessitates actuarial valuation methods to calculate the liabilities of enterprises.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations and notes related to unconsolidated financial statements (continued)**

The following actuarial assumptions were used in the calculation of total liabilities:

	September 30, 2011	December 31, 2010
Discount rate (%)	4,66	4,66
Possibility of being eligible for retirement (%)	94,48	94,71

The principal actuarial assumption is that the maximum liability will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. As the annual ceiling is revised semi-annually, the ceiling of full TL 2.731,85 effective from July 1, 2011 (July 1, 2010: full TL 2.517,01) has been taken into consideration in calculating the reserve for employment termination benefits.

Movement of employment termination benefits liability in the balance sheet:

	September 30, 2011	December 31, 2010
<b>Prior period ending balance</b>	<b>88.800</b>	<b>89.805</b>
Changes during the period	20.360	15.145
Paid during the period	(19.014)	(16.150)
<b>Balance at the end of the period</b>	<b>90.146</b>	<b>88.800</b>

In addition, the Bank has accounted for unused vacation rights provision amounting to TL 74.595 as of September 30, 2011 (December 31, 2010 - TL 73.405).

3. Other provisions:

	September 30, 2011	December 31, 2010
Pension fund provision	838.036	838.036
Non-cash loan provision	118.900	127.958
Provision for possible risks <sup>(1)</sup>	103.197	87.435
Provisions on credit cards and promotion campaigns related to banking services	37.449	39.697
Provision on export commitment tax and funds liability	36.127	39.486
Legal risk provision <sup>(1)</sup>	31.057	27.471
Other	60.336	136.930
<b>Total</b>	<b>1.225.102</b>	<b>1.297.013</b>

(1) Considered as provisions for possible risks, and charges.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations and notes related to unconsolidated financial statements (continued)**

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

As of September 30, 2011, the provision related to the foreign currency difference of foreign currency indexed loans amounts to TL 4.809 (December 31, 2010 - TL 21.327).

Provisions related to the foreign currency difference of foreign currency indexed loans is netted from the loan amount in the financial statements.

**i. Information on taxes payable:**

- (i) Information on taxes payable:

	September 30, 2011	December 31, 2010
Corporate Tax Payable	70.039	104.458
Taxation of Marketable Securities	75.499	79.235
Property Tax	1.503	1.355
Banking Insurance Transaction Tax ("BITT")	39.320	31.627
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	1.598	3.167
Other	24.585	19.500
<b>Total</b>	<b>212.544</b>	<b>239.342</b>

As at September 30, 2011, the Bank has submitted its application to Boğaziçi Corporate Tax Authority and Taxpayers Office to claim for the benefit of the tax amnesty (the Law numbered 6111) regarding 6 tax penalties resulting from tax inspectors review of 2005, 2006, 2007, 2009 and 2010 fiscal years. As a result of this application, the restructured tax payable amounting to TL 1.332 was paid on due date at once.

- (ii) Information on premium payables:

	September 30, 2011	December 31, 2010
Social security premiums – employee	-	-
Social security premiums – employer	-	-
Bank pension fund premiums – employee	8.330	7.291
Bank pension fund premiums – employer	8.687	7.604
Pension fund deposit and provisions – employee	-	-
Pension fund deposit and provisions – employer	-	-
Unemployment insurance – employee	594	520
Unemployment insurance – employer	1.191	1.041
Other	-	-
<b>Total</b>	<b>18.802</b>	<b>16.456</b>

- (iii) Information on deferred tax liability:

None (December 31, 2010 - None).

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations and notes related to unconsolidated financial statements (continued)**

**j. Information on subordinated loans:**

	September 30, 2011		December 31, 2010	
	TL	FC	TL	FC
From domestic banks	-	-	-	-
From other domestic institutions	-	-	-	-
From foreign banks	-	2.598.485	-	2.110.274
From other foreign institutions	-	-	-	-
<b>Total</b>	<b>-</b>	<b>2.598.485</b>	<b>-</b>	<b>2.110.274</b>

