

# **Yapı ve Kredi Bankası A.Ş.**

**Publicly announced unconsolidated financial statements and related disclosures at March 31, 2013 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 March 31, 2013 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 March 31, 2013 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, May 7, 2013

**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 March 31, 2013**

The unconsolidated financial report for the three months which is prepared in accordance with the “Communiqué Related to Publicly Announced Financial Statements of Banks and Explanations and Notes Related to these Financial Statements” as regulated by the Banking Regulation and Supervision Agency includes the following sections.

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

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

**H. Faik AÇIKALIN**  
Chief Executive Officer

**Carlo VIVALDI**  
Executive Director and  
Deputy CEO

**B. Seda İKİZLER**  
Head of Financial  
Reporting and

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

**Francesco GIORDANO**  
Member of Audit Committee

**F. Füsün Akkal BOZOK**  
Member of Audit Committee

**Benedetta NAVARRA**  
Member of Audit Committee

**Adil G. ÖZTOPRAK**  
Member of Audit Committee

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

**Name-Surname / Title** : Aysel Taktak / Regulatory Reporting Manager  
**Telephone Number** : 0212 339 63 29 / 0212 339 78 20  
**Fax Number** : 0212 339 61 05

## **Section one**

### General information

|      |   |   |
|------|---|---|
| I.   | History of the Bank including its incorporation date, initial legal status and amendments to legal status, if any   | 1 |
| II.  | Explanation about the Bank's capital structure, shareholders holding directly or indirectly, collectively or individually, the management and controlling power and changes in current year, if any and explanations on the controlling group of the Bank   | 1 |
| III. | Explanations regarding the board of directors, members of the audit committee, chief executive officer and executive vice presidents and their areas of responsibility and shares if any  | 1 |
| IV.  | Information on the individual and corporate shareholders having control shares of the Bank  | 3 |
| V.   | Summary information on the Bank's activities and service types  | 3 |
| VI.  | Differences between the communiqué on preparation of consolidated financial statements of Banks and Turkish Accounting Standards and short explanation about the entities subject to full consolidation or proportional consolidation and entities which are deducted from equity or entities which are not included in these three methods | 3 |
| VII. | The existing or potential, actual or legal obstacles on the immediate transfer of shareholder's equity between the Bank and its subsidiaries or reimbursement of liabilities  | 3 |

## **Section two**

### Unconsolidated financial statements

|      |  |    |
|------|--|----|
| I.   | Balance sheet (Statement of Financial Position)                            | 4  |
| II.  | Off-balance sheet commitments  | 6  |
| III. | Income statements  | 7  |
| IV.  | Statement of income and expense items accounted under shareholders' equity | 8  |
| V.   | Statement of changes in shareholders' equity                               | 9  |
| VI.  | Statement of cash flows  | 11 |

## **Section three**

### Accounting policies

|        |  |    |
|--------|--|----|
| I.     | Explanations on basis of presentation  | 12 |
| II.    | Explanations on strategy of using financial instruments and foreign currency transactions  | 14 |
| III.   | Explanations on investments in associates, subsidiaries and joint ventures   | 14 |
| IV.    | Explanations on forward and option contracts and derivative instruments  | 14 |
| V.     | Explanations on interest income and expense  | 16 |
| VI.    | Explanations on fee and commission income and expense  | 16 |
| VII.   | Explanations on financial assets   | 16 |
| VIII.  | Explanations on impairment of financial assets   | 19 |
| IX.    | Explanations on offsetting financial assets  | 19 |
| X.     | Explanations on sales and repurchase agreements and securities lending transactions  | 19 |
| XI.    | Information on assets held for resale and related to discontinued operations and explanations on liabilities related with these assets | 20 |
| XII.   | Explanations on goodwill and other intangible assets   | 20 |
| XIII.  | Explanations on property and equipment   | 21 |
| XIV.   | Explanations on leasing transactions   | 22 |
| XV.    | Explanations on provisions, contingent asset and liabilities   | 22 |
| XVI.   | Explanations on obligations related to employee rights   | 23 |
| XVII.  | Explanations on taxation   | 24 |
| XVIII. | Explanations on borrowings   | 26 |
| XIX.   | Explanations on issuance of share certificates   | 26 |
| XX.    | Explanations on avalized drafts and acceptances  | 26 |
| XXI.   | Explanations on government grants  | 26 |
| XXII.  | Profit reserves and profit distribution  | 26 |
| XXIII. | Earnings per share   | 26 |
| XXIV.  | Related parties  | 27 |
| XXV.   | Explanations on operating segments   | 27 |
| XXVI.  | Explanations on other matters  | 27 |

