

Yapı ve Kredi Bankası A.Ş.

Publicly announced unconsolidated interim financial statements and related disclosures at September 30, 2012 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, 2012 and the related unconsolidated income statement, unconsolidated statement of income and expense items accounted under shareholders' equity, unconsolidated statement of cash flows and unconsolidated statement of changes in shareholders' equity for the period 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, 2012 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

Ayşe Zeynep Deldağ
Partner, SMMM

Istanbul, November 13, 2012

**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, 2012**

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** - 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

B. Seda İKİZLER
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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Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012

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

Section one

General information

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. Explanations 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, 2012, 18,20% of the shares of the Bank are publicly traded (December 31, 2011 - 18,20%). The remaining 81,80% is owned by Koç Finansal Hizmetler A.Ş. ("KFS"), a joint venture of UniCredit ("UCG") 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 UCG 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. 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:

As of September 30, 2012, 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:

Name	Responsibility
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
Francesco GIORDANO	Member
Fusun Akkal BOZOK	Member
Laura Stefania PENNA	Member
Massimiliano FOSSATI	Member
O. Turgay DURAK	Member

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (continued)

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

General information (continued)

Audit Committee Members:

Name	Responsibility
Gianni F.G. PAPA	Chairman
Francesco GIORDANO	Member
Füsün Akkal BOZOK	Member

Statutory Auditors:

Name	Responsibility
Ali Tarık UZUN	Auditor
Abdullah GEÇER	Auditor

General Manager and Deputy General Manager:

Name	Responsibility
H. Faik AÇIKALIN	Chief Executive Officer
Carlo VIVALDI	Deputy General Manager

Assistant General Managers:

Name	Responsibility
Cemal Aybars SANAL	Legal Activities Management
Feza TAN	Corporate and Commercial Credit Management
M.Gökmen UÇAR	Retail Credits Management
Marco CRAVARIO	Financial Planning and Administration Management
Mehmet Erkan ÖZDEMİR	Compliance Office / (Compliance Officer)
Mehmet Güray ALPKAYA	Corporate Sales Management
Mehmet Murat ERMERT	Corporate Communication Management
Mert GÜVENEN	Corporate and Commercial Banking Management
Mert ÖNCÜ	Treasury Management
Mert YAZICIOĞLU	Private Banking and Asset Management
Stefano PERAZZINI	Internal Audit / (Chief Audit Executive)
Süleyman Cihangir KAVUNCU	Human Resources and Organization Management
Wolfgang SCHILK	Risk Management
Yakup DOĞAN	Alternative Distribution Channels
Yüksel RİZELİ	Information Technologies and Operation Management
Zeynep Nazan SOMER	Retail Banking Management

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, 2012 (continued)

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

General information (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, 2012, the Bank has 921 branches operating in Turkey and 1 branch in overseas (December 31, 2011 - 906 branches operating in Turkey, 1 branch in overseas). As of September 30, 2012, the Bank has 14.954 employees (December 31, 2011 - 14.859 employees).

The accompanying unconsolidated financial statements and notes to these financial statements are expressed in thousands of Turkish Lira (TL), unless otherwise stated.

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

According to Turkish Accounting Standards, Banque de Commerce et de Placements SA, one of the associates of the Bank, and Yapı Kredi - Koray Gayrimenkul Yatırım Ortaklığı, an entity under common control, are consolidated through "Equity method" in the accompanying consolidated financial statements. These organizations are taken into account as a deduction item in shareholders' equity in the calculation of capital adequacy ratio.

Yapı Kredi Kültür Sanat Yayıncılık Tic. ve San. A.Ş., Enternasyonal Turizm Yatırım A.Ş., which are subsidiaries of the Bank, are not consolidated since they are not financial institutions Kredi Kayıt Bürosu and Bankalararası Kart Merkezi, which are associates of the Bank, are not consolidated since there are no control over these by the Bank.

All other subsidiaries are fully consolidated.

VII. The existing or potential, actual or legal obstacles on the transfer of shareholder's equity between the Bank and its subsidiaries or reimbursement of liabilities:

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.

Unconsolidated financial statements at September 30, 2012 and December 2011

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

Section two Unconsolidated financial statements

I. Balance sheet (Statement of Financial Position)

		(30/09/2012)			(31/12/2011)		
Assets	Note (Section Five)	TL	FC	Total	TL	FC	Total
I. Cash and balances with Central Bank	I-a	1.735.894	10.182.476	11.918.370	4.652.286	5.082.419	9.734.705
II. Financial assets at fair value through profit or (loss) (net)	I-b	592.777	165.699	758.476	346.723	100.799	447.522
2.1 Trading financial assets		592.777	165.699	758.476	346.723	100.799	447.522
2.1.1 Government debt securities		316.417	63.905	380.322	139.501	27.459	166.960
2.1.2 Share certificates		-	-	-	-	-	-
2.1.3 Derivative financial assets held for trading		276.360	95.616	371.976	207.222	70.694	277.916
2.1.4 Other marketable securities		-	6.178	6.178	-	2.646	2.646
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	798.768	1.915.001	2.713.769	133.164	1.680.515	1.813.679
IV. Money markets		3.552.311	112.241	3.664.552	2.101.360	36.835	2.138.195
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Receivables from Istanbul Stock Exchange Money Market		-	112.241	112.241	-	36.835	36.835
4.3 Receivables from reverse repurchase agreements		3.552.311	-	3.552.311	2.101.360	-	2.101.360
V. Financial assets available-for-sale (net)	I-d	6.935.096	500.016	7.435.112	5.990.836	1.065.625	7.056.461
5.1 Share certificates		4.921	176	5.097	3.912	186	4.098
5.2 Government debt securities		5.375.947	321.335	5.697.282	4.588.785	741.454	5.330.239
5.3 Other marketable securities		1.554.228	178.505	1.732.733	1.398.139	323.985	1.722.124
VI. Loans and receivables	I-e	51.216.648	21.437.504	72.654.152	44.738.510	23.041.301	67.779.811
6.1 Loans and receivables		50.420.681	21.326.532	71.747.213	44.170.083	22.874.788	67.044.871
6.1.1 Loans to bank's risk group		576.786	566.216	1.143.002	372.793	853.334	1.226.127
6.1.2 Government debt securities		-	-	-	-	-	-
6.1.3 Other		49.843.895	20.760.316	70.604.211	43.797.290	22.021.454	65.818.744
6.2 Loans under follow-up		2.420.266	286.409	2.706.675	1.835.600	244.313	2.079.913
6.3 Specific provisions (-)		(1.624.299)	(175.437)	(1.799.736)	(1.267.173)	(77.800)	(1.344.973)
VII. Factoring receivables		-	-	-	-	-	-
VIII. Held-to-maturity investments (net)	I-f	3.275.919	8.385.502	11.661.421	3.428.099	9.109.326	12.537.425
8.1 Government debt securities		3.275.919	8.385.502	11.661.421	3.428.099	9.109.326	12.537.425
8.2 Other marketable securities		-	-	-	-	-	-
IX. Investments in associates (net)	I-g	4.503	43.404	47.907	4.503	43.404	47.907
9.1 Consolidated based on equity method		-	-	-	-	-	-
9.2 Unconsolidated		4.503	43.404	47.907	4.503	43.404	47.907
9.2.1 Investments in financial associates		-	43.404	43.404	-	43.404	43.404
9.2.2 Investments in non-financial associates		4.503	-	4.503	4.503	-	4.503
X. Subsidiaries (net)	I-h	2.613.522	427.886	3.041.408	2.386.826	408.423	2.795.249
10.1 Unconsolidated financial subsidiaries		2.611.222	427.886	3.039.108	2.384.526	408.423	2.792.949
10.2 Unconsolidated non-financial subsidiaries		2.300	-	2.300	2.300	-	2.300
XI. Joint ventures (net)	I-i	19.623	-	19.623	19.623	-	19.623
11.1 Accounted based on equity method		-	-	-	-	-	-
11.2 Unconsolidated		19.623	-	19.623	19.623	-	19.623
11.2.1 Financial joint ventures		19.623	-	19.623	19.623	-	19.623
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	111.149	-	111.149	376.973	362	377.335
13.1 Fair value hedge		111.149	-	111.149	369.747	-	369.747
13.2 Cash flow hedge		-	-	-	7.226	362	7.588
13.3 Foreign net investment hedge		-	-	-	-	-	-
XIV. Property and equipment (net)		942.875	-	942.875	1.009.450	-	1.009.450
XV. Intangible assets (net)		1.288.820	-	1.288.820	1.261.854	-	1.261.854
15.1 Goodwill		979.493	-	979.493	979.493	-	979.493
15.2 Other		309.327	-	309.327	282.361	-	282.361
XVI. Investment property (net)	I-l	-	-	-	-	-	-
XVII. Tax asset		345.828	-	345.828	236.753	-	236.753
17.1 Current tax asset		-	-	-	-	-	-
17.2 Deferred tax asset		345.828	-	345.828	236.753	-	236.753
XVIII. Assets held for resale and related to discontinued operations (net)	I-m	120.607	-	120.607	100.396	-	100.396
18.1 Held for sale purposes		120.607	-	120.607	100.396	-	100.396
18.2 Related to discontinued operations		-	-	-	-	-	-
XIX. Other assets		470.735	1.023.192	1.493.927	540.932	1.199.706	1.740.638
Total assets		74.025.075	44.192.921	118.217.996	67.328.288	41.768.715	109.097.003

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 at September 30, 2012 and December 2011

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

I. Balance sheet (Statement of Financial Position)

		(30/09/2012)			(31/12/2011)		
Liabilities	Note (Section Five)	TL	FC	Total	TL	FC	Total
I. Deposits	II-a	39.598.787	27.004.252	66.603.039	35.036.377	28.481.007	63.517.384
1.1 Deposits of the Bank's risk group		4.114.342	3.795.933	7.910.275	3.653.673	3.662.205	7.315.878
1.2 Other		35.484.445	23.208.319	58.692.764	31.382.704	24.818.802	56.201.506
II. Derivative financial liabilities held for trading	II-b	316.120	90.081	406.201	392.517	78.773	471.290
III. Funds borrowed	II-c	638.751	12.010.228	12.648.979	758.034	12.964.666	13.722.700
IV. Money markets		1.877.919	6.522.271	8.400.190	903.756	5.013.930	5.917.686
4.1 Funds from interbank money market		-	-	-	-	-	-
4.2 Funds from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3 Funds provided under repurchase agreements		1.877.919	6.522.271	8.400.190	903.756	5.013.930	5.917.686
V. Marketable securities issued (net)	II-d	1.177.150	870.974	2.048.124	1.096.306	-	1.096.306
5.1 Bills		777.009	-	777.009	951.956	-	951.956
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		400.141	870.974	1.271.115	144.350	-	144.350
VI. Funds		-	-	-	-	-	-
6.1 Borrower funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
VII. Miscellaneous payables		4.547.249	442.615	4.989.864	3.806.098	601.709	4.407.807
VIII. Other liabilities	II-e	467.174	977.953	1.445.127	726.204	823.955	1.550.159
IX. Factoring payables		-	-	-	-	-	-
X. Lease payables (net)	II-f	666	12.201	12.867	-	28.597	28.597
10.1 Financial lease payables		773	12.627	13.400	-	29.745	29.745
10.2 Operational lease payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred lease expenses (-)		(107)	(426)	(533)	-	(1.148)	(1.148)
XI. Derivative financial liabilities held for hedging	II-g	291.829	541.542	833.371	62.652	440.189	502.841
11.1 Fair value hedge		54.102	-	54.102	18.959	-	18.959
11.2 Cash flow hedge		237.727	541.542	779.269	43.693	440.189	483.882
11.3 Foreign net investment hedge		-	-	-	-	-	-
XII. Provisions	II-h	2.186.248	450.926	2.637.174	1.970.870	436.151	2.407.021
12.1 General loan loss provision		851.893	390.626	1.242.519	669.793	372.211	1.042.004
12.2 Restructuring provisions		-	-	-	-	-	-
12.3 Reserve for employee rights		190.938	-	190.938	183.428	-	183.428
12.4 Insurance technical provisions (net)		-	-	-	-	-	-
12.5 Other provisions		1.143.417	60.300	1.203.717	1.117.649	63.940	1.181.589
XIII. Tax liability	II-i	369.693	-	369.693	257.184	-	257.184
13.1 Current tax liability		369.693	-	369.693	257.184	-	257.184
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	-	3.408.210	3.408.210	-	2.523.816	2.523.816
XVI. Shareholders' equity	II-k	14.841.097	(425.940)	14.415.157	13.042.435	(348.223)	12.694.212
16.1 Paid-in capital		4.347.051	-	4.347.051	4.347.051	-	4.347.051
16.2 Capital reserves		2.186.370	(425.940)	1.760.430	1.640.797	(348.223)	1.292.574
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		1.393.205	60.234	1.453.439	866.478	44.104	910.582
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)		(45.248)	(486.174)	(531.422)	83.797	(392.327)	(308.530)
16.2.9 Value increase in assets held for sale and related to discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		294.532	-	294.532	146.641	-	146.641
16.3 Profit reserves		6.906.696	-	6.906.696	5.197.101	-	5.197.101
16.3.1 Legal reserves		359.847	-	359.847	266.973	-	266.973
16.3.2 Status reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		6.546.849	-	6.546.849	4.930.128	-	4.930.128
16.3.4 Other profit reserves		-	-	-	-	-	-
16.4 Income or (loss)		1.400.980	-	1.400.980	1.857.486	-	1.857.486
16.4.1 Prior years' income or (loss)		-	-	-	-	-	-
16.4.2 Current year income or (loss)		1.400.980	-	1.400.980	1.857.486	-	1.857.486
Total liabilities and shareholders' equity		66.312.683	51.905.313	118.217.996	58.052.433	51.044.570	109.097.003

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

Yapı ve Kredi Bankası A.Ş.