At March 31, 2006, Yapı Kredi obtained a subordinated loan amounting to EUR 500 million, with 10 years maturity and a repayment option at the end of five years. The interest rate was determined as EURIBOR+2% for the first five years. The loan was obtained from Merrill Lynch Capital Corporation with UniCredito Italiano S.p.A. as guarantor. In addition, the subordinated loan obtained by Koçbank on April 27, 2006 amounting to EUR 350 million, with 10 years maturity and a repayment option at the end of 5 years has been transferred to the Bank. The interest rate is determined as EURIBOR+2,25% for the first five years. The loan was obtained from Goldman Sachs International Bank with Unicredit S.p.A. as guarantor. The Bank has not exercised the early repayment option related to these two loans which was available as of the date of these financial statements. In addition, the Bank obtained a subordinated loan on June 25, 2007 amounting to EUR 200 million, with 10 years maturity and a repayment option at the end of 5 years. The interest rate is determined as EURIBOR+1,85% for the first 5 years. The loan was obtained from Citibank, N.A., London Branch with Unicredito Italiano SpA as guarantor. With the written approvals of the BRSA dated April 3, 2006, May 2, 2006 and June 19, 2007, the loans have been approved as subordinated loans and can be taken into consideration as supplementary capital within the limits of the Capital Adequacy Regulation. According to the Regulation, subordinated loans obtained from Merrill Lynch Capital Corporation and Goldman Sachs International Bank are considered in the supplementary capital calculation at the rate of 80% as the remaining maturity of these loans is less than 5 years.

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

1. Presentation of paid-in capital:

	September 30, 2011	December 31, 2010
Common stock	4.347.051	4.347.051
Preferred stock	-	-

2. 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's paid-in-capital is amounting to TL 4.347.051 and in accordance with the decision taken in the Ordinary General Assembly at April 7, 2008, the Bank has switched to the registered capital system and the registered share capital ceiling is TL 5.000.000.



**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations and notes related to unconsolidated financial statements (continued)**

3. Information on the share capital increases during the period and the sources:  
None (December 31, 2010 - None).
4. Information on transfers from capital reserves to capital during the current period: None.
5. Information on capital commitments, until the end of the fiscal year and the subsequent interim period: None.
6. Information on prior periods indicators on the Bank's income, profitability and liquidity, and possible effects of these future assumptions on the Bank's equity due to uncertainties of these indicators:  
  
The interest, liquidity, and foreign exchange risk related to on-balance sheet and off-balance sheet assets and liabilities are managed by the Bank within several risk and legal limits.
7. Privileges on the corporate stock: None.
8. Information on marketable securities valuation differences:

	September 30, 2011		December 31, 2010	
	TL	FC	TL	FC
From investments in associates, subsidiaries, and joint ventures	-	-	-	-
Valuation difference	16.102	35.992	101.047	81.726
Foreign currency difference <sup>(1)</sup>	-	13.017	-	2.300
<b>Total</b>	<b>16.102</b>	<b>49.009</b>	<b>101.047</b>	<b>84.026</b>

(1) Includes current period foreign currency differences.

**III. Explanations and notes related to off-balance sheet accounts**

**a. Information on off balance sheet commitments:**

1. The amount and type of irrevocable commitments:

	September 30, 2011	December 31, 2010
Commitments on credit card limits	13.352.994	11.706.172
Loan granting commitments	4.904.282	3.256.509
Commitments for cheques	4.141.074	3.653.626
Other irrevocable commitments	4.164.609	3.939.925
<b>Total</b>	<b>26.562.959</b>	<b>22.556.232</b>

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations and notes related to unconsolidated financial statements (continued)**

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

There are no material probable losses and obligations arising from off-balance sheet items. Obligations arising from off-balance sheet are disclosed in "Off-balance sheet commitments". The Bank has recorded a general provision for its non-cash loans amounting to TL 65.644 (December 31, 2010 - TL 61.590) and a specific provision regarding non-cash loans amounting to TL 118.900 (December 31, 2010 – TL 127.958).