## **Section four**

### Financial Structure and Risk Management

|       |   |    |
|-------|---|----|
| I.    | Explanations on capital adequacy ratio  | 28 |
| II.   | Explanations on credit risk   | 31 |
| III.  | Explanations on market risk   | 31 |
| IV.   | Explanations on operational risk  | 32 |
| V.    | Explanations on currency risk   | 32 |
| VI.   | Explanations on interest rate risk  | 34 |
| VII.  | Explanation on share certificates position risk   | 37 |
| VIII. | Explanations on liquidity risk  | 38 |
| IX.   | Explanations on securitization exposures  | 39 |
| X.    | Explanations on treatments of credit risk mitigation                                      | 39 |
| XI.   | Explanation on risk management objectives and policies                                    | 41 |
| XII.  | Explanations on the presentation of financial assets and liabilities at fair values       | 41 |
| XIII. | Explanations on hedge accounting  | 41 |
| XIV.  | Explanations on the activities carried out on behalf of others and fiduciary transactions | 44 |
| XV.   | Explanations on operating segments  | 44 |

## **Section five**

### Explanations and notes related to unconsolidated financial statements

|       |   |    |
|-------|---|----|
| I.    | Explanations and notes related to assets  | 46 |
| II.   | Explanations and notes related to liabilities   | 62 |
| III.  | Explanations and notes related to off-balance sheet accounts  | 71 |
| IV.   | Explanations and notes related to income statement  | 73 |
| V.    | Explanations and notes related to statement of changes in shareholders' equity  | 77 |
| VI.   | Explanations and notes related to statement of cash flows   | 77 |
| VIII. | Explanations and notes related to the domestic, foreign, off-shore branches or associates and foreign representatives of the Bank | 79 |
| IX.   | Explanations and notes related to subsequent events   | 80 |

## **Section six**

### Independent auditor's report

|     |  |    |
|-----|--|----|
| I.  | Independent auditor's report                           | 81 |
| II. | Explanations and notes prepared by independent auditor | 81 |

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements as of March 31, 2013**

(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 Borsa İstanbul (“BIST”) since 1987 and the representatives of these shares, Global Depository Receipts, are quoted at the London Stock Exchange. As of March 31, 2013, 18,20% of the shares of the Bank are publicly traded (December 31, 2012 - 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 BIST 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 and the share transfer procedures in 2007 and of a 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 March 31, 2013, the Bank’s Board of Directors, Members of the Audit Committee, General Manager and Assistant General Managers are as follows:

Board of Directors Members:

| <b>Name</b>           | <b>Responsibility</b>                                 |
|-----------------------|---|
| Mustafa V. KOÇ        | Chairman  |
| Gianni F.G. PAPA      | Vice Chairman   |
| H. Faik AÇIKALIN      | Chief Executive Officer                               |
| Carlo VIVALDI         | Executive Director and Deputy Chief Executive Officer |
| Adil Giray ÖZTOPRAK   | Member  |
| Ahmet Fadıl ASHABOĞLU | Member  |
| Benedetta NAVARRA     | Member  |
| Francesco GIORDANO    | Member  |
| Füsun Akkal BOZOK     | Member  |
| Jürgen Dr. KULLNIGG   | Member  |
| Laura Stefania PENNA  | Member  |
| Osman Turgay DURAK    | Member  |