Unconsolidated financial statements as of September 30, 2012 and December 2011

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

II. Off-balance sheet commitments

		(30/09/2012)			(31/12/2011)			
		Note (Section Five)	TL	FC	Total	TL	FC	Total
A	Off-balance sheet commitments (I+II+III)		96.561.731	121.636.116	218.197.847	81.037.541	109.504.366	190.541.907
I	Guarantees and warranties	III-a-2,3	11.450.387	16.876.481	28.326.868	10.695.351	15.439.788	26.135.139
1.1	Letters of guarantee		11.315.163	9.182.477	20.497.640	9.943.523	8.754.339	18.697.862
1.1.1	Guarantees subject to state tender law		568.578	561.038	1.129.616	502.263	628.039	1.130.302
1.1.2	Guarantees given for foreign trade operations		1.204.230	8.621.439	9.825.669	1.105.998	8.126.300	9.232.298
1.1.3	Other letters of guarantee		9.542.355	-	9.542.355	8.335.262	-	8.335.262
1.2	Bank acceptances		-	130.634	130.634	-	158.915	158.915
1.2.1	Import letter of acceptance		-	130.634	130.634	-	158.915	158.915
1.2.2	Other bank acceptances		-	-	-	-	-	-
1.3	Letters of credit		10.437	5.712.879	5.723.316	13.687	4.872.778	4.886.465
1.3.1	Documentary letters of credit		10.437	5.712.879	5.723.316	13.687	4.872.778	4.886.465
1.3.2	Other letters of credit		-	-	-	-	-	-
1.4	Prefinancing given as guarantee		143	2.380	2.523	143	2.519	2.662
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		124.644	1.063.764	1.188.408	737.998	614.488	1.352.486
1.9	Other warranties		-	784.347	784.347	-	1.036.749	1.036.749
II	Commitments	III-a-1	57.416.766	34.786.171	92.202.937	50.502.978	30.333.764	80.836.742
2.1	Irrevocable commitments		28.855.453	12.746.417	41.601.870	23.716.890	6.829.040	30.545.930
2.1.1	Asset purchase and sale commitments		313.079	12.430.625	12.743.704	42.700	6.067.378	6.110.078
2.1.2	Deposit purchase and sales commitments		2.097	456	2.553	1.692	301	1.993
2.1.3	Share capital commitments to associates and subsidiaries		-	-	-	1.000	-	1.000
2.1.4	Loan granting commitments		5.087.077	315.336	5.402.413	4.345.796	761.300	5.107.096
2.1.5	Securities issue brokerage commitments		-	-	-	-	-	-
2.1.6	Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7	Commitments for cheques		5.326.452	-	5.326.452	4.220.740	-	4.220.740
2.1.8	Tax and fund liabilities from export commitments		37.712	-	37.712	37.251	-	37.251
2.1.9	Commitments for credit card limits		16.255.713	-	16.255.713	13.666.113	-	13.666.113
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		1.833.323	-	1.833.323	1.401.598	61	1.401.659
2.2	Revocable commitments		28.561.313	22.039.754	50.601.067	26.786.088	23.504.724	50.290.812
2.2.1	Revocable loan granting commitments		28.561.313	22.035.113	50.596.426	26.786.088	23.504.724	50.290.812
2.2.2	Other revocable commitments		-	4.641	4.641	-	-	-
III	Derivative financial instruments		27.694.578	69.973.464	97.668.042	19.839.212	63.730.814	83.570.026
3.1	Derivative financial instruments for hedging purposes		12.969.458	26.938.263	39.907.721	9.094.408	29.549.643	38.644.051
3.1.1	Transactions for fair value hedge		1.947.858	2.254.695	4.202.553	2.782.808	3.424.046	6.206.854
3.1.2	Transactions for cash flow hedge		11.021.600	24.683.568	35.705.168	6.311.600	26.125.597	32.437.197
3.1.3	Transactions for foreign net investment hedge		-	-	-	-	-	-
3.2	Trading transactions		14.725.120	43.035.201	57.760.321	10.744.804	34.181.171	44.925.975
3.2.1	Forward foreign currency buy/sell transactions		3.957.992	6.290.554	10.248.546	4.145.190	7.055.471	11.200.661
3.2.1.1	Forward foreign currency transactions-buy		1.490.688	3.605.991	5.096.679	1.122.701	4.479.466	5.602.167
3.2.1.2	Forward foreign currency transactions-sell		2.467.304	2.684.563	5.151.867	3.022.489	2.576.005	5.598.494
3.2.2	Swap transactions related to foreign currency and interest rates		6.092.909	24.909.991	31.002.900	2.612.272	18.913.481	21.525.753
3.2.2.1	Foreign currency swap-buy		2.875.262	11.427.316	14.302.578	1.507.063	7.142.973	8.650.036
3.2.2.2	Foreign currency swap-sell		3.217.647	11.030.151	14.247.798	1.105.209	7.778.806	8.884.015
3.2.2.3	Interest rate swap-buy		-	1.226.262	1.226.262	-	1.995.851	1.995.851
3.2.2.4	Interest rate swap-sell		-	1.226.262	1.226.262	-	1.995.851	1.995.851
3.2.3	Foreign currency, interest rate and securities options		3.967.219	11.189.492	15.156.711	3.280.342	7.445.145	10.725.487
3.2.3.1	Foreign currency options-buy		1.233.760	3.852.145	5.085.905	1.235.699	2.075.490	3.311.189
3.2.3.2	Foreign currency options-sell		1.914.485	3.301.792	5.216.277	1.513.005	1.344.579	2.857.584
3.2.3.3	Interest rate options-buy		187.350	2.052.815	2.240.165	187.350	2.041.794	2.229.144
3.2.3.4	Interest rate options-sell		262.350	1.982.740	2.245.090	262.350	1.967.628	2.229.978
3.2.3.5	Securities options-buy		224.514	-	224.514	63.894	15.654	79.548
3.2.3.6	Securities options-sell		144.760	-	144.760	18.044	-	18.044
3.2.4	Foreign currency futures		-	-	-	-	-	-
3.2.4.1	Foreign currency futures-buy		-	-	-	-	-	-
3.2.4.2	Foreign currency futures-sell		-	-	-	-	-	-
3.2.5	Interest rate futures		-	-	-	-	-	-
3.2.5.1	Interest rate futures-buy		-	-	-	-	-	-
3.2.5.2	Interest rate futures-sell		-	-	-	-	-	-
3.2.6	Other		707.000	645.164	1.352.164	707.000	767.074	1.474.074
B	Custody and pledges received (IV+V+VI)		110.125.564	24.458.068	134.583.632	101.200.873	27.592.127	128.793.000
IV	Items held in custody		51.255.930	4.008.808	55.264.738	47.517.660	4.271.501	51.789.161
4.1	Customer fund and portfolio balances		-	116	116	-	122	122
4.2	Investment securities held in custody		39.902.828	3.397.547	43.300.375	36.521.544	3.581.191	40.102.735
4.3	Checks received for collection		9.484.827	71.276	9.556.103	8.660.022	89.243	8.749.265
4.4	Commercial notes received for collection		1.863.047	516.271	2.379.318	2.330.866	575.964	2.906.830
4.5	Other assets received for collection		-	23.598	23.598	-	24.981	24.981
4.6	Assets received for public offering		-	-	-	-	-	-
4.7	Other items under custody		5.228	-	5.228	5.228	-	5.228
4.8	Custodians		-	-	-	-	-	-
V	Pledges received		57.693.986	19.858.011	77.551.997	52.561.567	22.673.972	75.235.539
5.1	Marketable securities		227.690	193	227.883	207.970	204	208.174
5.2	Guarantee notes		687.621	365.207	1.052.828	560.893	442.768	1.003.661
5.3	Commodity		31.417	-	31.417	38.944	-	38.944
5.4	Warrants		-	-	-	-	-	-
5.5	Properties		39.374.898	14.788.620	54.163.518	36.292.482	16.967.526	53.260.008
5.6	Other pledged items		17.372.360	4.700.829	22.073.189	15.461.278	5.260.128	20.721.406
5.7	Pledged items-depository		-	3.162	3.162	-	3.346	3.346
VI	Accepted independent guarantees and warranties		1.175.648	591.249	1.766.897	1.121.646	646.654	1.768.300
Total off-balance sheet commitments (A+B)			206.687.295	146.094.184	352.781.479	182.238.414	137.096.493	319.334.907

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

Yapı ve Kredi Bankası A.Ş.

Unconsolidated financial statements As of September 30, 2012 and 2011

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

III. Income statement

Income and expense items		Note (Section Five)	01/01-30/09/2012	01/01-30/09/2011
I.	Interest income	IV-a	6.963.313	5.139.625
1.1	Interest on loans	IV-a-1	5.629.614	3.986.584
1.2	Interest received from reserve deposits		-	-
1.3	Interest received from banks	IV-a-2	25.962	17.867
1.4	Interest received from money market transactions		103.234	2.474
1.5	Interest received from marketable securities portfolio	IV-a-3	1.203.854	1.131.119
1.5.1	Trading financial assets		13.273	19.429
1.5.2	Financial assets at fair value through profit or (loss)		-	-
1.5.3	Available-for-sale financial assets		447.457	389.266
1.5.4	Held to maturity investments		743.124	722.424
1.6	Financial lease income		-	-
1.7	Other interest income		649	1.581
II.	Interest expense	IV-b	(3.731.866)	(2.752.813)
2.1	Interest on deposits	IV-b-4	(3.048.545)	(2.197.938)
2.2	Interest on funds borrowed	IV-b-1	(409.589)	(319.659)
2.3	Interest expense on money market transactions		(121.671)	(202.427)
2.4	Interest on securities issued	IV-b-3	(143.726)	(23.527)
2.5	Other interest expenses		(8.335)	(9.262)
III.	Net interest income (I + II)		3.231.447	2.386.812
IV.	Net fees and commissions income		1.277.231	1.324.912
4.1	Fees and commissions received		1.587.305	1.558.788
4.1.1	Non-cash loans		197.041	166.767
4.1.2	Other	IV-j	1.390.264	1.392.021
4.2	Fees and commissions paid		(310.074)	(233.876)
4.2.1	Non-cash loans		(370)	(292)
4.2.2	Other		(309.704)	(233.584)
V.	Dividend income		183.377	128.203
VI.	Trading gain/(loss) (net)	IV-c	(164.477)	(191.565)
6.1	Trading gains/(losses) on securities		67.039	25.249
6.2	Derivative financial transactions gains/(losses)	IV-d	(939.045)	(317.633)
6.3	Foreign exchange gains/(losses)		707.529	100.819
VII.	Other operating income	IV-e	179.433	597.660
VIII.	Total operating income (III+IV+V+VI+VII)		4.707.011	4.246.022
IX.	Provision for impairment of loans and other receivables (-)	IV-f	(796.962)	(569.448)
X.	Other operating expenses (-)	IV-g	(2.137.480)	(1.960.862)
XI.	Net operating income/(loss) (VIII-IX-X)		1.772.569	1.715.712
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)		1.772.569	1.715.712
XVI.	Tax provision for continuing operations (±)	IV-h	(371.589)	(332.785)
16.1	Current tax provision		(513.581)	(307.512)
16.2	Deferred tax provision		141.992	(25.273)
XVII.	Net profit/loss from continuing operations (XV±XVI)		1.400.980	1.382.927
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-i	1.400.980	1.382.927
	Earnings/(loss) per share (full TL)		0,0032	0,0032

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

Yapı ve Kredi Bankası A.Ş.

Unconsolidated financial statements As of September 30, 2012 and 2011

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

III. Income statement

Income and expense items		Note (Section Five)	01/07-30/09/2012	01/07-30/09/2011
I.	Interest income	IV-a	2.441.291	1.919.187
1.1	Interest on loans	IV-a-1	1.978.982	1.489.678
1.2	Interest received from reserve deposits		-	-
1.3	Interest received from banks	IV-a-2	8.265	6.273
1.4	Interest received from money market transactions		46.637	625
1.5	Interest received from marketable securities portfolio	IV-a-3	407.357	421.686
1.5.1	Trading financial assets		3.898	11.024
1.5.2	Financial assets at fair value through profit or (loss)		-	-
1.5.3	Available-for-sale financial assets		116.368	128.946
1.5.4	Held to maturity investments		287.091	281.716
1.6	Financial lease income		-	-
1.7	Other interest income		50	925
II.	Interest expense	IV-b	(1.237.638)	(1.054.695)
2.1	Interest on deposits	IV-b-4	(1.013.523)	(836.833)
2.2	Interest on funds borrowed	IV-b-1	(139.648)	(119.471)
2.3	Interest expense on money market transactions		(37.509)	(73.101)
2.4	Interest on securities issued	IV-b-3	(45.119)	(19.537)
2.5	Other interest expenses		(1.839)	(5.753)
III.	Net interest income (I + II)		1.203.653	864.492
IV.	Net fees and commissions income		476.802	473.066
4.1	Fees and commissions received		578.182	557.759
4.1.1	Non-cash loans		68.984	56.708
4.1.2	Other	IV-j	509.198	501.051
4.2	Fees and commissions paid		(101.380)	(84.693)
4.2.1	Non-cash loans		(123)	(30)
4.2.2	Other		(101.257)	(84.663)
V.	Dividend income		16.276	-
VI.	Trading gain/(loss) (net)	IV-c	(62.705)	(145.518)
6.1	Trading gains/(losses) on securities		19.245	16.435
6.2	Derivative financial transactions gains/(losses)	IV-d	(133.503)	(124.402)
6.3	Foreign exchange gains/(losses)		51.553	(37.551)
VII.	Other operating income	IV-e	42.519	143.963
VIII.	Total operating income (III+IV+V+VI+VII)		1.676.545	1.336.003
IX.	Provision for impairment of loans and other receivables (-)	IV-f	(310.305)	(162.454)
X.	Other operating expenses (-)	IV-g	(682.547)	(664.378)
XI.	Net operating income/(loss) (VIII-IX-X)		683.693	509.171
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)		683.693	509.171
XVI.	Tax provision for continuing operations (±) (±)	IV-h	(142.171)	(103.064)
16.1	Current tax provision		(182.717)	(71.526)
16.2	Deferred tax provision		40.546	(31.538)
XVII.	Net profit/loss from continuing operations (XV±XVI)		541.522	406.107
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-i	541.522	406.107
	Earnings/(loss) per share (full TL)		0,0012	0,0009

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

Yapı ve Kredi Bankası A.Ş.

**Unconsolidated financial statements
As of September 30, 2012 and 2011**

(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		(30/09/2012)	(30/09/2011)
I.	Transfers to marketable securities valuation differences from financial assets available for sale	633.929	(214.665)
II.	Property and equipment revaluation differences	-	-
III.	Intangible assets revaluation differences	-	-
IV.	Currency translation differences for foreign currency transactions	19.218	(1.591)
V.	Profit /loss on cash flow hedges (effective part of the fair value changes)	(300.265)	(389.677)
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	(32.917)	90.492
X.	Net profit or loss accounted directly under shareholders' equity (I+II+...+IX)	319.965	(515.222)
XI.	Current year profit/loss	1.400.980	1.382.927
11.1	Net change in fair value of marketable securities (recycled to profit-loss)	3.344	2.824
11.2	Part of cash flow hedge derivative financial instruments reclassified and presented on the income statement	(124.681)	(128.422)
11.3	Part of foreign net investment hedges reclassified and presented on the income statement	-	-
11.4	Other	1.522.317	1.508.525
XII.	Total income/loss accounted for the period (X+XI)	1.720.945	867.705

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

September 30, 2011	Note (Section five)	Paid- in capital	Adjustment to share capital	Share cancellation premium	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
I. Period opening 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 accounting policies according to TAS 8		-	-	-	-	-	-	-	-	-	-	1.100.496	-	-	-	-	1.100.496
2.1 Effects of errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the changes in accounting policies		-	-	-	-	-	-	-	-	-	-	1.100.496	-	-	-	-	1.100.496
III. New balance (I+II)		4.347.051	-	543.881	-	163.959	-	3.038.543	80.731	2.060.290	-	1.285.569	-	-	(101.828)	-	11.418.196
IV. Increase/decrease due to merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Marketable securities valuation differences		-	-	-	-	-	-	-	-	-	-	(202.426)	-	-	-	-	(202.426)
VI. Hedging transactions (effective portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	(311.742)	-	(311.742)
6.1 Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	(311.742)	-	(311.742)
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		-	-	-	-	-	-	-	-	-	-	13.017	-	-	(14.290)	-	(1.273)
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		-	-	-	-	-	-	-	219	-	-	-	-	-	-	-	219
XIX. Current year income or loss		-	-	-	-	-	-	-	-	1.382.927	-	-	-	-	-	-	1.382.927
XX. Profit distribution		-	-	-	-	103.014	-	1.891.585	65.691	(2.060.290)	-	-	-	-	-	-	-
20.1 Dividend paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2 Transfers to reserves		-	-	-	-	103.014	-	1.891.585	65.691	(2.060.290)	-	-	-	-	-	-	-
20.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period end balance (III+.....+ XVIII +XIX+XX)		4.347.051	-	543.881	-	266.973	-	4.930.128	146.641	1.382.927	-	1.096.160	-	-	(427.860)	-	12.285.901

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, 2012

(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 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, 2012																	
I. Prior period end balance		4.347.051	-	543.881	-	266.973	-	4.930.128	146.641	1.857.486	-	910.582	-	-	(308.530)	-	12.694.212
II. Changes in the period																	
III. Increase/decrease due to the merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Marketable securities valuation differences		-	-	-	-	-	-	-	-	-	-	544.803	-	-	-	-	544.803
4.1 Hedging transactions (effective portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	(240.212)	-	(240.212)
4.2 Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	(240.212)	-	(240.212)
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		-	-	-	-	-	-	-	-	-	-	(1.946)	-	-	17.320	-	15.374
IX. Changes due to the disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Changes due to the reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Current year income or loss		-	-	-	-	-	-	-	-	1.400.980	-	-	-	-	-	-	1.400.980
XVIII. Profit distribution		-	-	-	-	92.874	-	1.616.721	147.891	(1.857.486)	-	-	-	-	-	-	-
18.1 Dividend paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfers to reserves		-	-	-	-	92.874	-	1.616.721	147.891	(1.857.486)	-	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period end balance (I+II+III+...+XVI+XVII+XVIII)		4.347.051	-	543.881	-	359.847	-	6.546.849	294.532	1.400.980	-	1.453.439	-	-	(531.422)	-	14.415.157

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

Yapı ve Kredi Bankası A.Ş.