- 2 (i). Non-cash loans including guarantees, bank avalized and acceptance loans, collaterals that are accepted as financial guarantees and other letter of credits:

	September 30, 2011	December 31, 2010
Bank acceptance loans	163.360	165.797
Letter of credits	5.213.212	3.907.168
Other guarantees and collaterals	2.299.262	579.420
<b>Total</b>	<b>7.675.834</b>	<b>4.652.385</b>

- 2 (ii). Guarantees, surety ships and other similar transactions:

	September 30, 2011	December 31, 2010
Temporary letter of guarantees	1.638.299	1.020.700
Definite letter of guarantees	12.850.858	10.530.528
Advance letter of guarantees	2.324.971	2.100.373
Letter of guarantees given to customs	1.015.278	807.679
Other letter of guarantees	437.045	351.711
<b>Total</b>	<b>18.266.451</b>	<b>14.810.991</b>

- 3 (i). Total amount of non-cash loans:

	September 30, 2011	December 31, 2010
Non-cash loans given against cash loans	274.021	218.350
With original maturity of 1 year or less than 1 year	29.012	24.803
With original maturity of more than 1 year	245.009	193.547
Other non-cash loans	25.668.264	19.245.026
<b>Total</b>	<b>25.942.285</b>	<b>19.463.376</b>

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations and notes related to unconsolidated financial statements (continued)**

3 (ii). Information on non-cash loans classified in Group I and Group II:

September 30, 2011	Group I		Group II <sup>(1)</sup>	
	TL	FC	TL	FC
<b>Non-cash loans</b>				
Letters of guarantee	9.293.883	8.832.945	97.001	42.622
Bank acceptances	-	161.368	-	1.992
Letters of credit	8.007	5.204.734	-	471
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring guarantees	-	-	-	-
Other commitments and contingencies	809.730	1.485.139	-	4.393
<b>Total</b>	<b>10.111.620</b>	<b>15.684.186</b>	<b>97.001</b>	<b>49.478</b>
December 31, 2010	Group I		Group II <sup>(1)</sup>	
	TL	FC	TL	FC
<b>Non-cash loans</b>				
Letters of guarantee	7.698.272	6.996.924	81.773	34.022
Bank acceptances	-	165.797	-	-
Letters of credit	12.337	3.894.663	-	168
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring guarantees	-	-	-	-
Other commitments and contingencies	5.675	571.843	-	1.902
<b>Total</b>	<b>7.716.284</b>	<b>11.629.227</b>	<b>81.773</b>	<b>36.092</b>

(1) Also includes balances of the Groups III, IV and V.

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

The Bank has recorded a provision of TL 31.057 (December 31, 2010 - TL 27.471) for litigation against the Bank and has accounted for it in the financial statements under the "Other provisions" account.

**c. Information on services in the name and account of others:**

The Bank's activities such as intermediation and custody to serve the investment needs of customers are followed up under off balance sheet accounts.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations and notes related to unconsolidated financial statements (continued)**

**IV. Explanations and notes related to income statement:**

**a. Information on interest income:**

1. Information on interest income on loans:

	September 30, 2011		September 30, 2010	
	TL	FC	TL	FC
Short-term loans <sup>(1)</sup>	1.688.862	112.714	1.639.278	159.544
Medium/long-term loans <sup>(1)</sup>	1.476.986	634.049	1.142.357	365.182
Interest on loans under follow-up	73.876	97	60.521	36
Premiums received from resource utilization support fund	-	-	-	-
<b>Total</b>	<b>3.239.724</b>	<b>746.860</b>	<b>2.842.156</b>	<b>524.762</b>

(1) Includes fees and commissions received for cash loans.

2. Information on interest income on banks:

	September 30, 2011		September 30, 2010	
	TL	FC	TL	FC
From the CBRT	-	-	-	-
From domestic banks	6.571	859	6.217	591
From foreign banks	2.130	8.307	4.434	6.868
Headquarters and branches abroad	-	-	-	-
<b>Total</b>	<b>8.701</b>	<b>9.166</b>	<b>10.651</b>	<b>7.459</b>

3. Information on interest income on marketable securities:

	September 30, 2011		September 30, 2010	
	TL	FC	TL	FC
From trading financial assets	18.650	779	4.016	5.484
From financial assets at fair value through profit or loss	-	-	-	-
From available-for-sale financial assets	349.799	39.467	79.176	37.343
From held-to-maturity investments	270.421	452.003	405.234	330.448
<b>Total</b>	<b>638.870</b>	<b>492.249</b>	<b>488.426</b>	<b>373.275</b>