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements as of March 31, 2013 (continued)**

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

**General information (continued)**

Audit Committee Members:

| <b>Name</b>         | <b>Responsibility</b> |
|---------------------|-----------------------|
| Gianni F.G. PAPA    | Chairman              |
| Adil Giray ÖZTOPRAK | Member                |
| Benedetta NAVARRA   | Member                |
| Francesco GIORDANO  | Member                |
| Fusun Akkal BOZOK   | Member                |

General Manager and Deputy General Manager:

| <b>Name</b>      | <b>Responsibility</b>   |
|------------------|-------------------------|
| H. Faik AÇIKALIN | Chief Executive Officer |
| Carlo VIVALDI    | Deputy General Manager  |

Assistant General Managers:

| <b>Name</b>                   | <b>Responsibility</b>                             |
|-------------------------------|---|
| Cemal Aybars SANAL            | Legal Activities Management                       |
| Feza TAN                      | Corporate and Commercial Banking Management       |
| Marco CRAVARIO <sup>(1)</sup> | Financial Planning and Administration Management  |
| Mehmet Erkan ÖZDEMİR          | Compliance Office / Compliance Officer            |
| Mehmet Gökmen UÇAR            | Retail Credits Management                         |
| Mehmet Güray ALPKAYA          | Corporate Sales Management                        |
| Mehmet Murat ERMERT           | Corporate Communication Management                |
| Mert ÖNCÜ                     | Treasury Management                               |
| Mert YAZICIOĞLU               | Private Banking and Asset Management              |
| Nurgün EYÜBOĞLU               | Corporate and Commercial Credit 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.

- (1) With the decision of Board of Directors dated March 25, 2013, due to Marco Cravario, the Assistant General Manager responsible for the Financial Planning and Administration Management, will take over another position in UniCredit Group, it was decided to appoint Marco Iannaccone as the Assistant General Manager responsible for the Financial Planning and Administration Management effective April 1, 2013 subject to approval of Banking Regulation and Supervision Agency (“BRSA”).

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements as of March 31, 2013 (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:**

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

Koç Finansal Hizmetler A.Ş. is a joint venture of Koç Group and UniCredit Group.

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

The Bank's activities summarized from the section 3 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 March 31, 2013, the Bank has 928 branches operating in Turkey and 1 branch overseas (December 31, 2012 - 927 branches operating in Turkey, 1 branch in overseas). As of March 31, 2013, the Bank has 14.732 employees (December 31, 2012 - 14.733 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 entities subject to full consolidation or proportional consolidation and entities which are deducted from equity or entities which are not included in these three methods:**

According to Communiqué of the Preparation Consolidated Financial Statements and 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 consolidated financial statements of the Bank. These entities are taken into account as a deduction item in shareholders' equity for the purpose of calculation of capital adequacy ratio.

Yapı Kredi Kültür Sanat Yayıncılık Tic. ve San. A.Ş., and Enternasyonel Turizm Yatırım A.Ş., which are subsidiaries of the Bank, are not consolidated into the Bank's consolidated financial statements in accordance with Communiqué of Preparation of Consolidated Financial Statements since these entities are not financial institutions. Kredi Kayıt Bürosu and Bankalararası Kart Merkezi, which are associates of the Bank, are not consolidated but carried at cost since these entities are not controlled and there is no significant influence by the Bank.

All other subsidiaries are fully consolidated.