Unconsolidated financial statements as September 30, 2012 and 2011

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

VI. Statement of cash flows

	Notes (Section Five)	(30/09/2012)	(30/09/2011)
A. Cash flows from banking operations			
1.1 Operating profit before changes in operating assets and liabilities		4.113.987	457.423
1.1.1 Interest received		6.722.835	4.658.381
1.1.2 Interest paid		(3.559.763)	(2.619.459)
1.1.3 Dividend received		150.349	116.258
1.1.4 Fees and commissions received		1.587.594	1.563.140
1.1.5 Other income		(670.130)	(143.731)
1.1.6 Collections from previously written-off loans and other receivables		1.172.383	1.034.045
1.1.7 Payments to personnel and service suppliers		(1.737.932)	(1.710.362)
1.1.8 Taxes paid		(526.558)	(422.190)
1.1.9 Other		975.209	(2.018.659)
1.2 Changes in operating assets and liabilities		(5.404.307)	1.393.657
1.2.1 Net (increase)/decrease in trading securities		(216.724)	54.493
1.2.2 Net (increase)/decrease in fair value through profit/loss financial assets		-	-
1.2.3 Net (increase)/decrease in banks		(4.940.828)	(1.246.342)
1.2.4 Net (increase)/decrease in loans		(6.584.945)	(14.005.775)
1.2.5 Net (increase)/decrease in other assets		272.218	(1.432.972)
1.2.6 Net increase /(decrease) in bank deposits		176.093	(531.478)
1.2.7 Net increase /(decrease) in other deposits		2.886.575	10.462.119
1.2.8 Net increase /(decrease) in funds borrowed		1.616.462	6.385.646
1.2.9 Net increase /(decrease) in payables		-	-
1.2.10 Net increase /(decrease) in other liabilities		1.386.842	1.707.966
I. Net cash flows from banking operations		(1.290.320)	1.851.080
B. Cash flows from investing activities			
II. Net cash flows from investing activities		600.177	(484.167)
2.1 Cash paid for acquisition of investments in associates, subsidiaries and joint ventures		(22.120)	-
2.2 Cash obtained from disposal of investments in associates, subsidiaries and joint ventures		-	-
2.3 Purchases of property and equipment		(125.285)	(122.982)
2.4 Disposals of property and equipment		3.732	4.469
2.5 Purchase of investments available-for-sale		(2.623.343)	(2.536.378)
2.6 Sale of investments available-for -sale		3.157.735	785.511
2.7 Purchase of investment securities		(342)	(609.107)
2.8 Sale of investment securities		209.800	1.994.320
2.9 Other		-	-
C. Cash flows from financing activities			
III. Net cash flows from financing activities		554.175	2.085.845
3.1 Cash obtained from funds borrowed and securities issued		4.646.880	3.989.681
3.2 Cash used for repayment of funds borrowed and securities issued		(4.051.856)	(1.860.943)
3.3 Issued capital instruments		-	-
3.4 Dividends paid		-	-
3.5 Payments for finance leases		(40.849)	(42.893)
3.6 Other		-	-
IV. Effect of change in foreign exchange rates on cash and cash equivalents		(194.750)	474.787
V. Net increase in cash and cash equivalents (I+II+III+IV)		(330.718)	3.927.545
VI. Cash and cash equivalents at beginning of the period		9.780.424	4.966.401
VII. Cash and cash equivalents at end of the period		9.449.706	8.893.946

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, 2012 (continued)

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

Section three

Accounting policies

I. Explanations on 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 Public Oversight Accounting and Auditing Standards Authority 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. 28337 dated June 28, 2012.

The accompanying unconsolidated financial statements are prepared in accordance with the historical cost basis that were restated for the changes in the general purchasing power of TL until December 31, 2004, except for financial assets at fair value through profit or loss, financial assets available for sale, investments in associates and subsidiaries measured at fair value, trading derivative financial liabilities, hedging derivative financial assets/liabilities. 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, 2011. TAS/TFRS changes (TAS 12 (Amendment) "Income Taxes – Recovery of Underlying Assets"; TFRS 7 (Amendment), "Financial Instruments Disclosures – Enhanced Derecognition Disclosure Requirements" (effective from January 1, 2012) 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 XXV below.

The effects of IFRS 9, "Financial Instruments Standard" which has not been implemented yet, are under evaluation by the Bank. 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, 2012 (continued)

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

Explanations on basis of presentation: (continued)

Adjustments of the prior periods' financial statements:

Subsidiaries, for which the fair value can be determined reliably, are carried at fair value starting from June 30, 2012. The effect of the changes in the accounting policy of the Bank has been applied retrospectively in accordance with ("TMS 8") "Accounting Policies, Changes in Accounting Estimates and Errors" and therefore the Bank's comparative financial statements are adjusted. The effect of this adjustment on the financial statements as of December 31, 2011 and 2010 and September 30, 2011 are summarized below:

December 31, 2011	Published	Effects of the changes in accounting policies	Restated
Subsidiaries (Net)	1.801.223	994.026	2.795.249
Total Assets	108.102.977	994.026	109.097.003
Marketable Securities Valuation Differences	(83.444)	994.026	910.582
Shareholder's Equity	11.700.186	994.026	12.694.212
Total Liabilities	108.102.977	994.026	109.097.003

December 31, 2010	Published	Effects of the changes in accounting policies	Restated
Subsidiaries (Net)	1.789.841	1.100.496	2.890.337
Total Assets	84.776.146	1.100.496	85.876.642
Marketable Securities Valuation Differences	185.073	1.100.496	1.285.569
Shareholder's Equity	10.317.700	1.100.496	11.418.196
Total Liabilities	84.776.146	1.100.496	85.876.642

September 30, 2011	Published	Effects of the changes in accounting policies	Restated
Subsidiaries (Net)	1.801.223	1.031.049	2.832.272
Total Assets	106.368.949	1.031.049	107.399.998
Marketable Securities Valuation Differences	65.111	1.031.049	1.096.160
Shareholder's Equity	11.254.852	1.031.049	12.285.901
Total Liabilities	106.368.949	1.031.049	107.399.998

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.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (continued)

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

Accounting policies (continued)

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 participations, 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:

The unconsolidated investments in associates, subsidiaries and joint ventures are accounted for in accordance with the Turkish Accounting Standard 39 (TAS 39) "Financial Instruments: Recognition and Measurement". Investments in subsidiaries quoted in organized markets or for which their fair values can be reliably measured, are accounted for at their fair values. Differences arising from the revaluation of the subsidiaries are accounted for in line item "Marketable Securities Valuation Differences" under equity. Investments in subsidiaries which are not quoted in organized markets and for which their fair values can not be reliably measured, are accounted for at their historical cost less allowance for impairment, if any.

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 value of derivatives is 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.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (continued)

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

Accounting policies (continued)

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, according to the adjustments made to the carrying value (amortised cost) of the hedged item, for which the risk is hedged by a portfolio hedge, 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.

Some of the trading purpose 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.

Parameters used for the valuation of the option portfolio are determined by market risk management and the confirmation of the accuracy of fair value calculations are monitored periodically by market risk management.

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, 2012, 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.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (continued)

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

Accounting policies (continued)

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 valued in accordance with the valuation principles of the category it is classified. 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 modeling 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.

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. Fees and commissions arising from negotiating or participating in the negotiation of a transaction for a third party are recognized either flat or deferred based on the type of the underlying transaction.

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.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (continued)

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

Accounting policies (continued)

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.

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. In accordance with TAS 39, the sales or reclassifications to available for sale portfolio of financial assets that are insignificant or so close to maturity or the financial asset's call date will not result in tainting.

c. Loans and receivables:

Loans and receivables are financial assets raised through lending without having the intention to trade in the short term. Loans and receivables are non derivative financial assets with fixed or determinable payments and fixed maturities that are not quoted in active market. 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.

Retail and commercial and corporate loans included in cash loans are accounted for with their original maturities in accounts which are mentioned in the Uniform Chart of Account Plan. Foreign currency indexed loans are accounted in local currency accounts with the foreign exchange rate at the initial recognition and re-valued throughout the maturities of loans with the relevant foreign currency rates as at the financial statement dates. Increase or decrease in the value of the principal amount due to changes in foreign exchange rates is accounted in the related income and expense accounts. Repayment amounts are translated with the foreign exchange rates at the repayment date and the valuation differences is accounted for in foreign exchange gain/Loss accounts.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (continued)

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

Accounting policies (continued)

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" ("Provisioning Regulation") 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.

Interest income on available for sale financial assets are calculated by effective interest rate method and are accounted for in interest income account. At the time of sale of an available for sale financial assets before the maturity, the difference between the profit, which is the difference between the cost and sales price of the financial assets, and the interest income accrual are accounted under "Trading gains/(losses) on securities" due to Uniform Chart of Accounts.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (continued)

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

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, 2012 (continued)

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

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 resale" 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 amortization 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").

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (continued)

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

Accounting policies (continued)

b. Other intangible assets:

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

The Bank evaluates the possibility of existence of impairment of intangible assets at the end of each reporting period. If there is an evidence of impairment, the Bank estimates a recoverable amount in accordance with the Turkish Accounting Standard 36 (TAS 36) "Impairment of Assets". 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 in accordance with the Turkish Accounting Standard 16 ("TAS 16") "Tangible Assets". 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.

In accordance with the Turkish Accounting Standard 36 (TAS 36) "Impairment of Assets", 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.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (continued)

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

Accounting policies (continued)

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.

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, 2012 (continued)

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

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 1 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. 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 was 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. According to the "Amendment of Social Insurance and General Health Insurance Law No. 6283" published in the Official Gazette dated March 8, 2012, the two-year extension mentioned above has been extended to four years.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (continued)

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

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% by law 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 which should not be less than 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 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 is 20% in accordance with the article number 32 of the New Corporate Tax Law no.5520 which is published in the official Gazette dated June 21, 2006 and numbered 26205. This tax rate is applied to accounting income modified for certain exemptions and deductions, and additions for certain non-tax deductible expenses and allowances for tax purposes. 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, 2012 (continued)

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

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 deductible 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.

Additionally, in accordance with the related legislation of BRSA, deferred tax effect, if income, is not eligible for dividend distribution and share capital increase.

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.

"Arm's length principle", which is the basis for the transfer pricing rule, is the pricing system to be followed for purchase or sale activities between related parties for any product or service transactions as if the transaction is realized with any other third party. 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, 2012 (continued)

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

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" including costs of transactions 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 obtains funds by issuing bonds and bills.

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, 2012, the Bank received government grant from TÜBİTAK amounting to TL 828 (December 31, 2011 - TL 828).

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.

XXIII. Earnings per share:

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

	September 30, 2012	September 30, 2011
Net Income/(loss) to be appropriated to ordinary shareholders	1.400.980	1.382.927
Weighted average number of issued ordinary shares(thousand)	434.705.128	434.705.128
Earnings per share (disclosed in full TL)	0,0032	0,0032

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (continued)

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

Accounting policies (continued)

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 2012 (December 31, 2011- no bonus shares were issued).

XXIV. 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 VIII. of Section Four.

XXV. Explanations on other matters:

Changes have been made to comparative figures as of December 31, 2011, December 31, 2010 and September 30, 2011, as detailed in Note I of Section III.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (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 13,17%.
- b. The capital adequacy ratio is calculated in accordance with the "Regulation Regarding the Measurement and Evaluation of Banks' Capital Adequacy Ratio" (the "Regulation"), "Regulation Credit Risk Mitigation Techniques", "Regulation on calculation of Risk-Weighted Amounts of Securitizations" published in the Official Gazette No. 28337 dated June 28, 2012 ("Regulation") and "Regulation Regarding Banks' Shareholders' Equity" published in the Official Gazette No. 26333 as of November 1, 2006".

For the calculation of amounts subject to credit risk, the Bank classifies the loans in the related risk weight taking into consideration the risk classes, ratings and the risk mitigating factors. "Comprehensive collateral method" is used in considering the risk mitigating factors for the banking and trading book.

For the calculation of capital adequacy ratio; financial information, which is prepared in accordance with the current regulations, is used. Within the scope of this Regulation, trading books and banking books are defined and they become subject to credit risk and market risk calculations. In addition, market risk and operational risk calculations are included in the calculation of the capital adequacy ratio, in accordance with the existing regulation.

Amounts taken into consideration as deduction items are subject to credit risk calculations. Assets subject to amortization or impairment are taken into consideration after relevant nettings over their net book values for the calculation of risk-weighted assets.

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

In accordance with Article 5 of the Regulation, counterparty credit risk is calculated for repo transactions, securities and commodities. The "Fair Value Valuation Method" mentioned in the communiqué is used for the counterparty credit risk calculations.

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (continued)

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

Information related to financial position of the Bank (continued)

Information related to capital adequacy ratio:

	Risk weights						
	0%	20%	50%	75%	100%	150%	200%
Amounts subject to credit risk	22.597.102	3.316.291	12.191.364	28.716.435	71.805.396	2.850.131	3.822.680
Risk classifications:							
Conditional and unconditional receivables from central governments or central banks	20.946.040	-	-	-	10.746.673	-	-
Conditional and unconditional receivables from regional or local governments	-	148	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	13.051	-	-
Conditional and unconditional receivables from multilateral development banks	3.971	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	3.315.942	5.572.391	-	4.225.470	339	-
Conditional and unconditional receivables from corporates	-	-	-	-	50.854.324	-	-
Conditional and unconditional retail receivables	-	-	-	28.716.435	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	6.618.973	-	-	-	-
Past due receivables	-	-	-	-	603.280	390.771	-
Receivables defined as high risk category by the Regulator	-	-	-	-	-	2.459.021	3.822.680
Secured by mortgages	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-	-
Other receivables	1.647.091	201	-	-	5.362.598	-	-
Credit Risk Weighted Amounts	-	663.258	6.095.682	21.537.326	71.805.396	4.275.197	7.645.360

Summary information about capital adequacy ratio⁽¹⁾:

	September 30, 2012
Capital Requirement for Credit Risk (Value at Credit Risk*0.08) (CRCR)	8.961.778
Capital requirement for market risk (II) (MRCR)	118.396
Capital requirement for operational risk (III) (ORCR)	746.900
Shareholders' equity	16.172.623
Shareholders' Equity/((CRCR+MRCR+ORCR) * 12.5) * 100	13,17

- (1) Prior period information is not disclosed as per the temporary article 1 of the "Communiqué Related to Publicly Announced Financial Statements of Banks and Explanations and Notes Related to these Financial Statements".

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (continued)

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

Information related to financial position of the Bank (continued)

Information about shareholders' equity items⁽¹⁾:

	September 30, 2012
Core Capital	
Paid-in capital	4.347.051
Nominal capital	4.347.051
Capital commitments (-)	-
Adjustment to paid-in capital	-
Share premium	543.881
Share repeal	-
Legal reserves	6.906.696
Adjustment to legal reserves	-
Profit	1.400.980
Net current period profit	1.400.980
Prior period profit	-
Provisions for possible losses up to 25% of core capital	154.739
Income on sale of equity shares and real estates ⁽²⁾	294.532
Primary subordinated loans	-
Loss (in excess of Reserves) (-)	-
Net current period's losses	-
prior periods' losses	-
Leasehold Improvements on Operational Leases (-)	62.352
Intangible assets (-)	1.288.820
Deferred-assets for tax which exceeds 10% of core capital (-)	-
Excess amount expressed in the Law (Article 56, 3rd paragraph) (-)	-
Total core capital	12.296.707
Supplementary capital	
General reserves	1.242.519
45% of increase in revaluation fund of movables	-
45% of increase in revaluation fund of fixed assets	-
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	-
Primary Subordinated Debts excluding the portion included in Core Capital	-
Secondary subordinated loans ⁽³⁾	2.216.825
45% of value increase fund of financial assets available for sale and associates and subsidiaries ⁽³⁾	654.048
Adjustment to paid-in capital, profit reserves and previous years losses(except adjustment to legal reserves)	-
Total supplementary capital	4.113.392
Capital	16.410.099
Deductions from the capital	237.476
Partnership share on banks and financial institutions (domestic and abroad) that are not consolidated, with a shareholding of 10% and above	63.027
The sum of partnership share on banks and financial institutions (domestic and abroad), with shareholding of less than 10%, but exceeding 10% and more of the sum of core and supplementary capital of the bank	-
Loans extended to banks, financial institutions (domestic and abroad) and qualified shareholders, like secondary subordinated loan and debt instruments purchased from these institutions issued, like primary and secondary subordinated loan	-
Loans extended being noncompliant with articles 50 and 51 of the Law	-
Net book values of properties owned, exceeding 50% of banks' equity and properties, and trade goods overtaken in exchange for loans and receivables that should be disposed within five years in accordance with article 57 of the Law, but not yet disposed	6.918
Securitization positions that is deducted -preferably- from the shareholders' equity	-
Other	167.531
Total shareholders' equity	16.172.623

- (1) Prior period information is not disclosed as per the temporary article 1 of the "Communiqué Related to Publicly Announced Financial Statements of Banks and Explanations and Notes Related to these Financial Statements".
- (2) The figure includes income on sale of equity shares and real estates for TL 297.559 and other reserves for TL (3.027).
- (3) 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, 2012 (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:

Risk management activities of the Bank are carried out under the responsibility of Board of Directors in accordance with "Regulation on Bank's Internal Control and Risk Management Systems" and "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

In order to comply with the regulations, the Bank set its activities related with market risk management in accordance with "Regulation on Bank's Internal Control and Risk Management Systems" and "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" published in the Official Gazette no. 28337 dated June 28, 2012.