4. Information on interest income received from associates and subsidiaries:

	September 30, 2011	September 30, 2010
Interests received from associates and subsidiaries	9.861	3.927

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations and notes related to unconsolidated financial statements (continued)**

**b. Information on interest expense:**

1. Information on interest expense on borrowings:

	September 30, 2011		September 30, 2010	
	TL	FC	TL	FC
Banks	78.813	240.742	74.742	130.288
The CBRT	-	-	-	-
Domestic banks	6.363	3.294	6.934	2.674
Foreign banks	72.450	237.448	67.808	127.614
Headquarters and branches abroad	-	-	-	-
Other institutions	-	104	-	144
<b>Total <sup>(1)</sup></b>	<b>78.813</b>	<b>240.846</b>	<b>74.742</b>	<b>130.432</b>

(1) Includes fees and commissions related to borrowings.

2. Information on interest expense to associates and subsidiaries:

	September 30, 2011	September 30, 2010
Interests paid to associates and subsidiaries	24.783	26.706

3. Maturity structure of the interest expense on deposits:

Account name	Demand deposit	Time deposit					Accumulating deposit	Total	September 30, 2010
		Up to 1 month	Up to 3 months	Up to 6 months	Up to 1 year	More than 1 year			
<b>TL</b>									
Bank deposits	157	205	6.518	-	-	483	-	7.363	15.721
Saving deposits	27	135.899	809.984	33.116	24.401	70.452	-	1.073.879	954.046
Public sector deposits	-	135	690	429	9	21	-	1.284	4.412
Commercial deposits	43	124.251	371.151	53.768	5.543	6.846	-	561.602	397.596
Other deposits	-	4.906	37.317	11.276	7	468	-	53.974	39.019
Deposits with 7 days notification	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>227</b>	<b>265.396</b>	<b>1.225.660</b>	<b>98.589</b>	<b>29.960</b>	<b>78.270</b>	<b>-</b>	<b>1.698.102</b>	<b>1.410.794</b>
<b>FC</b>									
Foreign currency deposits	136	121.007	343.421	24.454	929	8.077	-	498.024	271.428
Bank deposits	-	298	123	659	63	-	-	1.143	5.465
Deposits with 7 days notification	-	-	-	-	-	-	-	-	-
Precious metal vault	-	529	29	34	43	34	-	669	306
<b>Total</b>	<b>136</b>	<b>121.834</b>	<b>343.573</b>	<b>25.147</b>	<b>1.035</b>	<b>8.111</b>	<b>-</b>	<b>499.836</b>	<b>277.199</b>
<b>Grand total</b>	<b>363</b>	<b>387.230</b>	<b>1.569.233</b>	<b>123.736</b>	<b>30.995</b>	<b>86.381</b>	<b>-</b>	<b>2.197.938</b>	<b>1.687.993</b>

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations and notes related to unconsolidated financial statements (continued)**

**c. Information on trading gain/loss (net):**

	September 30, 2011	September 30, 2010
<b>Gain</b>	<b>15.073.798</b>	<b>13.308.276</b>
Gain from capital market transactions	46.439	66.212
Derivative financial transaction gains	10.443.761	7.827.258
Foreign exchange gains	4.583.598	5.414.806
<b>Loss(-)</b>	<b>(15.265.363)</b>	<b>(13.316.099)</b>
Loss from capital market transactions	(21.190)	(4.929)
Derivative financial transaction losses	(10.761.394)	(8.359.666)
Foreign exchange loss	(4.482.779)	(4.951.504)
<b>Net gain/loss</b>	<b>(191.565)</b>	<b>(7.823)</b>

**d. Information on gain/loss from derivative financial transactions:**

Net gain from foreign exchange rates related to derivative financial transactions is 59.922TL (30 September 2010 – 148.821 TL loss).

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

Other operating income mainly results from collections from provisions recorded as expense, release of provisions and sale of fixed assets.