**VII. The existing or potential, actual or legal obstacles on the immediate 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 as of March 31, 2013 and December 31, 2012

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

## Section two Unconsolidated financial statements

### I. Balance sheet (Statement of Financial Position)

| Assets  | Note<br>(Section<br>Five) | Current Period<br>(31/03/2013) |                   |                    | Prior Period<br>(31/12/2012) |                   |                    |
|---|---------------------------|--------------------------------|-------------------|--------------------|------------------------------|-------------------|--------------------|
|   |                           | TL                             | FC                | Total              | TL                           | FC                | Total              |
| <b>I. Cash and balances with Central Bank</b>                                     | <b>I-a</b>                | <b>2.630.508</b>               | <b>11.835.692</b> | <b>14.466.200</b>  | <b>1.620.811</b>             | <b>9.455.751</b>  | <b>11.076.562</b>  |
| <b>II. Financial assets at fair value through profit or (loss) (net)</b>          | <b>I-b</b>                | <b>293.411</b>                 | <b>110.002</b>    | <b>403.413</b>     | <b>629.323</b>               | <b>211.078</b>    | <b>840.401</b>     |
| 2.1 Trading financial assets  |                           | 293.411                        | 110.002           | 403.413            | 629.323                      | 211.078           | 840.401            |
| 2.1.1 Government debt securities  |                           | 66.906                         | 27.191            | 94.097             | 341.736                      | 110.557           | 452.293            |
| 2.1.2 Share certificates  |                           | -                              | -                 | -                  | -                            | -                 | -                  |
| 2.1.3 Derivative financial assets held for trading                                | I-c                       | 226.505                        | 81.127            | 307.632            | 287.587                      | 92.640            | 380.227            |
| 2.1.4 Other marketable securities   |                           | -                              | 1.684             | 1.684              | -                            | 7.881             | 7.881              |
| 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   |                           | -                              | -                 | -                  | -                            | -                 | -                  |
| <b>III. Banks</b>   | <b>I-ç</b>                | <b>974.920</b>                 | <b>1.078.306</b>  | <b>2.053.226</b>   | <b>297.735</b>               | <b>2.423.218</b>  | <b>2.720.953</b>   |
| <b>IV. Money markets</b>  |                           | <b>2.586.720</b>               | <b>-</b>          | <b>2.586.720</b>   | <b>2.618.818</b>             | <b>111.234</b>    | <b>2.730.052</b>   |
| 4.1 Interbank money market placements   |                           | -                              | -                 | -                  | 330.046                      | -                 | 330.046            |
| 4.2 Receivables from Istanbul Stock Exchange Money Market                         |                           | 1.836.178                      | -                 | 1.836.178          | 1.396.571                    | 111.234           | 1.507.805          |
| 4.3 Receivables from reverse repurchase agreements                                |                           | 750.542                        | -                 | 750.542            | 892.201                      | -                 | 892.201            |
| <b>V. Financial assets available-for-sale (net)</b>                               | <b>I-d,e</b>              | <b>7.709.584</b>               | <b>6.561.632</b>  | <b>14.271.216</b>  | <b>7.742.462</b>             | <b>7.119.001</b>  | <b>14.861.463</b>  |
| 5.1 Share certificates  |                           | 5.132                          | 181               | 5.313              | 5.132                        | 179               | 5.311              |
| 5.2 Government debt securities  |                           | 6.164.500                      | 6.368.320         | 12.532.820         | 6.200.265                    | 6.939.048         | 13.139.313         |
| 5.3 Other marketable securities   |                           | 1.539.952                      | 193.131           | 1.733.083          | 1.537.065                    | 179.774           | 1.716.839          |
| <b>VI. Loans and receivables</b>  | <b>I-f</b>                | <b>55.726.356</b>              | <b>22.432.872</b> | <b>78.159.228</b>  | <b>54.892.258</b>            | <b>20.877.058</b> | <b>75.769.316</b>  |
| 6.1 Loans and receivables   |                           | 54.831.518                     | 22.324.953        | 77.156.471         | 54.024.235                   | 20.770.277        | 74.794.512         |
| 6.1.1 Loans to bank's risk group  |                           | 373.810                        | 304.361           | 678.171            | 602.690                      | 305.441           | 908.131            |
| 6.1.2 Government debt securities  |                           | -                              | -                 | -                  | -                            | -                 | -                  |
| 6.1.3 Other   |                           | 54.457.708                     | 22.020.592        | 76.478.300         | 53.421.545                   | 20.464.836        | 73.886.381         |
| 6.2 Loans under follow-up   |                           | 2.431.909                      | 316.461           | 2.748.370          | 2.202.516                    | 323.389           | 2.525.905          |
| 6.3 Specific provisions (-)   |                           | (1.537.071)                    | (208.542)         | (1.745.613)        | (1.334.493)                  | (216.608)         | (1.551.101)        |
| <b>VII. Factoring receivables</b>   |                           | <b>-</b>                       | <b>-</b>          | <b>-</b>           | <b>-</b>                     | <b>-</b>          | <b>-</b>           |
| <b>VIII. Held-to-maturity investments (net)</b>                                   | <b>I-g</b>                | <b>3.234.887</b>               | <b>2.464.544</b>  | <b>5.699.431</b>   | <b>3.286.761</b>             | <b>2.399.687</b>  | <b>5.686.448</b>   |