Market risk policies, which are approved by the Board of Directors of the Bank and updated annually, if needed; include limit, methodologies, processes and responsibilities. Market risk calculations for the trading portfolio are performed by using standard method and Value at Risk (VaR) method. VaR is calculated using historical simulation method and reported to the management on a daily basis and Executive Committee on a monthly basis. In order to keep the effect of interest rate and foreign currency fluctuations at minimum, the Bank enters into derivative transactions of which some of the derivative transactions are subject to hedge accounting applications. The table below shows details of the market risk as of September 30, 2012 in accordance with "Regulation on Banks' Internal Control and Risk Management Systems" and "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" published in the Official Gazette no. 28337 dated June 28, 2012.

Information on market risk⁽¹⁾:

	September 30, 2012
(I) Capital requirement against general market risk - standard method	19.050
(II) Capital requirement against specific risks - standard method	21.871
Capital requirement against specific risks of securitization positions— standard method	-
(III) Capital requirement against currency exchange risk - standard method	49.278
(IV) Capital requirement against commodity risks - standard method	2.002
(V) Capital requirement against exchange risks - standard method	-
(VI) Capital requirement against market risks of options - standard method	379
(VII) Capital requirement against counterparty credit risks - standard method	25.816
(VIII) Capital requirement against market risks of banks applying risk measurement model	-
(IX) Total capital requirement against market risk (i+ii+iii+iv+v+vi+vii) (i+ii+iii+iv+v+vi+vii+viii)	118.396
(IX) Value-at-market risk ((12.5*viii) or (12.5*ix))	1.479.950

(1) Prior period information is not disclosed as per the temporary article 1 of the "Communiqué Related to Publicly Announced Financial Statements of Banks and Explanations and Notes Related to these Financial Statements".

III. 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).

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (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. In addition to this; although the internal exchange position limit is lower when compared to the related legal limit, there have not been any limit exceeding 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 details of hedging of the foreign currency debt instruments and net foreign currency instrument risk with derivative instruments are disclosed in section IV. Note VI.

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
Balance sheet evaluation rate	TL 1,74010	TL 2,25080	TL 0,02238
September 28, 2012 bid rate	TL 1,73750	TL 2,23560	TL 0,02233
September 27, 2012 bid rate	TL 1,74060	TL 2,23900	TL 0,02236
September 26, 2012 bid rate	TL 1,74130	TL 2,24970	TL 0,02235
September 25, 2012 bid rate	TL 1,74670	TL 2,25660	TL 0,02235
September 24, 2012 bid rate	TL 1,74190	TL 2,26330	TL 0,02224
Arithmetic average of the last 30 days:	TL 1,74999	TL 2,24716	TL 0,02233
Balance sheet evaluation rate as of December 31, 2011:	TL 1,84170	TL 2,38270	TL 0,02373

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (continued)

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

Information related to financial position of the Bank (continued)

	EURO	USD	OTHER FC	Total
September 30, 2012				
Assets				
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	4.267.889	4.394.715	1.519.872	10.182.476
Banks	649.461	1.218.116	47.424	1.915.001
Financial assets at fair value through profit or loss	13.747	151.252	700	165.699
Money market placements	-	112.241	-	112.241
Available-for-sale financial assets	12.671	487.345	-	500.016
Loans ⁽¹⁾	7.426.941	16.907.110	761.762	25.095.813
Investments in associates, subsidiaries and joint ventures	275.967	151.919	43.404	471.290
Held-to-maturity investments	369.261	8.016.241	-	8.385.502
Hedging derivative financial assets	-	-	-	-
Tangible assets	-	-	-	-
Intangible assets	-	-	-	-
Other assets ⁽²⁾	142.445	640.676	219.497	1.002.618
Total assets	13.158.382	32.079.615	2.592.659	47.830.656
Liabilities				
Bank deposits	127.173	281.163	80.634	488.970
Foreign currency deposits	7.859.757	17.076.294	1.579.231	26.515.282
Funds from money market	610.215	5.912.056	-	6.522.271
Funds borrowed from other financial institutions	5.540.323	6.344.752	125.153	12.010.228
Marketable securities issued	-	870.974	-	870.974
Miscellaneous payables	206.919	226.262	9.434	442.615
Hedging derivative financial liabilities	106.744	434.798	-	541.542
Other liabilities	2.887.270	1.637.778	23.697	4.548.745
Total liabilities	17.338.401	32.784.077	1.818.149	51.940.627
Net on-balance sheet position	(4.180.019)	(704.462)	774.510	(4.109.971)
Net off-balance sheet position	5.611.069	(1.265.133)	(772.892)	3.573.044
Financial derivative assets	7.757.185	9.143.904	415.889	17.316.978
Financial derivative liabilities	2.146.116	10.409.037	1.188.781	13.743.934
Non-cash loans	6.011.776	10.483.585	381.120	16.876.481
December 31, 2011				
Total assets	13.265.165	30.338.346	1.888.323	45.491.834
Total liabilities	17.934.271	31.156.124	1.866.247	50.956.642
Net on-balance sheet position	(4.669.106)	(817.778)	22.076	(5.464.808)
Net off-balance sheet position	5.527.492	(800.385)	(35.854)	4.691.253
Financial derivative assets	6.790.118	7.985.711	308.098	15.083.927
Financial derivative liabilities	1.262.626	8.786.096	343.952	10.392.674
Non-cash loans	4.807.604	10.082.290	549.894	15.439.788

(1) Includes FX indexed loans amounting to TL 3.658.309 (December 31, 2011 – TL 3.920.053) which have been disclosed as TL in the financial statements.

(2) Foreign currency prepaid expenses in the financial statements does not include amounting to TL 20.574 (December 31, 2011 - TL 30.421).

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (continued)

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

Information related to financial position of the Bank (continued)

IV. Explanations on interest rate risk:

The monitoring of interest rate sensitive assets and liabilities, including sensitivity analysis regarding the effect of interest rate fluctuations on the financial statements is performed by the risk management department for all interest sensitive instruments. The results are presented monthly to Asset and Liability Management function of the Executive Committee. By using sensitivity and scenario analyses, the possible effects by 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, 2012	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Non interest bearing	Total
Assets							
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	-	-	-	-	-	11.918.370	11.918.370
Banks	1.106.221	109.742	87.009	176.349	-	1.234.448	2.713.769
Financial assets at fair value through profit/loss	125.538	163.938	200.936	191.838	76.226	-	758.476
Money market placements	3.664.552	-	-	-	-	-	3.664.552
Available-for-sale financial assets	1.575.923	1.019.613	2.017.736	995.079	1.821.664	5.097	7.435.112
Loans	11.187.787	8.650.964	17.199.091	20.732.395	13.177.541	1.706.374	72.654.152
Held-to-maturity investments	1.468.409	-	2.006.709	2.015.547	6.170.756	-	11.661.421
Other assets	15.223	25.906	70.020	-	-	7.300.995	7.412.144
Total assets	19.143.653	9.970.163	21.581.501	24.111.208	21.246.187	22.165.284	118.217.996
Liabilities							
Bank deposits	352.594	203.318	115.084	508	-	186.445	857.949
Other deposits	40.841.395	11.072.189	3.442.577	38.197	-	10.350.732	65.745.090
Funds from money market	3.631.160	3.943.588	825.442	-	-	-	8.400.190
Miscellaneous payables	-	-	-	-	-	4.989.864	4.989.864
Marketable securities issued	114.437	616.377	446.337	870.973	-	-	2.048.124
Funds borrowed from other financial institutions	2.761.432	5.199.913	2.682.678	1.403.708	601.248	-	12.648.979
Other liabilities and shareholders' equity	1.191.620	2.013.252	1.398.201	49.340	8.236	18.867.151	23.527.800
Total liabilities	48.892.638	23.048.637	8.910.319	2.362.726	609.484	34.394.192	118.217.996
Balance sheet long position	-	-	12.671.182	21.748.482	20.636.703	-	55.056.367
Balance sheet short position	(29.748.985)	(13.078.474)	-	-	-	(12.228.908)	(55.056.367)
Off-balance sheet long position	6.044.987	13.105.344	-	-	-	-	19.150.331
Off-balance sheet short position	-	-	(1.159.381)	(18.016.726)	(652.133)	-	(19.828.240)
Total position	(23.703.998)	26.870	11.511.801	3.731.756	19.984.570	(12.228.908)	(677.909)

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (continued)

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

Information related to financial position of the Bank (continued)

December 31, 2011	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Non interest bearing	Total
Assets							
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	-	-	-	-	-	9.734.705	9.734.705
Banks	434.927	199.860	77.773	187.868	-	913.251	1.813.679
Financial assets at fair value through profit/loss	95.881	50.229	202.455	81.153	17.804	-	447.522
Money market placements	2.138.195	-	-	-	-	-	2.138.195
Available-for-sale financial assets	837.953	109.866	2.219.437	1.459.550	2.425.557	4.098	7.056.461
Loans	9.288.053	5.494.438	15.607.892	21.103.831	14.003.690	2.281.907	67.779.811
Held-to-maturity investments	423.296	1.671.715	1.168.008	2.599.938	6.674.468	-	12.537.425
Other assets	43.128	125.033	209.174	-	-	7.211.870	7.589.205
Total assets	13.261.433	7.651.141	19.484.739	25.432.340	23.121.519	20.145.831	109.097.003
Liabilities							
Bank deposits	153.724	129.411	76.276	247	-	319.991	679.649
Other deposits	37.842.733	12.600.363	2.186.234	10.128	-	10.198.277	62.837.735
Funds from money market	2.846.274	1.993.074	1.078.338	-	-	-	5.917.686
Miscellaneous payables	-	-	-	-	-	4.407.807	4.407.807
Marketable securities issued	144.350	-	951.956	-	-	-	1.096.306
Funds borrowed from other financial institutions	720.053	6.615.123	4.342.988	1.460.144	584.392	-	13.722.700
Other liabilities and shareholders' equity	261.366	1.704.941	1.491.567	61.009	7.661	16.908.576	20.435.120
Total liabilities	41.968.500	23.042.912	10.127.359	1.531.528	592.053	31.834.651	109.097.003
Balance sheet long position	-	-	9.357.380	23.900.812	22.529.466	-	55.787.658
Balance sheet short position	(28.707.067)	(15.391.771)	-	-	-	(11.688.820)	(55.787.658)
Off-balance sheet long position	4.674.103	12.411.732	1.185.347	-	-	-	18.271.182
Off-balance sheet short position	-	-	-	(17.481.361)	(658.792)	-	(18.140.153)
Total position	(24.032.964)	(2.980.039)	10.542.727	6.419.451	21.870.674	(11.688.820)	131.029

b. Average interest rates for monetary financial instruments:

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

September 30, 2012	EURO	USD	Yen	TL
	%	%	%	%
Assets				
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	-	-	-	-
Banks	0,39	1,17	-	7,28
Financial assets at fair value through profit/loss	3,29	4,62	-	6,65
Money market placements	-	0,60	-	7,41
Available-for-sale financial assets	4,02	6,08	-	10,21
Loans	5,63	5,21	4,02	13,91
Held-to-maturity investments	5,39	6,70	-	10,09
Liabilities⁽¹⁾				
Bank deposits	0,28	0,78	-	8,78
Other deposits	3,31	3,28	0,30	9,46
Funds from money market	0,79	1,29	-	6,22
Miscellaneous payables	-	-	-	-
Marketable securities issued	-	6,86	-	10,14
Funds borrowed from other financial institutions	2,31	3,61	2,20	10,76

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (continued)

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

Information related to financial position of the Bank (continued)

December 31, 2011	EURO	USD	Yen	TL
	%	%	%	%
Assets				
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	-	-	-	-
Banks	0,13	1,33	-	12,76
Financial assets at fair value through profit/loss	5,98	5,56	-	8,36
Money market placements	-	0,50	-	12,66
Available-for-sale financial assets	7,85	6,60	-	9,87
Loans	5,80	4,81	4,02	13,74
Held-to-maturity investments	5,26	6,70	-	9,93
Liabilities⁽¹⁾				
Bank deposits	0,41	0,44	-	9,46
Other deposits	4,16	4,74	0,30	10,91
Funds from money market	2,45	1,95	-	6,25
Miscellaneous payables	-	-	-	-
Marketable securities issued	-	-	-	10,40
Funds borrowed from other financial institutions	3,09	2,42	2,21	10,21

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

c. Interest rate risk arising from banking accounts:

The sensitivity analysis regarding the effect of interest rate fluctuations on the financial statements is performed for all interest earning assets and interest bearing liabilities.

Interest rate risk resulting from banking books comprise of repricing risk, yield curve risk, and basis risk.

Interest rate risk arising from banking book is measured in accordance with "The regulation of measurement and assessment of interest rate risk by standard shock method arising from banking accounts", published in the Official Gazette No. 28034 dated August 23, 2011 and legal limit of this measurement is monitored and reported monthly. Proportional amount of capital is provided in line with the same level of Interest rate risk arising from banking accounts.

Interest rate risk is measured and monitored monthly by market risk management. Duration analysis, gap analysis, basis points value analysis, scenario analysis and simulation of net interest income are measured and reported monthly to Asset Liability Management function of the Executive Committee. Interest sensitivity is measured most appropriately using the duration distribution map for every type of product. Investment decisions are done by taking into account the interest rate measurements. The maturity and interest risk for products with uncertain maturities is effectively measured using the behavioral analysis.

Economic value differences resulting from interest rate fluctuations as of September 30, 2012 are presented in the table below in accordance with the "Regulation of measurement and assessment of interest rate risk by standard shock method arising from banking accounts".

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (continued)

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

Information related to financial position of the Bank (continued)

Currency	Applied shock (+/- x basis points)*	Gains/Losses	Gains/SE- Losses/SE
TRY	(+) 500bp	(1.140.190)	-7,05%
TRY	(-) 400bp	1.140.645	7,05%
EURO	(+) 200bp	28.436	0,18%
EURO	(-) 200bp	(25.669)	-0,16%
USD	(+) 200bp	(834.465)	-5,16%
USD	(-) 200bp	1.210.033	7,48%
Total (For negative shocks)		2.325.009	14,38%
Total (For positive shocks)		(1.946.219)	-12,03%

d. Information about position risk of equity shares in banking book:

1. Comparison of carrying value, fair value and market value of share investments:

Yapı Kredi Sigorta A.Ş., Yapı Kredi B Tipi Yatırım Ortaklığı and Yapı Kredi Finansal Kiralama A.O. which are consolidated subsidiaries of the Bank, are carried at fair value by using their market values in the accompanying financial statements. Valuation differences at the end of the period are presented in marketable securities valuation differences account in shareholder's equity.

Equity shares, invested	Comparison		
	Carrying Value	Fair Value	Quoted Market Value
Subsidiaries (publicly traded)	2.096.818	2.096.818	2.096.818

2. Information on realized gains/losses, revaluation surpluses and unrealized gains/losses on equity securities and results included in core and supplementary capitals

Portfolio	Realized gains (losses) in the current	Revaluation Surpluses		Unrealized gains and losses		
		Total	Amount under supplementary capital	Total	Amount under core capital	Amount under supplement ary capital
Equity Shares Investments	-	-	-	-	-	-
		1.182.327				
Quoted Equity Shares	-		532.047	-	-	-
Unquoted	-	-	-	-	-	-
	-					
Total	-	1.182.327	532.047	-	-	-

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (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 liquidity risk:

Liquidity risk covers the inability to fund increases in assets, inability to meet liabilities when they are due and other risks arising from transactions undertaken in illiquid markets. These risks contain maturity mismatch risk, emergency risk and market liquidity risk.

The main objective of the Bank's overall liquidity management is to ensure the continuity of the Bank's payment obligations and sustain the level of payments availability in crisis time without risking the value and the brand name of the Bank. For this reason, two different models are defined: the current situation liquidity management and emergency situation liquidity management.