**f. Provision for impairment of loans and other receivables:**

	September 30, 2011	September 30, 2010
Specific provisions for loans and other receivables	309.523	451.291
III. Group loans and receivables	123.741	4.774
IV. Group loans and receivables	20.463	-
V. Group loans and receivables	165.319	446.517
General provision expenses	163.610	-
Provision expense for possible risks	19.348	27.134
Marketable securities impairment expenses	433	807
Financial assets at fair value through profit or loss	-	807
Available-for-sale financial assets	433	-
Impairment of investments in associates, subsidiaries and held-to-maturity securities	75.859	49.556
Investments in associates	-	-
Subsidiaries	-	-
Joint ventures	-	-
Held-to-maturity investments	75.859	49.556
Other	675	1.050
<b>Total</b>	<b>569.448</b>	<b>529.838</b>

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations and notes related to unconsolidated financial statements (continued)**

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

	September 30, 2011	September 30, 2010
Personnel expenses	851.759	735.141
Reserve for employee termination benefits	1.346	3.110
Provision expense for pension fund	-	-
Impairment expenses of property and equipment	-	-
Depreciation expenses of property and equipment	108.310	101.710
Impairment expenses of intangible assets	-	-
Goodwill impairment expenses	-	-
Amortisation expenses of intangible assets	41.071	31.294
Impairment expenses of equity participations for which equity method applied	-	-
Impairment expenses of assets held for resale	169	179
Depreciation expenses of assets held for resale	1.736	1.382
Impairment expenses of fixed assets held for sale and assets related to discontinued operations	-	-
Other operating expenses	612.300	591.641
Operational lease expenses	95.726	83.284
Repair and maintenance expenses	17.706	15.935
Advertising expenses	44.024	60.459
Other expense	454.844	431.963
Loss on sales of assets	662	1.398
Other	343.509	342.564
<b>Total</b>	<b>1.960.862</b>	<b>1.808.419</b>

**h. Explanations on income/loss from continuing operations before tax:**

Income before tax includes net interest income amounting to TL 2.386.812 (September 30, 2010 – TL 2.415.015 TL), net fee and commission income amounting to TL 1.324.912 (September 30, 2010 – TL 1.164.773) and total other operating expense amounting TL 1.960.862 (September 30, 2010 – TL 1.808.419).

**i. Provision for taxes on income from continuing operations:**

As of September 30, 2010, the Bank has current tax expense amounting to TL 307.512 (September 30, 2010 - TL 357.031) and deferred tax expense amounting to TL 25.273 (September 30, 2010 –TL 13.661).

Total provision for taxes on income for the current period and the previous period:

	September 30, 2011	September 30, 2010
Income before tax provision	1.715.712	2.150.040
Tax calculated with tax rate of 20%	343.142	430.008
Disallowables, deductions and other,net	(10.357)	(59.316)
<b>Total</b>	<b>332.785</b>	<b>370.692</b>

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, See note I. of Section three)

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations and notes related to unconsolidated financial statements (continued)**

**j. Information on net income/loss for the period:**

1. The characteristics, dimension and recurrence of income or expense items arising from ordinary banking transactions do not require any additional explanation to understand the Bank's current period performance. (September 30, 2010 - as a result of changes in the internal composition of the loan portfolio, the Bank revised the general loan loss provisions by updating the related parameters used in the calculation of such provision. As a result of the revision, TL 114 million is recorded as income. Apart from this income, the characteristics, dimension and recurrence of income or expense items arising from ordinary banking transactions do not require any additional explanation to understand the Bank's current period performance.)
2. Information on any change in the accounting estimates concerning the current period or future periods: None.

**k. Other items in income statement:**

"Other fees and commissions received" in income statement mainly includes commissions and fees from credit cards and banking transactions.



**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations and notes related to unconsolidated financial statements (continued)**

**V. Explanations and notes related to statement of cash flows**

**a. Information on cash and cash equivalents:**

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

Cash and foreign currency together with demand deposits at banks including the unrestricted amounts of CBRT are defined as "Cash"; money market placements and time deposits in banks with original maturities of less than three months are defined as "Cash Equivalents".