| 8.1 Government debt securities  |                           | 3.234.887                      | 2.464.544         | 5.699.431          | 3.286.761                    | 2.399.687         | 5.686.448          |
| 8.2 Other marketable securities   |                           | -                              | -                 | -                  | -                            | -                 | -                  |
| <b>IX. Investments in associates (net)</b>  | <b>I-ğ</b>                | <b>4.503</b>                   | <b>43.404</b>     | <b>47.907</b>      | <b>4.503</b>                 | <b>43.404</b>     | <b>47.907</b>      |
| 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              |
| <b>X. Subsidiaries (net)</b>  | <b>I-h</b>                | <b>2.088.069</b>               | <b>571.113</b>    | <b>2.659.182</b>   | <b>3.254.382</b>             | <b>565.797</b>    | <b>3.820.179</b>   |
| 10.1 Unconsolidated financial subsidiaries  |                           | 2.085.769                      | 571.113           | 2.656.882          | 3.252.082                    | 565.797           | 3.817.879          |
| 10.2 Unconsolidated non-financial subsidiaries                                    |                           | 2.300                          | -                 | 2.300              | 2.300                        | -                 | 2.300              |
| <b>XI. Joint ventures (net)</b>   | <b>I-ı</b>                | <b>19.623</b>                  | <b>-</b>          | <b>19.623</b>      | <b>19.623</b>                | <b>-</b>          | <b>19.623</b>      |
| 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   |                           | -                              | -                 | -                  | -                            | -                 | -                  |
| <b>XII. Lease receivables</b>   | <b>I-ı</b>                | <b>-</b>                       | <b>-</b>          | <b>-</b>           | <b>-</b>                     | <b>-</b>          | <b>-</b>           |
| 12.1 Financial lease receivables  |                           | -                              | -                 | -                  | -                            | -                 | -                  |
| 12.2 Operating lease receivables  |                           | -                              | -                 | -                  | -                            | -                 | -                  |
| 12.3 Other  |                           | -                              | -                 | -                  | -                            | -                 | -                  |
| 12.4 Unearned income (-)  |                           | -                              | -                 | -                  | -                            | -                 | -                  |
| <b>XIII. Derivative financial assets held for hedging</b>                         | <b>I-j</b>                | <b>122.738</b>                 | <b>-</b>          | <b>122.738</b>     | <b>94.166</b>                | <b>-</b>          | <b>94.166</b>      |
| 13.1 Fair value hedge   |                           | 110.906                        | -                 | 110.906            | 93.996                       | -                 | 93.996             |
| 13.2 Cash flow hedge  |                           | 11.832                         | -                 | 11.832             | 170                          | -                 | 170                |
| 13.3 Foreign net investment hedge   |                           | -                              | -                 | -                  | -                            | -                 | -                  |
| <b>XIV. Property and equipment (net)</b>  | <b>I-k</b>                | <b>957.399</b>                 | <b>-</b>          | <b>957.399</b>     | <b>984.674</b>               | <b>-</b>          | <b>984.674</b>     |
| <b>XV. Intangible assets (net)</b>  | <b>I-l</b>                | <b>1.332.399</b>               | <b>-</b>          | <b>1.332.399</b>   | <b>1.329.944</b>             | <b>-</b>          | <b>1.329.944</b>   |
| 15.1 Goodwill   |                           | 979.493                        | -                 | 979.493            | 979.493                      | -                 | 979.493            |
| 15.2 Other  |                           | 352.906                        | -                 | 352.906            | 350.451                      | -                 | 350.451            |
| <b>XVI. Investment property (net)</b>   | <b>I-m</b>                | <b>-</b>                       | <b>-</b>          | <b>-</b>           | <b>-</b>                     | <b>-</b>          | <b>-</b>           |
| <b>XVII. Tax asset</b>  |                           | <b>67.863</b>                  | <b>-</b>          | <b>67.863</b>      | <b>52.535</b>                | <b>-</b>          | <b>52.535</b>      |
| 17.1 Current tax asset  |                           | -                              | -                 | -                  | -                            | -                 | -                  |
| 17.2 Deferred tax asset   | I-n                       | 67.863                         | -                 | 67.863             | 52.535                       | -                 | 52.535             |
| <b>XVIII. Assets held for resale and related to discontinued operations (net)</b> | <b>I-o</b>                | <b>1.554.219</b>               | <b>-</b>          | <b>1.554.219</b>   | <b>132.195</b>               | <b>-</b>          | <b>132.195</b>     |
| 18.1 Held for sale purposes   |                           | 1.554.219                      | -                 | 1.554.219          | 132.195                      | -                 | 132.195            |
| 18.2 Related to discontinued operations   |                           | -                              | -                 | -                  | -                            | -                 | -                  |
| <b>XIX. Other assets</b>  | <b>I-ö</b>                | <b>1.104.410</b>               | <b>893.704</b>    | <b>1.998.114</b>   | <b>1.006.493</b>             | <b>1.007.296</b>  | <b>2.013.789</b>   |
| <b>Total assets</b>   |                           | <b>80.407.609</b>              | <b>45.991.269</b> | <b>126.398.878</b> | <b>77.966.683</b>            | <b>44.213.524</b> | <b>122.180.207</b> |