The current situation liquidity risk is monitored by the reports of short and long term liquidity. Short-term liquidity position is monitored on a daily basis including the legal Liquidity Adequacy Reports as to whether the position is within legal limits. Long-term liquidity position aims to ensure the financial stability of the balance sheet and is monitored on a monthly basis. On a monthly basis, the Asset and Liability Management function within the scope of the meetings of the Executive Board evaluates the Bank's liquidity position and actions are taken when necessary.

In cases when the future financial events require more liquidity than the Bank's daily liquidity needs, "Emergency Situation Liquidity Plan" is activated where duties and responsibilities are defined in detail. Liquidity stress test scenarios are used to measure the Bank's resistance to unexpected situations.

The Bank issues bonds and obtains long-term bank loans to overcome the current short-term funding of the banking sector.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (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
September 30, 2012								
Assets								
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	3.441.443	8.476.927	-	-	-	-	-	11.918.370
Banks	1.234.448	1.106.221	109.742	87.009	176.349	-	-	2.713.769
Financial assets at fair value through profit or loss	-	92.752	144.908	209.635	179.020	132.161	-	758.476
Money market placements	-	3.664.552	-	-	-	-	-	3.664.552
Available-for-sale financial assets	107.252	7.645	831.631	324.737	2.053.490	4.105.260	5.097	7.435.112
Loans	-	11.783.296	8.650.964	17.199.073	20.936.341	13.177.539	906.939	72.654.152
Held-to-maturity investments	-	-	-	456.353	3.987.124	7.217.944	-	11.661.421
Other assets ⁽¹⁾	665.320	949.213	5.705	38.528	66.917	-	5.686.461	7.412.144
Total assets	5.448.463	26.080.606	9.742.950	18.315.335	27.399.241	24.632.904	6.598.497	118.217.996
Liabilities								
Bank deposits	186.445	352.594	203.318	115.084	508	-	-	857.949
Other deposits	10.350.732	40.498.964	10.921.064	3.703.680	270.650	-	-	65.745.090
Funds borrowed from other financial institutions	-	2.641.476	588.136	4.687.319	3.520.799	1.211.249	-	12.648.979
Funds from money market	-	3.499.759	3.855.326	618.153	426.952	-	-	8.400.190
Marketable securities issued	-	114.437	607.888	432.492	870.973	22.334	-	2.048.124
Miscellaneous payables	357.378	4.632.486	-	-	-	-	-	4.989.864
Other liabilities ⁽²⁾	290.999	312.976	196.728	508.221	4.358.685	1.478.984	16.381.207	23.527.800
Total liabilities	11.185.554	52.052.692	16.372.460	10.064.949	9.448.567	2.712.567	16.381.207	118.217.996
Net liquidity gap	(5.737.091)	(25.972.086)	(6.629.510)	8.250.386	17.950.674	21.920.337	(9.782.710)	-
December 31, 2011								
Total assets	8.219.760	17.990.351	5.773.401	17.045.835	28.322.207	25.635.620	6.109.829	109.097.003
Total liabilities	12.671.217	44.724.286	15.204.303	12.856.961	8.396.996	1.979.293	13.263.947	109.097.003
Net liquidity gap	(4.451.457)	(26.733.935)	(9.430.902)	4.188.874	19.925.211	23.656.327	(7.154.118)	-

(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.

Explanations on securitization positions:

None.

Credit risk mitigation techniques:

The Bank uses on-balance and off-balance sheet netting for the calculation of credit risk mitigation factors.

Cash and cash equivalent collaterals considered for the mitigating the credit risk, are taken into account at their nominal values. Additional margin is applied where currencies of exposure and the collateral are different.

Mortgage collaterals considered for mitigating the credit risk, are taken into account with the expertise value (which are also reviewed by the expert group of the Bank) determined by CMB licensed experts. Based on these values of the collaterals, total amount of credit risk is determined in accordance with the maximum Loan-to-Value ratio set by BRSA.

For the guarantees that are taken to mitigate the credit risk, credit worthiness of the guarantor is measured.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (continued)

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

Information related to financial position of the Bank (continued)

The Bank carries out its activities in accordance with the BRSA Communiqué for the valuation of the loans granted for financing of a real estate.

Cheques and notes in connection with a real business transaction are taken into consideration to mitigate the credit risk.

In order to use bank guarantee as collateral for a credit risk, it is required to have a counterparty limit on behalf of the guarantor bank and not to have mismatch of the maturity and the amount of the guarantee and the credit risk.

In the process of credit allocation, cash blockage guarantees, pledges, mortgages, guarantees and warranties are considered as risk-reducing collaterals.

Credit derivatives are not taken into consideration for credit risk mitigation techniques.

The Bank's exposure to risks is measured and monitored periodically by using internationally recognized methods, in accordance with international and local regulations and internal policies. With regards to the limitation of risks, also internal limits are employed besides regulatory limits. Possible changes that may occur in the economic environment are taken into account for determining these limits.

Information about guaranties according to risk classifications:

Risk classifications	Amount⁽¹⁾	Financial guaranties⁽²⁾	Other / Physical guaranties⁽²⁾	Guarantees and credit derivatives⁽²⁾
Conditional and unconditional receivables from central governments or central banks	33.594.868	-	-	-
Conditional and unconditional receivables from regional or local governments	752	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	16.581	-	-	-
Conditional and unconditional receivables from multilateral development banks	78.030	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	51.015.886	61.333	-	-
Conditional and unconditional receivables from corporates	161.728.964	1.810.940	-	112.509
Conditional and unconditional retail receivables	65.339.706	255.367	-	8.055
Conditional and unconditional receivables secured by mortgages	6.685.892	-	-	-
Past due receivables	994.051	-	-	-
Receivables defined in high risk category by the Regulator	6.281.701	-	-	-
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-
Other Receivables	7.009.890	-	-	-
Total	332.746.321	2.127.640	-	120.564

(1) Figures represent the total amount of credit risks prior to the risk mitigating calculations as per the "Regulation on Credit Risk Mitigation Techniques".

(2) Figures represent the total amount of collaterals which are taken into consideration for the risk mitigating calculations. Other risk reducing items are not included in this table such as; mortgages, pledges, guarantees and warranties.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (continued)

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

Information related to financial position of the Bank (continued)

Structure and organization of the risk management system:

Risk management strategy of the Bank includes measurement and monitoring of the risks with the methods that are defined in accordance with the international standards and local regulations. Also it includes having a sustainable growth in the framework of optimized capital use in accordance with the principle of keeping a balanced risk and return approach.

Risk Management Department including the sub-departments of "Credit Risk Control and Operational Risk Management", "Market Risk Management" and "Credit Risk Management", reports to the Board of Directors through the Audit Committee.

Credit risk rating models are mainly used to measure and monitor the credit risk. The rating model is used in day to day activities of the Bank such as, for the evaluation of new credit applications, determination of credit approval authority levels and monitoring the performance of the existing customer portfolio. Performance of the rating model is monitored by a validation team on a regular basis.

Reports related to the loan portfolio of the Bank are distributed to the relevant departments within the Bank, on a regular basis. Expected loss calculations for the Bank's loan portfolio are performed and used for determining the objectives and policies of the Bank.

Market Risk Analysis unit is responsible for measuring, monitoring and distributing the results of the market risk to the relevant departments within the Bank, as well as reviewing the valuation calculations of financial instruments, which are subject to market risk, in accordance with accounting standards.

The Bank's exposure to risks is measured and monitored periodically by using internationally recognized methods, in accordance with international regulations, local regulations and internal policies. In addition to the regulatory limits, there are also internal limits set to measure and monitor the risk. Possible changes that may occur in the economic environment are taken into account for determining these limits.

VI. Explanations on hedge accounting:

The Bank applies the following hedge accounting models as of September 30, 2012;

- Fair value Hedge ("FVH")
- Cash Flow Hedge ("CFH")

Cross currency interest rate swaps are used as hedging instrument in FVH and interest rate swaps are used as hedging instrument in CFH.

Contractual amounts and the fair values as at September 30, 2012 and December 31, 2011 of these hedging instruments are presented in the table below:

	Notional ⁽¹⁾	September 30, 2012		Notional ⁽¹⁾	December 31, 2011	
		Asset	Liability		Asset	Liability
Hedging instrument						
Interest rate swap	17.852.584	-	779.269	16.218.598	7.588	483.882
Cross currency interest rate swap	1.947.858	111.149	54.102	2.782.807	369.747	18.959
Total	19.800.442	111.149	833.371	19.001.405	377.335	502.841

(1) Only the "sell" legs of the related derivatives are presented with the addition of the "buy" legs of these derivatives amounting to TL 20.107.279 (December 31, 2011 – TL 19.642.646) the total notional of derivative financial assets amounting to TL 39.907.721 (December 31, 2011 – TL 38.644.051) is accounted for in off-balance sheet under "Hedging Derivative Financial Instruments" line item.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (continued)

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

Information related to financial position of the Bank (continued)

The fair valuation methodology of the derivatives presented in the above table is disclosed in the accounting principles section of these financial statements in Section III. Part IV.

Fair value hedge accounting:

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 funding by using cross-currency interest rate swaps. The Bank selected to apply macro FVH accounting for such relationship in accordance with TAS 39.

The impact of application of FVH accounting is summarized below:

September 30, 2012						
Type of hedging instrument	Hedged item (asset and liability)	Nature of hedged risks	Fair value difference / adjustment of the hedged item ⁽¹⁾	Net fair value of the hedging instrument ⁽²⁾		Net gain/(loss) recognised in the income statement (Derivative financial transactions gains/losses) ⁽³⁾
				Asset	Liability	
Cross currency interest rate swaps	Fixed interest TL mortgage and car loan portfolios and foreign currency funds	Fixed interest and changes in foreign exchange rate risk	138.093	111.149	54.102	30.890

(1) The amount refers to the fair value of the hedged item calculated for the TL fixed interest mortgage and car loans in accordance with hedge accounting effectiveness tests. The foreign exchange rate changes of foreign currency fundings and cross-currency swaps are reflected to the income statement in foreign exchange gains / losses line item.

(2) The amounts include the foreign exchange differences and net straight line interest accruals of the related derivatives.

(3) The ineffective portion of the mentioned hedging transaction is TL 5.802.

December 31, 2011						
Type of hedging instrument	Hedged item (asset and liability)	Nature of hedged risks	Fair value difference / adjustment of the hedged item ⁽¹⁾	Net fair value of the hedging instrument ⁽²⁾		Net gain/(loss) recognised in the income statement (Derivative financial transactions gains/losses) ⁽³⁾
				Asset	Liability	
Cross currency interest rate swaps	Fixed interest TL mortgage and car loan portfolios and foreign currency funds	Fixed interest and changes in foreign exchange rate risk	107.204	369.747	18.959	(117.225)

(1) The amount refers to the fair value of the hedged item calculated for the TL fixed interest mortgage and car loans in accordance with hedge accounting effectiveness tests. The foreign exchange rate changes of foreign currency fundings and cross-currency swaps are reflected to the income statement in foreign exchange gains / losses line item.

(2) The amounts include the foreign exchange differences and net straight line interest accruals of the related derivatives.

(3) The ineffective portion of the mentioned hedging transaction is TL 4.426.

At the inception date, the Bank documents the relationship between the hedging instruments and hedged items required by the FVH accounting application in accordance with TAS 39 and its own risk management policies and principles. Every individual relationship is approved and documented in the same methodology. In accordance with TAS 39, the effectiveness tests of the relationships are performed in accordance with the Bank's risk management policies. In the effectiveness tests, the fair values of the hedged item are calculated using the same assumptions used in calculation of fair values of the derivatives.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (continued)

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

Information related to financial position of the Bank (continued)

The effectiveness tests are performed prospectively and retrospectively on a monthly basis. At the inception date the effectiveness tests are performed prospectively. If the underlying hedge does not conform to the FVH accounting requirements (out of the 80%-125% effectiveness range) or if the management voluntarily decides to discontinue the hedging relation, the adjustments made to the carrying value (amortized cost) of the hedged item are amortized with the straight line method and recognized in the profit and loss accounts. In addition if the hedging instrument is sold or closed before its maturity, the amount of the fair value adjustments of the hedged items are amortized to profit and loss accounts with the straight line method.

Cash flow hedge accounting:

The Bank started to apply macro cash flow hedge accounting from January 1, 2010 onwards in order to hedge its cash flow risk from floating interest rate liabilities. 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, borrowings and repos.

The impact of application of CFH accounting is summarized below:

September 30, 2012

Type of hedging instrument	Hedged item (asset and liability)	Nature of hedged risks	Net fair value of the hedging instrument		Net gain/(loss) recognized in hedging funds ⁽¹⁾	Net gain/(loss) reclassified to equity ⁽²⁾⁽³⁾
			Asset	Liability		
Interest rate swaps	Customer deposits, borrowings and repos	Cash flow risk due to the changes in the interest rates	-	779.269	(531.422)	(222.892)

(1) Includes deferred tax impact.

(2) Includes tax and foreign exchange differences.

(3) The ineffective portion of the mentioned hedging transaction is TL 2.132.

December 31, 2011

Type of hedging instrument	Hedged item (asset and liability)	Nature of hedged risks	Net fair value of the hedging instrument		Net gain/(loss) recognized in hedging funds ⁽¹⁾	Net gain/(loss) reclassified to equity ⁽²⁾⁽³⁾
			Asset	Liability		
Interest rate swaps	Customer deposits and repos	Cash flow risk due to the changes in the interest rates	7.588	483.882	(308.530)	(206.702)

(1) Includes deferred tax impact.

(2) Includes tax and foreign exchange differences.

(3) The ineffective portion of the mentioned hedging transaction is TL 1.076.

At the inception date, the Bank documents the relationship between the hedging instruments and hedged items required by the CFH accounting application in accordance with TAS 39 and its own risk management policies and principles. Every individual relationship is approved and documented in the same way. In accordance with TAS 39, the effectiveness tests of the relationships are performed in accordance with the Bank's risk management policies.

The effectiveness tests are performed on a monthly basis. If the underlying hedge does not conform to the CFH accounting requirements (out of the 80%-125% effectiveness range) or if the management voluntarily decides to discontinue the hedging relation or the hedging instrument is sold or closed before its maturity, the cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive income from the period when the hedge was effective shall remain separately in equity until the forecast transaction occurs or is no longer expected to occur. If the transaction is no longer expected to occur, the cumulative gain or loss that had been recognised in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (continued)

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

Information related to financial position of the Bank (continued)

VII. Explanations on operating segments:

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

The Bank's Retail Banking activities include card payment systems, 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, mortgages and commercial loans), commercial installment loans, SME loans, time and demand deposits, gold banking, investment accounts, life and non-life insurance products and payroll services. Card payment systems cover the management of products, services, campaigns for member merchants as well as the sales and activities 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 card and a prepaid card named World Hediye Card.

Corporate and Commercial Banking segment is organized into three subgroups: Corporate Banking for large-scale companies, Commercial Banking for medium-sized enterprises and Multinational Companies Banking for multinational companies. Corporate and Commercial Banking, has a product range of working capital finance, trade finance, project finance, domestic and international non-cash loans such as letters of credit and letters of guarantee, cash management and internet banking.

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 deposit products, capital guaranteed funds, mutual funds, Type A Type B funds, derivative products such as forwards, futures and options in domestic futures exchange (VOB) and international markets, personal loans, foreign exchange, gold and equity trading, pension plans, insurance products and 7/24 safe deposit boxes and e-banking services. Also, personal art advisory, inheritance advisory, real estate advisory, tax advisory and philanthropic advisory are offered within the Private Banking and Wealth Management activities.

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 management's results, operations of supporting business units and other unallocated transactions.