2. Effect of a change in the accounting policies: None.
3. Reconciliation of cash and cash equivalent items with balance sheet and cash flow statements:

- 3 (i). Cash and cash equivalents at the beginning of period:

	September 30, 2011	September 30, 2010
<b>Cash</b>	<b>3.953.850</b>	<b>1.756.111</b>
Cash and effectives	686.548	637.571
Demand deposits in banks	3.267.302	1.118.540
<b>Cash equivalents</b>	<b>1.012.551</b>	<b>2.701.693</b>
Money market	949.000	1.530.000
Time deposits in banks	63.551	1.171.693
<b>Total cash and cash equivalents</b>	<b>4.966.401</b>	<b>4.457.804</b>

- 3 (ii). Cash and cash equivalents at the end of the period:

	September 30, 2011	September 30, 2010
<b>Cash</b>	<b>8.206.025</b>	<b>3.505.526</b>
Cash and effectives	969.980	646.976
Demand deposits in banks	7.236.045	2.858.550
<b>Cash equivalents</b>	<b>687.921</b>	<b>1.093.127</b>
Money market	14.000	10.000
Time deposits in banks	673.921	1.083.127
<b>Total cash and cash equivalents</b>	<b>8.893.946</b>	<b>4.598.653</b>

**b. Information on cash and cash equivalents that are not available for use due to legal limitations and other reasons:**

Reserves amounting to TL 10.232.182 (September 30, 2010 - TL 4.091.191) in CBRT represent the reserve requirements of the Bank, including the average reserve requirements. There is also TL 105.227 blocked amount in foreign banks account.

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, See note I. of Section three)

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations and notes related to unconsolidated financial statements (continued)**

**c. Explanations on other items in the statement of cash flows and the effects of the change in foreign exchange rates on cash and cash equivalents:**

Decrease in "Other account" amounting to TL 2.018.659 (September 30, 2010 - TL 670.607 increase) which is classified under "Operating profit before changes in operating assets and liabilities" includes mainly fee and commissions given, other operating expenses excluding personnel expenses and foreign exchange gains/losses.

Increase in "Net increase/decrease in other liabilities" amounting to TL 1.707.966 increase (September 30, 2010 - TL 1.094.478 increase) which is classified under "Changes in operating assets and liabilities" mainly arises from changes in miscellaneous payables and other liabilities.

The effects of the change in foreign exchange rates on cash and cash equivalents are calculated as an increase approximately of TL 474.787 as of September 30, 2011. (September 30, 2010 – TL 140.853 decrease).

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, See note I. of Section three)

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations and notes related to unconsolidated financial statements (continued)**

**VI. Explanations and notes related to the Bank's risk group**

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

1. September 30, 2011:

Banks' risk group <sup>(1), (2)</sup>	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						
Balance at the beginning of the period	194.199	229.243	8.893	81.282	905.508	671.131
Balance at the end of the period	548.827	284.683	18.033	215.072	813.725	835.937
Interest and commission income received	9.861	971	1.049	783	45.729	4.075

(1) Defined in subsection 2 of the 49th article of the Banking Act No.5411.

(2) The information in table above includes loans and due from banks as well as marketable securities.

December 31, 2010:

Banks' risk group <sup>(1), (2)</sup>	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						
Balance at the beginning of the period	115.865	31.375	59.325	54.926	470.383	550.070
Balance at the end of the period	194.199	229.243	8.893	81.282	905.508	671.131
Interest and commission income received <sup>(3)</sup>	3.927	1.088	1.620	717	59.533	2.879

(1) Defined in subsection 2 of the 49th article of the Banking Act No. 5411.

(2) The information in table above includes loans and due from banks as well as marketable securities.

(3) Income statement figures represent profit / loss figures for the 9 months period ended September 30, 2010.

2. Information on deposits of the Bank's risk group:

Banks' risk group <sup>(1), (2)</sup>	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	
	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010
Deposit						
Beginning of the period	549.533	384.711	3.449.707	2.131.632	5.019.730	2.343.771
End of the period	855.962	549.533	3.946.132	3.449.707	5.515.496	5.019.730
Interest expense on deposits <sup>(3)</sup>	24.783	26.706	158.018	133.910	188.982	99.353

(1) Defined in subsection 2 of the 49th article of the Banking Act No. 5411.

(2) The information in table above includes borrowings, marketable securities issued and repo transactions as well as deposits.

(3) December 31, 2010 columns represent profit / loss figures for the 9 months period ended September 30, 2010.