The below table is prepared in accordance with the Management Information System (MIS) data of the Bank.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (continued)

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

Information related to financial position of the Bank (continued)

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

September 30, 2012	Retail banking	Corporate and commercial banking	Private banking and wealth management	Other⁽⁴⁾	Total operations of the Bank
Operating revenue	2.141.984	1.184.841	92.222	1.104.587	4.523.634
Operating expenses	(1.526.741)	(218.782)	(43.365)	(1.145.554)	(2.934.442)
Net operating income	615.243	966.059	48.857	(40.967)	1.589.192
Dividend income ⁽¹⁾				183.377	183.377
Profit before tax	615.243	966.059	48.857	142.410	1.772.569
Tax provision ⁽¹⁾				(371.589)	(371.589)
Net profit	615.243	966.059	48.857	(229.179)	1.400.980
Segment assets ⁽³⁾	36.204.653	30.860.352	173.662	47.870.391	115.109.058
Investments in associates, subsidiaries and joint ventures				3.108.938	3.108.938
Total assets	36.204.653	30.860.352	173.662	50.979.329	118.217.996
Segment liabilities ⁽³⁾	29.487.924	23.133.333	17.115.375	34.066.207	103.802.839
Shareholders' equity				14.415.157	14.415.157
Total liabilities	29.487.924	23.133.333	17.115.375	48.481.364	118.217.996

December 31, 2011	Retail banking	Corporate and commercial banking	Private banking and wealth management	Other⁽⁴⁾	Total operations of the Bank
Operating revenue ⁽²⁾	1.928.827	1.195.826	99.238	893.928	4.117.819
Operating expenses ⁽²⁾	(1.082.965)	(312.956)	(48.574)	(1.085.815)	(2.530.310)
Net operating income⁽²⁾	845.862	882.870	50.664	(191.887)	1.587.509
Dividend income ^{(1) (2)}				128.203	128.203
Profit before tax⁽²⁾	845.862	882.870	50.664	(63.684)	1.715.712
Tax provision ^{(1) (2)}				(332.785)	(332.785)
Net profit	845.862	882.870	50.664	(396.469)	1.382.927
Segment assets ⁽³⁾	31.022.708	32.454.527	230.862	42.526.127	106.234.224
Investments in associates, subsidiaries and joint ventures				2.862.779	2.862.779
Total assets	31.022.708	32.454.527	230.862	45.388.906	109.097.003
Segment liabilities ⁽³⁾	25.921.556	22.672.713	15.712.099	32.096.423	96.402.791
Shareholders' equity				12.694.212	12.694.212
Total liabilities	25.921.556	22.672.713	15.712.099	44.790.635	109.097.003

- (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, 2011.
- (3) Segment asset and liability balances are extracted from Management Information Systems (MIS).
- (4) Other segment mainly includes Treasury management results, activities of business support units and the other undistributed operations.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (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, 2012		December 31, 2011	
	TL	FC	TL	FC
Cash	1.098.048	303.577	781.556	232.056
The CBRT ⁽¹⁾	637.846	9.878.698	3.870.730	4.850.192
Other	-	201	-	171
Total	1.735.894	10.182.476	4.652.286	5.082.419

(1) The balance of gold amounting to TL 1.498.821 is accounted for under the Central Bank foreign currency account as of September 30, 2012 (December 31, 2011 – 564.607).

2. Information on the account of the CBRT:

	September 30, 2012		December 31, 2011	
	TL	FC	TL	FC
Demand unrestricted amount ⁽¹⁾	637.846	1.401.770	3.870.730	1.411.016
Time unrestricted amount	-	-	-	-
Reserve requirement ⁽²⁾	-	8.476.928	-	3.439.176
Total	637.846	9.878.698	3.870.730	4.850.192

(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.

(2) The Bank keeps TL, USD, EUR and Gold reserve deposits for its TL and FX liabilities at Central Bank accounts in accordance with the legislation of the Central Bank numbered 2005/1, "Decree on Reserve Deposits". No interest is applied to reserve deposits.

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

1. As of September 30, 2012, the Bank does not have financial assets at fair value through profit and loss subject to repo transactions and does not have financial assets at fair value through profit and loss given as collateral/blocked amount (December 31, 2011 - None).

2. Positive differences related to trading derivative financial assets:

	September 30, 2012		December 31, 2011	
	TL	FC	TL	FC
Forward transactions	83.249	-	126.658	74
Swap transactions ⁽¹⁾	179.685	71.955	34.541	62.272
Futures transactions	-	-	-	-
Options	13.426	23.661	46.023	8.348
Other	-	-	-	-
Total	276.360	95.616	207.222	70.694

(1) The effects of Credit Default Swaps are included.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (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 banks:

1. Information on banks:

	September 30, 2012		December 31, 2011	
	TL	FC	TL	FC
Banks	798.768	1.915.001	133.164	1.680.515
Domestic	622.825	311.184	86.751	10.569
Foreign ⁽¹⁾	175.943	1.603.817	46.413	1.669.946
Head quarters and branches abroad	-	-	-	-
Total	798.768	1.915.001	133.164	1.680.515

(1) As of September 30, 2012 the balance of foreign currency account in foreign banks includes the balance of gold amounting to TL 19.222 (December 31, 2011 – None).

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

1. Characteristics and carrying values of available-for-sale financial assets which subject to repurchase agreements given as collateral / blocked

As of September 30, 2012, available-for-sale financial assets given as collateral/blocked amount to TL 7.361 (December 31, 2011 - TL 98.351) and available-for-sale financial assets subject to repo transactions amount to TL 722.737 (December 31, 2011 – TL 705.903).

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

	September 30, 2012	December 31, 2011
Debt securities	7.324.852	7.107.106
Quoted in stock exchange	5.709.702	5.441.406
Not quoted ⁽¹⁾	1.615.150	1.665.700
Share certificates	50.424	49.399
Quoted in stock exchange	-	-
Not quoted	50.424	49.399
Impairment provision (-) ⁽²⁾	(47.416)	(187.463)
Other ⁽³⁾	107.252	87.419
Total	7.435.112	7.056.461

(1) Includes credit linked notes amounting to TL 871.187 (December 31, 2011 - TL 951.989).

(2) The figure includes the negative differences between the cost and the market price of the securities and the impairment provisions, if any.

(3) As of September 30, 2012, other available-for-sale financial assets include mutual funds amounting to TL 107.252 (December 31, 2011 - TL 87.419).

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (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:

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

	September 30, 2012		December 31, 2011	
	Cash	Non-cash	Cash	Non-cash
Direct loans granted to shareholders	-	-	-	-
Corporate shareholders	-	-	-	-
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	5.958	289.563	4.576	230.061
Loans granted to employees	101.431	71	95.934	71
Total	107.389	289.634	100.510	230.132

- 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 (Total)	of which, terms & conditions are changed		Loans and other receivables (Total)	of which, terms & conditions are changed	
		Payment plan extensions	Other		Payment plan extensions	Other
Non-specialized loans	69.576.001	2.276.089	-	2.171.212	219.225	91.448
Loans given to enterprises	25.687.246	167.685	-	399.569	18.380	80.921
Export loans	3.797.907	166.460	-	113.576	21.017	-
Import loans	-	-	-	-	-	-
Loans given to financial sector	1.505.359	-	-	-	-	-
Consumer loans	13.870.576	1.905.824	-	704.329	177.694	-
Credit cards	12.782.225	-	-	323.357	-	10.526
Other ⁽¹⁾	11.932.688	36.120	-	630.381	2.134	1
Specialized loans	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-
Total	69.576.001	2.276.089	-	2.171.212	219.225	91.448

- (1) As explained in the Note VI of Section IV, TL 138.093 of fair value difference of hedged items is classified under other loans.

	Standard loans and other receivables	Loans and other receivables under close monitoring
Number of modifications made to extend payment plan⁽¹⁾		
Extended by 1 or 2 times	2.236.290	203.465
Extended by 3,4 or 5 times	16.416	6.047
Extended by more than 5 times	23.383	9.713
Total	2.276.089	219.225

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

Extended period of time⁽¹⁾	Standard loans and other receivables	Loans and other receivables under close monitoring
0 - 6 Months	274.235	23.897
6 - 12 Months	254.967	16.430
1 - 2 Years	818.213	100.869
2 - 5 Years	903.564	75.527
5 Years and over	25.110	2.502
Total	2.276.089	219.225

- (1) Three loans with maturities extended 6 months to 1 year and 1 year to 5 years are restructured in accordance with the temporary article 5 subsection 2 of the amendment of "Regulation of Procedures for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside" dated April 9, 2011.

One loan with maturity extended 1 year to 5 years is restructured in accordance with temporary article 6 subsection 2 of the amendment of "Regulation of Procedures for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set Aside" dated December 30, 2011.

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

	Short- term	Medium and long-term	Total
Consumer loans-TL	134.343	14.002.027	14.136.370
Real estate loans	3.161	6.681.216	6.684.377
Automotive loans	7.628	1.134.434	1.142.062
Consumer loans	572	42.251	42.823
Other	122.982	6.144.126	6.267.108
Consumer loans-FC indexed	-	128.795	128.795
Real estate loans	-	125.415	125.415
Automotive loans	-	94	94
Consumer loans	-	2.620	2.620
Other	-	666	666
Consumer loans-FC	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Individual credit cards-TL	11.348.599	393.524	11.742.123
With installments	6.897.675	387.310	7.284.985
Without installments	4.450.924	6.214	4.457.138
Individual credit cards- FC	-	-	-
With installments	-	-	-
Without installments	-	-	-
Personnel loans-TL	4.363	39.200	43.563
Real estate loans	-	1.031	1.031
Automotive loans	40	1.118	1.158
Consumer loans	-	-	-
Other	4.323	37.051	41.374
Personnel loans-FC indexed	-	3	3
Real estate loans	-	3	3
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel loans-FC	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel credit cards-TL	56.227	731	56.958
With installments	34.441	731	35.172
Without installments	21.786	-	21.786
Personnel credit cards-FC	-	-	-
With installments	-	-	-
Without installments	-	-	-
Credit deposit account-TL (real person)⁽¹⁾	266.174	-	266.174
Credit deposit account-FC (real person)	-	-	-
Total	11.809.706	14.564.280	26.373.986

- (1) TL 907 of the credit deposit account belongs to the loans used by personnel.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (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
Commercial installments loans-TL	432.844	5.220.927	5.653.771
Business loans	1.280	281.004	282.284
Automotive loans	37.768	1.778.076	1.815.844
Consumer loans	-	31	31
Other	393.796	3.161.816	3.555.612
Commercial installments loans-FC indexed	27.697	405.965	433.662
Business loans	-	22.419	22.419
Automotive loans	1.427	79.879	81.306
Consumer loans	-	-	-
Other	26.270	303.667	329.937
Commercial installments loans-FC	-	-	-
Business loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Corporate credit cards-TL	1.302.424	4.077	1.306.501
With installment	787.011	4.077	791.088
Without installment	515.413	-	515.413
Corporate credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Credit deposit account-TL (legal person)	863.420	-	863.420
Credit deposit account-FC (legal person)	-	-	-
Total	2.626.385	5.630.969	8.257.354

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

	September 30, 2012	December 31, 2011
Domestic loans	70.655.558	65.908.367
Foreign loans	1.091.655	1.136.504
Total	71.747.213	67.044.871

6. Loans granted to associates and subsidiaries:

	September 30, 2012	December 31, 2011
Direct loans granted to associates and subsidiaries	490.333	701.047
Indirect loans granted to associates and subsidiaries	-	-
Total	490.333	701.047

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (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, 2012	December 31, 2011
Loans and other receivables with limited collectability	87.532	69.662
Loans and other receivables with doubtful collectability	340.633	201.155
Uncollectible loans and other receivables	1.371.571	1.074.156
Total	1.799.736	1.344.973

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
September 30, 2012			
(Gross amounts before specific reserves)	40.318	58.034	83.265
Restructured loans and other receivables	40.318	58.034	83.265
Rescheduled loans and other receivables	-	-	-
December 31, 2011			
(Gross amounts before specific reserves)	107.002	31.673	42.739
Restructured loans and other receivables	107.002	31.673	42.739
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
December 31, 2011	486.550	353.967	1.239.396
Additions (+)	1.617.670	120.520	60.955
Transfers from other categories of non-performing loans (+)	-	1.168.000	759.114
Transfer to other categories of non-performing loans (-)	(1.168.000)	(759.114)	-
Collections (-)	(437.472)	(184.664)	(550.247)
Write-offs(-)	-	-	-
Corporate and commercial loans	-	-	-
Consumer loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
September 30, 2012	498.748	698.709	1.509.218
Specific provision (-)	(87.532)	(340.633)	(1.371.571)
Net balance on balance sheet	411.216	358.076	137.647

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (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	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
September 30, 2012			
Period end balance	557	14.102	271.750
Specific provision (-)	(94)	(6.507)	(168.836)
Net balance on-balance sheet	463	7.595	102.914
December 31, 2011			
Period end balance	120.214	48.951	75.148
Specific provision (-)	(12.669)	(11.946)	(53.185)
Net balance on-balance sheet	107.545	37.005	21.963

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

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
September 30, 2012 (net)	411.216	358.076	137.647
Loans granted to real persons and corporate entities (gross)	498.748	698.709	1.400.634
Specific provision amount (-)	(87.532)	(340.633)	(1.262.987)
Loans granted to real persons and corporate entities (net)	411.216	358.076	137.647
Banks (gross)	-	-	24.588
Specific provision amount (-)	-	-	(24.588)
Banks (net)	-	-	-
Other loans and receivables (gross)	-	-	83.996
Specific provision amount (-)	-	-	(83.996)
Other loans and receivables (net) ⁽¹⁾	-	-	-
December 31, 2011 (net)	416.888	152.812	165.240
Loans granted to real persons and corporate entities (gross)	486.550	329.379	1.155.400
Specific provision amount (-)	(69.662)	(176.567)	(990.160)
Loans granted to real persons and corporate entities (net)	416.888	152.812	165.240
Banks (gross)	-	24.588	-
Specific provision amount (-)	-	(24.588)	-
Banks (net)	-	-	-
Other loans and receivables (gross)	-	-	83.996
Specific provision amount (-)	-	-	(83.996)
Other loans and receivables (net) ⁽¹⁾	-	-	-

- (1) The figure represents the total loans and receivables of Agrosan Kimya Sanayi Ticaret A.Ş., available for sale securities from Tümteks Tekstil Sanayi Ticaret A.Ş. and balances from Boyasan Tekstil Sanayi ve Ticaret A.Ş., which are subsidiaries of the Bank, in accordance with the Article 6 Paragraph 9 of regulation for provisions taken into account classification of loans and receivables.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

f. Information on held-to-maturity investments:

1. Characteristics and carrying values of held-to-maturity investments subject to repurchase agreements given as collateral / blocked:

As of September 30, 2012 held-to-maturity investments given as collateral / blocked amount to TL 2.342.437 (December 31, 2011 - TL 2.728.229). The amount of held-to-maturity investments subject to repurchase agreements amounting to TL 8.386.613 (December 31, 2011 - TL 6.467.221).

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

	September 30, 2012	December 31, 2011
Government bond	11.661.421	12.537.425
Treasury bill	-	-
Other debt securities	-	-
Total	11.661.421	12.537.425

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

	September 30, 2012	December 31, 2011
Debt securities	11.829.425	12.633.048
Quoted on stock exchange	11.829.425	12.633.048
Not quoted	-	-
Impairment provision (-) ⁽¹⁾	(168.004)	(95.623)
Total	11.661.421	12.537.425

- (1) Includes amortisation of the premiums paid during the purchase of the securities throughout the maturity of the securities and the impairment provisions, if any.

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

	September 30, 2012	December 31, 2011
Beginning balance	12.537.425	12.530.657
Foreign currency differences on monetary assets ⁽¹⁾	(594.165)	1.664.889
Purchases during year	342	545.066
Disposals through sales and redemptions	(209.800)	(2.185.999)
Impairment provision (-) ⁽²⁾	(72.381)	(17.188)
Period end balance	11.661.421	12.537.425

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

- (2) Includes amortisation of the premiums paid during the purchase of the securities throughout the maturity of the securities and the impairment provisions, if any.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

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. ⁽¹⁾	Cenevre/İsviçre	30,67	69,33
2.	Kredi Kayıt Bürosu. ⁽²⁾	İstanbul/Türkiye	18,18	18,18
3.	Bankalararası Kart Merkezi ⁽²⁾	İstanbul/Türkiye	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	3.912.747	622.288	5.612	67.207	12.273	45.530	45.279	-
2	57.225	50.441	3.459	884	-	16.175	8.719	-
3	30.507	20.440	12.875	593	-	1.957	1.309	-

(1) Financial statement information disclosed above shows September 30, 2012 results.

(2) Financial statement information disclosed above shows June 30, 2012 results for these non financial investments in associates.