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, See note I. of Section three)

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Explanations and notes related to unconsolidated financial statements (continued)**

3. Information on forward and option agreements and other derivative instruments with the Bank's risk group:

Banks' risk group <sup>(1)</sup>	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	
	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010
Transactions at fair value through profit or loss <sup>(2)</sup>						
Beginning of the period <sup>(3)</sup>	963.586	1.002.431	187.782	378.174	642.637	710.040
End of the period <sup>(3)</sup>	1.846.530	963.586	43.979	187.782	372.649	642.637
<b>Total profit / (loss)<sup>(4)</sup></b>	<b>(82.235)</b>	<b>(196.202)</b>	<b>1.508</b>	<b>(15.737)</b>	<b>(46.189)</b>	<b>(19.015)</b>
Transactions for hedging purposes <sup>(2)</sup>						
Beginning of the period <sup>(3)</sup>	-	-	-	-	-	-
End of the period <sup>(3)</sup>	-	-	-	-	-	-
<b>Total profit / (loss)<sup>(4)</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(1) Defined in subsection 2 of the 49th article of the Banking Act No. 5411.

(2) The Bank's derivative instruments are classified as "Financial Instruments at Fair Value Through Profit or Loss" or "Derivative Financial Instruments Held for Hedging" according to TAS 39.

(3) The balances at the beginning and end of the periods are disclosed as the total of buy and sell amounts of derivative financial instruments.

(4) December 31, 2010 columns represent profit / loss figures for the 9 months period ended September 30, 2010.

**b. Information regarding benefits provided to the Bank's top management:**

Salaries and benefits paid to the Bank's top management amount to TL 19.972 as of September 30, 2011 (September 30, 2010 – TL 20.547).

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**VII. Explanations and notes related to subsequent events**

1. In accordance with the "Change in communiqué regarding the reserve requirements" published in the Official gazette dated October 5, 2011; reserve requirement ratios for foreign currency liabilities are regulated as stated below. The new ratios are going to be valid starting from September 30, 2011.

Foreign currency liabilities;

- Demand, call deposits, private checking accounts, up to 1 month time deposit accounts, up to 3 months time deposit accounts, up to 6 months time deposit accounts and up to 1 year time deposit accounts 11%
- 1 year and over 1 year time deposit accounts 9%,
- Up to 1 year liabilities excluding deposit (1 year included) 11%,
- Up to 3 years liabilities excluding deposit (3 years included) 9%,
- Over 3 years liabilities excluding deposit 6%

2. In accordance with the "Change in communiqué regarding the reserve requirements" published in the Official gazette dated October 27, 2011; reserve requirement ratios for TL liabilities are regulated as stated below. The new ratios are going to be valid starting from October 28, 2011.

TL liabilities;

- Demand, notice deposits and private current accounts, up to 1 month time deposit accounts (1 month included) 11%,
- Up to 3 months time deposit accounts (3 months included) 11%,
- Up to 6 months time deposit accounts (6 months included) 8%,
- Up to 1 year time deposit accounts (1 year included) 6%,
- 1 year and over 1 year time deposit accounts and accumulating deposit accounts 5%,
- Up to 1 year liabilities excluding deposit (1 year included) 11%,
- Up to 3 year liabilities excluding deposit (3 year included) 8%,
- Over 3 year liabilities excluding deposit 5%,

3. The Bank has completed the issuance of bonds with a nominal value of 150.000 TL, interest rate of 9.08% and maturity of 368 days (coupon payments on every 92 days) on October 5-6-7, 2011.

4. The Bank obtained a syndicated loan from participation of 42 international banks from 18 different countries, consisting of 2 credit tranches with 1 year maturity; one tranche amounting to USD 285 million with total cost of Libor+1% and the other tranche amounting to EUR 687 million with total cost of Euribor+1%. The agreement was signed on September 29, 2011. And the loan was available for usage of the Bank as at October 4, 2011.

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, See note I. of Section three)

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at September 30, 2011 (continued)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Section six**

**Other explanations**

**I. Other explanations on the Bank's operations**

None.

**Section seven**

**Explanations on independent review report**

**I. Explanations on independent auditor's review report**

The unconsolidated financial statements for the period ended September 30, 2011 have been reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A member firm of Ernst & Young Global Limited). The independent auditor's review report dated November 3, 2011 is presented preceding the unconsolidated financial statements.

**II. Explanations and notes prepared by independent auditor**

None.