3. Movement of unconsolidated investments in associates:

	September 30, 2012	December 31, 2011
Balance at the beginning of the period	47.907	47.344
Movements during the period	-	563
Purchases	-	-
Transfers	-	-
Bonus shares obtained ⁽¹⁾	-	563
Share of current period income	-	-
Sales	-	-
Revaluation (decrease) / increase	-	-
Impairment provision	-	-
Balance at the end of the period	47.907	47.907
Capital commitments	-	-
Share holding percentage at the end of the period (%)	-	-

(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, 2012 (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 financial investments in associates:

	September 30, 2012	December 31, 2011
Banks	43.404	43.404
Insurance companies	-	-
Factoring companies	-	-
Leasing companies	-	-
Finance companies	-	-
Other financial investments	-	-
Total financial investments	43.404	43.404

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

h. Information on shareholders' equity of the significant subsidiaries:

There is no deficit of regulatory limits on capital structure of the subsidiaries which are included in the consolidated capital adequacy ratio calculation in accordance with the capital adequacy ratio limits.

1. Information on shareholders' equity of the subsidiaries:

	Yapı Kredi Yatırım Menkul Değerler A.Ş.	Yapı Kredi Faktoring A.Ş.	Yapı Kredi Sigorta A.Ş.	Yapı Kredi Finansal Kiralama A.O.	Yapı Kredi Portföy Yönetimi A.Ş.	Yapı Kredi Nederland N.V.
- Core Capital						
Paid-in capital	98.918	45.599	101.991	389.928	5.707	112.442
Inflation adjustment to share capital	-	-	-	-	-	-
Share premium	-	-	-	-	-	-
Marketable Securities Valuation Differences	22	-	1.758	-	-	105.645
Legal reserves	61.050	23.149	-	72.801	35.235	-
Extraordinary reserves	28.127	-	-	361.394	-	283.753
Profit/loss	(9.576)	34.130	94.700	370.342	15.961	36.887
Current period net profit	63.038	13.533	57.730	97.491	15.961	36.887
Prior period profit	(72.614)	20.597	36.970	272.851	-	-
Leasehold improvements (-)	-	-	-	-	-	-
Intangible assets (-)	850	32	13.884	3.147	262	-
Total core capital	177.691	102.846	184.565	1.191.318	56.641	538.727
-Supplementary capital	-	7.604	-	14.895	-	126
Capital	177.691	110.450	184.565	1.206.213	56.641	538.853
-Deductions from the capital	-	-	-	-	-	-
Total shareholders' equity	177.691	110.450	184.565	1.206.213	56.641	538.853

The above information is based on the information extracted from the individual financial statements of subsidiaries, used for consolidated financials of the Bank as of September 30, 2012.

There is no internal capital adequacy assessment process (ICAAP) for the subsidiaries.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

Paid-in capital is a capital which have been disclosed as Turkish Lira in the articles of incorporation and registered in trade register.

Inflation adjustment to share capital is the adjustment difference arising from inflation accounting.

Extraordinary Reserves are the reserves which represent the remaining net income of the previous periods after providing the legal reserves in accordance with the General Assembly of the Bank.

Legal reserves are the income reserves that are provided according to the first paragraph and the third subparagraph of the second paragraph of the article no 466 and no 467 of the Turkish Commercial Code No. 6762 allocated as capital reserves separated from annual profit according to the laws of foundation.

2. 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.	İstanbul/Türkiye	12,65	99,99
2	Yapı Kredi Holding B.V.	Amsterdam/Hollanda	100,00	100,00
3	Yapı Kredi Yatırım Menkul Değerler A.Ş.	İstanbul/Türkiye	99,98	99,99
4	Yapı Kredi Kültür Sanat Yayıncılık Tic.ve San.A.Ş.	İstanbul/Türkiye	99,99	100,00
5	Yapı Kredi Faktoring A.Ş.	İstanbul/Türkiye	99,95	100,00
6	Yapı Kredi Moscow	Moskova/Rusya	99,84	100,00
7	Yapı Kredi Sigorta A.Ş. ⁽¹⁾	Federasyonu	74,01	93,94
8	Yapı Kredi Finansal Kiralama A.O. ⁽²⁾	İstanbul/Türkiye	99,98	99,98
9	Yapı Kredi B Tipi Yatırım Ortaklığı A.Ş. ⁽³⁾	İstanbul/Türkiye	11,09	56,07
10	Enternasyonal Turizm Yatırım A.Ş.	İstanbul/Türkiye	99,96	99,99
11	Yapı Kredi Azerbaycan	Baku/Azerbaycan	99,80	100,00
12	Yapı Kredi Nederland N.V.	Amsterdam/Hollanda	67,24	100,00

(1) On June 27, 2012 the Bank has decided to consider the alternatives to reorganize its operations in insurance business.

(2) The Bank bought the shares of Yapı Kredi Finansal Kiralama A.O. with a nominal value of TL 4.406.244 for a share call price of full 5,02 per share in accordance with the ongoing delisting process, which was started in June'12, of Yapı Kredi Finansal Kiralama A.O. As a result of these transactions, Bank's equity stake in Yapı Kredi Finansal Kiralama A.O. increased to 99.98%.

(3) According to the decision of the Board of Directors of the Bank, dated September 28, 2012, share purchase agreement was signed on September 28, 2012 for Yapı Kredi B Tipi Yatırım Ortaklığı A.Ş. of which The Bank owns 11.09% of the issued share capital of TL 31.425.000, representing a total of TL 3.485.661 shares. The Bank owns these shares as of the date of these financial statements.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

3. Main financial figures of the subsidiaries in order of the above table: ⁽¹⁾

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 ⁽²⁾
1	64.241	56.903	711	4.665	27	15.961	31.513	-
2	102.297	102.220	-	-	-	(58)	(90)	-
3	1.887.911	286.631	5.429	68.140	3.884	63.038	69.213	-
4	14.963	12.064	372	45	-	1.167	884	-
5	1.527.584	102.879	518	110.862	-	13.534	32.584	-
6	328.451	116.207	9.106	16.150	1.518	9.411	7.422	-
7	1.104.751	362.182	22.953	34.426	16.639	53.600	42.619	1.268.000
8	3.334.609	977.361	3.913	181.223	-	97.491	107.809	1.150.000
9	85.277	83.787	33	2.394	396	6.676	77	78.000
10	37.555	24.210	3.910	1.185	-	892	621	-
11	511.947	137.142	20.592	29.335	415	8.721	10.031	-
12	3.807.050	538.727	959	143.159	6.446	36.887	22.373	-

(1) The financial information above is extracted from the publicly available financial statements of companies for those which are listed and for those which are not listed the financial information included in the preparation of consolidated financial statements are used.

(2) Determined based on the market prices quoted in organized markets or based on the amounts determined through valuation models.

Financial statement information disclosed above shows September 30, 2012 results.

4. Movement schedule of subsidiaries:

	September 30, 2012	December 31, 2011
Balance at the beginning of the period	2.795.249	2.890.337
Movements during the period	246.159	(95.088)
Purchases ⁽¹⁾	22.120	-
Transfers	-	-
Bonus shares obtained ⁽²⁾⁽³⁾	35.738	11.382
Share of current year income	-	-
Sales	-	-
Revaluation (decrease) / increase	188.301	(106.470)
Impairment provision	-	-
Balance at the end of the period	3.041.408	2.795.249
Capital commitments		-
Share holding percentage at the end of the period (%)		-

(1) Yapı Kredi Finansal Kiralama A.O. has voluntarily decided to delist its shares traded in capital markets upon the completion of the necessary legal procedures and the Bank's share rose to %99.98 purchasing the shares of Yapı Kredi Finansal Kiralama A.O. through calling of these shares.

(2) During the General Assembly meeting of Yapı Kredi Azerbaijan registered on May 29, 2012; it was decided to increase the share capital by AZN 8.700 thousand from the profit of 2011. The General Assembly with the decision on June 7, 2012 increased the share capital of Yapı Kredi Sigorta amounting TL 21.992 with financing from other profit reserves.

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

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

Financial subsidiaries	September 30, 2012	December 31, 2011
Banks	316.981	297.519
Insurance companies	938.447	728.259
Factoring companies	183.325	183.325
Leasing companies	1.149.721	1.136.774
Finance companies	-	-
Other financial subsidiaries	450.634	447.072
Total financial subsidiaries	3.039.108	2.792.949

6. Subsidiaries quoted to stock exchange:

	September 30, 2012	December 31, 2011
Quoted on domestic stock exchanges ⁽¹⁾	947.097	1.870.121
Quoted on foreign stock exchanges	-	-
Total of subsidiaries quoted to stock exchanges	947.097	1.870.121

- (1) Yapı Kredi Finansal Kiralama A.Ş. had decided for delisting for its publicly traded shares and completed the necessary legal processes with its own request.

i. Information on joint ventures (net):

Joint ventures in unconsolidated financial statements are accounted and monitored at cost according to "Financial Instruments: Recognition and Measurement of Accounting Standard for Turkey" ("IAS 39").

Joint ventures	Bank's share	Group's share	Current assets	Non-current assets	Long term debt	Income	Expense
Yapı Kredi - Koray Gayrimenkul Yatırım Ortaklığı A.Ş.	30,45	30,45	80.665	24.707	125	21.801	24.439
Total			80.665	24.707	125	21.801	24.439

Financial statement information disclosed above shows September 30, 2012 results.

j. Information on lease receivables (net):

None (December 31, 2011 - None).

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (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, 2012		December 31, 2011	
	TL	FC	TL	FC
Fair value hedge ⁽¹⁾	111.149	-	369.747	-
Cash flow hedge ⁽¹⁾	-	-	7.226	362
Foreign net investment hedge	-	-	-	-
Total	111.149	-	376.973	362

(1) Explained in the note VI of Section IV.

l. Information on investment property:

None (December 31, 2011 - None).

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

	September 30, 2012	December 31, 2011
Net book value at the beginning of the period	100.396	79.377
Additions	47.926	63.790
Disposals (-), net	(25.252)	(41.523)
Impairment provision reversal	512	1.380
Impairment provision (-)	(150)	(238)
Depreciation (-)	(2.825)	(2.390)
Net book value at the end of the period	120.607	100.396
Cost at the end of the period	129.224	107.782
Accumulated depreciation at the end of the period (-)	(8.617)	(7.386)
Net book value at the end of the period	120.607	100.396

As of September 30, 2012, the Bank booked impairment provision on assets held for resale with an amount of TL 9.429 (December 31, 2011 - TL 9.791).

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (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, 2012:

	Demand	Up to 1 month	1-3 months	3-6 months	6 months- 1 year	1 year and over	Total
Saving deposits	2.041.093	1.149.363	20.024.084	868.321	123.140	568.154	24.774.155
Foreign currency deposits	3.883.056	3.788.790	14.258.474	1.800.987	352.354	1.190.201	25.273.862
Residents in Turkey	3.777.945	3.684.550	12.976.362	1.137.521	342.591	808.899	22.727.868
Residents abroad	105.111	104.240	1.282.112	663.466	9.763	381.302	2.545.994
Public sector deposits	306.816	330	55.181	838	398	32	363.595
Commercial deposits	3.303.287	1.684.333	5.729.471	1.651.557	49.657	228.120	12.646.425
Other institutions deposits	34.699	20.871	1.189.611	100.306	423	99.723	1.445.633
Precious metals vault	781.781	2.998	164.968	66.289	90.245	135.139	1.241.420
Bank deposits	186.445	346.487	87.551	167.880	62.663	6.923	857.949
The CBRT	-	-	-	-	-	-	-
Domestic banks	1.855	345.523	87.551	119.776	62.663	6.923	624.291
Foreign banks	143.884	964	-	48.104	-	-	192.952
Participation banks	40.706	-	-	-	-	-	40.706
Other	-	-	-	-	-	-	-
Total	10.537.177	6.993.172	41.509.340	4.656.178	678.880	2.228.292	66.603.039

1 (ii). December 31, 2011:

	Demand	Up to 1 month	1-3 months	3-6 months	6 months- 1 year	1 year and over	Total
Saving deposits	1.939.777	1.364.513	15.295.711	1.102.514	296.691	1.271.930	21.271.136
Foreign currency deposits	4.044.651	4.294.735	15.203.545	2.184.377	70.219	916.009	26.713.536
Residents in Turkey	3.944.484	4.131.773	13.754.393	2.005.060	67.373	483.436	24.386.519
Residents abroad	100.167	162.962	1.449.152	179.317	2.846	432.573	2.327.017
Public sector deposits	136.025	281	101.058	564	139	17	238.084
Commercial deposits	3.052.965	1.232.791	5.603.637	1.750.784	214.433	169.547	12.024.157
Other institutions deposits	31.314	23.494	584.712	485.866	7.940	48.570	1.181.896
Precious metals vault	993.545	380	166.607	132.281	64.377	51.736	1.408.926
Bank deposits	319.991	306.103	-	44.896	5.395	3.264	679.649
The CBRT	-	-	-	-	-	-	-
Domestic banks	12.525	304.963	-	-	-	3.104	320.592
Foreign banks	258.616	1.140	-	44.896	5.395	160	310.207
Participation banks	48.850	-	-	-	-	-	48.850
Other	-	-	-	-	-	-	-
Total	10.518.268	7.222.297	36.955.270	5.701.282	659.194	2.461.073	63.517.384

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (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:

	Under the guarantee of deposit insurance		Exceeding limit of the deposit insurance	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
Saving deposits				
Saving deposits	9.245.744	8.534.672	15.528.401	12.736.461
Foreign currency savings deposit	2.219.066	2.751.032	9.157.944	7.640.970
Other deposits in the form of savings deposits	509.425	607.610	630.513	633.098
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, 2012	December 31, 2011
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	56.120	37.005
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	6.328	9.026

b. Information on trading derivative financial liabilities:

	September 30, 2012		December 31, 2011	
	TL	FC	TL	FC
Forward transactions	114.051	-	77.962	-
Swap transactions ⁽¹⁾	177.940	60.772	286.060	53.852
Futures transactions	-	-	-	-
Options	24.129	29.309	28.495	24.921
Other	-	-	-	-
Total	316.120	90.081	392.517	78.773

(1) The effects of Credit Default Swaps are included.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (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, 2012		December 31, 2011	
	TL	FC	TL	FC
The CBRT borrowings	-	-	-	-
From domestic banks and institutions	238.953	275.166	188.351	234.523
From foreign banks, institutions and funds	399.798	11.735.062	569.683	12.730.143
Total	638.751	12.010.228	758.034	12.964.666

2. Information on maturity structure of borrowings:

	September 30, 2012		December 31, 2011	
	TL	FC	TL	FC
Short-term	229.665	6.611.659	312.162	7.567.347
Medium and long-term	409.086	5.398.569	445.872	5.397.319
Total	638.751	12.010.228	758.034	12.964.666

3. Information on securitization borrowings:

The Bank has a securitization borrowing deal from Standard Chartered Bank and Unicredit Markets and Investment Banking amounting USD 300 million and EUR 156 million, the equivalent of TL 873.358 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 2012 a total of TL 297.223 is paid (2011 – TL 387.701).

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 854.982 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 and repayments will start in the last quarter of 2013.

d. Information on marketable securities issued:

	September 30, 2012		December 31, 2011	
	TL	FC	TL	FC
Bills	777.009	-	951.956	-
Bonds	400.141	870.974	144.350	-
Total	1.177.150	870.974	1.096.306	-

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

e. Information on other liabilities:

As of September 30, 2012, other liabilities do not exceed 10% of the total balance sheet commitments.

f. Information on lease payables:

1. Information on financial leasing agreements:

	September 30, 2012		December 31, 2011	
	Gross	Net	Gross	Net
Less than 1 year	103	102	606	569
Between 1-4 years	13.293	12.765	29.074	27.970
More than 4 years	4	-	65	58
Total	13.400	12.867	29.745	28.597

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, 2012		December 31, 2011	
	TL	FC	TL	FC
Fair value hedge ⁽¹⁾	54.102	-	18.959	-
Cash flow hedge ⁽¹⁾	237.727	541.542	43.693	440.189
Foreign net investment hedge	-	-	-	-
Total	291.829	541.542	62.652	440.189

(1) Explained in Note VI of Section IV.

h. Information on provisions:

1. Information on general provisions:

	September 30, 2012	December 31, 2011
Provisions for first group loans and receivables	942.332	756.701
<i>of which, Provision for Loans and Receivables with Extended Maturity</i>	115.536	60.151
Provisions for second group loans and receivables	76.052	70.625
<i>of which, Provision for Loans and Receivables with Extended Maturity</i>	7.366	1.540
Provisions for non cash loans	71.327	66.886
Others	152.808	147.792
Total	1.242.519	1.042.004

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (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 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.

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

	September 30, 2012	December 31, 2011
Discount rate (%)	4,66	4,66
Possibility of being eligible for retirement (%)	94,94	94,94

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 3.033,98 effective from July 1, 2012 (July 1, 2011: full TL 2.731,85) 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, 2012	December 31, 2011
Prior period ending balance	99.080	88.800
Changes during the period	28.379	32.622
Paid during the period	(22.481)	(22.342)
Balance at the end of the period	104.978	99.080

In addition, the Bank has accounted for unused vacation rights provision amounting to TL 85.960 as of September 30, 2012 (December 31, 2011 - TL 84.348).

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (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 provisions related with the foreign currency difference of foreign currency indexed loans:

As of September 30, 2012, the provision related to the foreign currency difference of foreign currency indexed loans amounts to TL 87.496 (December 31, 2011 - TL 17.520).

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

4. Other provisions:

- (i) Information on other provisions:

	September 30, 2012	December 31, 2011
Pension fund provision	796.986	775.286
Non-cash loan provision	101.212	108.232
Provisions on credit cards and promotion campaigns related to banking services	39.904	33.905
Provision on export commitment tax and funds liability	37.712	37.251
Other	73.164	91.196
Total	1.048.978	1.045.870

- (ii) General reserves for possible losses:

	September 30, 2012	December 31, 2011
General reserves for possible losses	154.739	135.719
Total	154.739	135.719

i. Information on taxes payable:

- (i) Information on taxes payable:

	September 30, 2012	December 31, 2011
Corporate Tax Payable	175.764	90.809
Taxation of Marketable Securities	94.944	71.272
Property Tax	1.762	1.485
Banking Insurance Transaction Tax ("BITT")	49.293	50.754
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	1.995	3.399
Other	25.179	21.160
Total	348.937	238.879

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

(ii) Information on premium payables:

	September 30, 2012	December 31, 2011
Social security premiums – employee	-	-
Social security premiums – employer	-	-
Bank pension fund premiums – employee	9.201	8.097
Bank pension fund premiums – employer	9.585	8.471
Pension fund deposit and provisions – employee	-	-
Pension fund deposit and provisions – employer	-	-
Unemployment insurance – employee	656	577
Unemployment insurance – employer	1.314	1.160
Other	-	-
Total	20.756	18.305

(iii) Information on deferred tax liability:

None (December 31, 2011 - None).

j. Information on subordinated loans:

	September 30, 2012		December 31, 2011	
	TL	FC	TL	FC
From domestic banks	-	-	-	-
From other domestic institutions	-	-	-	-
From foreign banks	-	3.408.210	-	2.523.816
From other foreign institutions	-	-	-	-
Total	-	3.408.210	-	2.523.816

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 September 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 September 19, 2007, the loans have been approved as subordinated loans and can be taken into consideration as supplementary capital within the limits of the Regulation Regarding Banks' Shareholders' Equity. 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 60% since the remaining maturity of these loans is less than 4 years. Subordinated loans obtained from Citibank, N.A.London Branch is considered in the supplementary capital calculation at the rate of 80% since the remaining maturity of this loan is less than 5 years.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

As of December 28, 2011 the bank obtained a subordinated loan from UniCredit Bank Austria AG, amounting to USD 585 million, with 10 years maturity and a repayment option by the borrower at the end of 5 years, at an interest rate of 3 months LIBOR + 8,30%. According to the authorization of BRSA dated February 20, 2012, this loan has been utilised as subordinated loan in compliance with the conditions of Regulation Regarding Banks' Shareholders' Equity.

k. Information on shareholders' equity:

1. Presentation of paid-in capital:

	September 30, 2012	December 31, 2011
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 10.000.000.

3. Information on the share capital increases during the period and the sources:

None (December 31, 2011 - 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 period's 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 value increase fund of marketable securities:

	September 30, 2012		December 31, 2011	
	TL	FC	TL	FC
From investments in associates, subsidiaries, and joint ventures	1.182.325	-	994.026	-
Valuation difference	1.182.325	-	994.026	-
Foreign currency difference ⁽¹⁾	-	-	-	-
Available for sale securities	210.880	60.234	(127.548)	44.104
Valuation differences	210.880	62.180	(127.548)	29.190
Foreign currency differences ⁽¹⁾	-	(1.946)	-	14.914
Total	1.393.205	60.234	866.478	44.104

(1) includes current period foreign currency differences.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (continued)

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

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, 2012	December 31, 2011
Commitments on credit card limits	16.255.713	13.666.113
Loan granting commitments	5.402.413	5.107.096
Commitments for cheques	5.326.452	4.220.740
Other irrevocable commitments	14.617.292	7.551.981
Total	41.601.870	30.545.930

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 71.327 (December 31, 2011 - TL 66.886) and a specific provision regarding non-cash loans amounting to TL 101.212 (December 31, 2011 – TL 108.232).

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

	September 30, 2012	December 31, 2011
Bank acceptance loans	130.634	158.915
Letter of credits	5.723.316	4.886.465
Other guarantees and collaterals	1.975.278	2.391.897
Total	7.829.228	7.437.277

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

	September 30, 2012	December 31, 2011
Temporary letter of guarantees	1.589.986	1.789.616
Definite letter of guarantees	14.453.777	12.932.613
Advance letter of guarantees	2.653.005	2.476.742
Letter of guarantees given to customs	1.072.106	1.048.085
Other letter of guarantees	728.766	450.806
Total	20.497.640	18.697.862

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

3. Total amount of non-cash loans:

	September 30, 2012	December 31, 2011
Non-cash loans given against cash loans	566.093	292.804
With original maturity of 1 year or less than 1 year	53.905	21.119
With original maturity of more than 1 year	512.188	271.685
Other non-cash loans	27.760.775	25.842.335
Total	28.326.868	26.135.139

b. Information on contingent liabilities and assets:

The Bank has recorded a provision of TL 33.886 (December 31, 2011 - TL 29.543) for litigation and has accounted for it in the financial statements under the "Other Provisions" account. Except for the cases where provisions are recorded, management considers as remote the probability of a negative result in ongoing litigations resulting in cash outflows.

As a result of preliminary research conducted in the banking sector regarding the interest rates, an investigation process is initiated on some banks including the Bank according to the Competition Board decision dated November 2, 2011 and no 11-55/1438-M to determine whether there is a violation of the 4th article of the Protection of Competition Law No. 4054. According to the decision of Competition Board dated April 6, 2012 and No.12-17/460-M, the process deadline is extended for another 6 months from May 2, 2012, as it has been decided that the initial deadline is not adequate to complete the process. The investigation and evaluation of the Competition Board is still on going.

IV. Explanations and notes related to income statement:

a. Information on interest income:

1. Information on interest income on loans:

	September 30, 2012		September 30, 2011	
	TL	FC	TL	FC
Short-term loans ⁽¹⁾	2.651.275	126.544	1.688.862	112.714
Medium/long-term loans ⁽¹⁾	2.016.105	746.224	1.476.986	634.049
Interest on loans under follow-up	89.447	19	73.876	97
Premiums received from resource utilization support fund	-	-	-	-
Total	4.756.827	872.787	3.239.724	746.860

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (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 interest income on banks:

	September 30, 2012		September 30, 2011	
	TL	FC	TL	FC
From the CBRT	-	-	-	-
From domestic banks	16.586	984	6.571	859
From foreign banks	1.748	6.644	2.130	8.307
Headquarters and branches abroad	-	-	-	-
Total	18.334	7.628	8.701	9.166

3. Information on interest income on marketable securities:

	September 30, 2012		September 30, 2011	
	TL	FC	TL	FC
From trading financial assets	12.099	1.174	18.650	779
From financial assets at fair value through profit or loss	-	-	-	-
From available-for-sale financial assets	419.474	27.983	349.799	39.467
From held-to-maturity investments	270.350	472.774	270.421	452.003
Total	701.923	501.931	638.870	492.249

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

	September 30, 2012	September 30, 2011
Interest received from associates and subsidiaries	12.243	9.861

b. Information on interest expense:

1. Information on interest expense on borrowings:

	September 30, 2012		September 30, 2011	
	TL	FC	TL	FC
Banks	51.214	358.375	78.813	240.742
The CBRT	-	-	-	-
Domestic banks	13.352	5.502	6.363	3.294
Foreign banks	37.862	352.873	72.450	237.448
Headquarters and branches abroad	-	-	-	-
Other institutions	-	-	-	104
Total ⁽¹⁾	51.214	358.375	78.813	240.846

(1) Includes fees and commissions related to borrowings.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (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 interest expense to associates and subsidiaries:

	September 30, 2012	September 30, 2011
Interest paid to associates and subsidiaries	50.677	24.783

3. Information on interest expense to marketable securities issued:

	September 30, 2012		December 31, 2011	
	TL	FC	TL	FC
Interest expense to marketable securities issued	104.280	39.446	23.527	-
Total	104.280	39.446	23.527	-

4. Maturity structure of the interest expense on deposits:

Account name	Demand deposit	Time deposit					Accumulating deposit	Total	September 30, 2012
		Up to 1 month	Up to 3 months	Up to 6 months	Up to 1 year	More than 1 year			
TL									
Bank deposits	158	1.085	2.137	2.087	988	220	-	6.675	7.363
Saving deposits	1	64.929	1.401.410	56.153	14.172	57.403	-	1.594.068	1.073.879
Public sector deposits	-	20	89	87	4	2	-	202	1.284
Commercial deposits	18	124.113	506.464	75.998	8.975	16.375	-	731.943	561.602
Other deposits	-	2.703	65.990	34.291	431	7.676	-	111.091	53.974
Deposits with 7 days notification	-	-	-	-	-	-	-	-	-
Total	177	192.850	1.976.090	168.616	24.570	81.676	-	2.443.979	1.698.102
FC									
Foreign currency deposits	90	138.148	398.129	35.632	3.991	25.261	-	601.251	498.024
Bank deposits	160	592	-	390	6	104	-	1.252	1.143
Deposits with 7 days notification	-	-	-	-	-	-	-	-	-
Precious metal vault	-	1.204	642	86	94	37	-	2.063	669
Total	250	139.944	398.771	36.108	4.091	25.402	-	604.566	499.836
Grand total	427	332.794	2.374.861	204.724	28.661	107.078	-	3.048.545	2.197.938

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

	September 30, 2012	September 30, 2011
Gain	34.354.330	15.073.798
Gain from capital market transactions	76.385	46.439
Derivative financial transaction gains	14.198.146	10.443.761
Foreign exchange gains	20.079.799	4.583.598
Loss(-)	(34.518.807)	(15.265.363)
Loss from capital market transactions	(9.346)	(21.190)
Derivative financial transaction losses	(15.137.191)	(10.761.394)
Foreign exchange loss	(19.372.270)	(4.482.779)
Net gain/loss	(164.477)	(191.565)

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

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

The amount of net income/loss from derivative financial transactions related to exchange rate changes is TL 626.252 (September 30, 2011 – TL 59.922 gain).

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, 2012	September 30, 2011
Specific provisions for loans and other receivables	473.965	309.523
III. Group loans and receivables	29.790	123.741
IV. Group loans and receivables	148.510	20.463
V. Group loans and receivables	295.665	165.319
General provision expenses	217.239	163.610
Provision expense for possible risks	19.020	19.348
Marketable securities impairment expenses ⁽¹⁾	13.692	433
Financial assets at fair value through profit or loss	240	-
Available-for-sale financial assets	13.452	433
Impairment of investments in associates, subsidiaries and held-to-maturity securities	72.381	75.859
Investments in associates	-	-
Subsidiaries	-	-
Joint ventures	-	-
Held-to-maturity investments ⁽¹⁾	72.381	75.859
Other	665	675
Total	796.962	569.448

(1) Includes amortisation of the premiums paid during the purchase of the securities throughout the maturity of the securities and the impairment provisions, if any.

g. Information related to other operating expenses:

	September 30, 2012	September 30, 2011
Personnel expenses	917.828	851.759
Reserve for employee termination benefits	5.898	1.346
Provision expense for pension fund	21.700	-
Impairment expenses of property and equipment	-	-
Depreciation expenses of property and equipment	114.509	108.310
Impairment expenses of intangible assets	-	-
Goodwill impairment expenses	-	-
Amortisation expenses of intangible assets	47.528	41.071
Impairment expenses of equity participations for which equity method applied	-	-
Impairment expenses of assets held for resale	150	169
Depreciation expenses of assets held for resale	2.825	1.736
Impairment expenses of fixed assets held for sale and assets related to discontinued operations	-	-
Other operating expenses	668.098	612.300
Operational lease expenses	109.504	95.726
Repair and maintenance expenses	36.029	17.706
Advertising expenses	55.576	44.024
Other expense	466.989	454.844
Loss on sales of assets	23	662
Other	358.921	343.509
Total	2.137.480	1.960.862

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

h. Provision for taxes on income from continuing and discontinuing operations:

As of September 30, 2012 the Bank has TL 513.581 (September 30, 2011 - TL 307.512) of total current tax expense and deferred tax income as TL 141.992 (30 September 2011 - TL 25.273).

i. 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.
2. Information on any change in the accounting estimates concerning the current period or future periods: None.

j. Other items in income statement:

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

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Notes to unconsolidated financial statements at September 30, 2012 (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 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, 2012:

Bank's risk group ^{(1), (2)}	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	701.047	291.713	8.292	230.061	673.086	722.958
Balance at the end of the period	490.333	125.518	17.101	289.563	658.803	1.339.292
Interest and commission income received	12.243	1.115	2.417	1.546	50.173	12.307

(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, 2011:

Bank's risk group ^{(1), (2)}	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	701.047	291.713	8.292	230.061	673.086	722.958
Interest and commission income received⁽³⁾	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 marketable securities and due from banks as well as loans.

(3) December 31, 2011 columns represent profit / loss figures for the 9 months period ended September 30, 2011.

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

Bank's risk group ^{(1), (2)}	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, 2012	December 31, 2011	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
Deposit						
Beginning of the period	1.239.623	549.533	5.160.138	3.449.707	4.414.388	5.019.730
End of the period	1.065.432	1.239.623	5.282.334	5.160.138	7.904.806	4.414.388
Interest expense on deposits⁽³⁾	50.677	24.783	204.451	158.018	155.279	188.982

(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, 2011 columns represent profit / loss figures for the 9 months period ended September 30, 2011.

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Notes to unconsolidated financial statements at September 30, 2012 (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:

Bank's risk group ⁽¹⁾	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, 2012	December 31, 2011	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
Transactions at fair value through profit or loss⁽²⁾						
Beginning of the period ⁽³⁾	2.044.472	963.586	216.174	187.782	97.206	642.637
End of the period ⁽³⁾	1.513.312	2.044.472	234.475	216.174	312.171	97.206
Total profit / (loss)⁽⁴⁾	3.362	(82.235)	(3.513)	1.508	8.900	(46.189)
Transactions for hedging purposes⁽²⁾						
Beginning of the period ⁽³⁾		-		-		-
End of the period ⁽³⁾		-		-		-
Total profit / (loss)⁽⁴⁾		-		-		-

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

(2) The Bank's derivative instruments are classified as "at Fair Value Through Profit or Loss" or "for Hedging Purposes" 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, 2011 columns represent profit / loss figures for the 9 months period ended September 30, 2011.

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

Salaries and benefits paid to the Bank's top management amount to TL 22.876 as of September 30, 2012 (September 30, 2011 – TL 19.972).

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2012 (continued)

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

VI. Explanations and notes related to subsequent events

- 1- The Bank issued bonds with the permission of Capital Markets Board numbered B.02.6.SPK.0.13.00-105.04.02 dated October 11, 2012 and the Board registration document numbered-67/BB-519 with a nominal value of TL 150.000 with 172 days of maturity. The issuance is finalized in October 18, 2012, as a result of demand collection held in 15-16-17 October 2012.
- 2- The Bank's request for the issuance of bonds or similar debt instruments up to an amount of USD 1.500 million or its equivalent in any foreign currency or Turkish Lira at total, to be sold to foreign residents within 1-year period on October 22, 2012 is approved by Capital Markets Board dated October 22, 2012 and BRSA dated November 2, 2012.

(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, 2012 (continued)

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

Section six

Explanations on independent review report

I. Explanations on independent auditor's review report

The unconsolidated financial statements for the period ended September 30, 2012 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 13, 2012 is presented preceding the unconsolidated financial statements.

II. Explanations and notes prepared by independent auditor

None.