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



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

**Yapı ve Kredi Bankası A.Ş.**

**Unconsolidated financial statements as of March 31, 2013 and December 31, 2012**

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

**I. Balance sheet (Statement of Financial Position)**

|   | Note<br>(Section<br>Five) | Current Period<br>(31/03/2013) |                   |                    | Prior Period<br>(31/12/2012) |                   |                    |
|---|---------------------------|--------------------------------|-------------------|--------------------|------------------------------|-------------------|--------------------|
|   |                           | TL                             | FC                | Total              | TL                           | FC                | Total              |
| <b>I. Deposits</b>  | <b>II-a</b>               | <b>45.603.705</b>              | <b>25.587.381</b> | <b>71.191.086</b>  | <b>41.440.810</b>            | <b>26.603.130</b> | <b>68.043.940</b>  |
| 1.1 Deposits of the Bank's risk group   |                           | 5.413.700                      | 3.362.677         | 8.776.377          | 4.838.601                    | 3.907.990         | 8.746.591          |
| 1.2 Other   |                           | 40.190.005                     | 22.224.704        | 62.414.709         | 36.602.209                   | 22.695.140        | 59.297.349         |
| <b>II. Derivative financial liabilities held for trading</b>  | <b>II-b</b>               | <b>257.332</b>                 | <b>78.454</b>     | <b>335.786</b>     | <b>286.669</b>               | <b>84.585</b>     | <b>371.254</b>     |
| <b>III. Funds borrowed</b>  | <b>II-c</b>               | <b>499.334</b>                 | <b>12.269.662</b> | <b>12.768.996</b>  | <b>638.396</b>               | <b>11.782.055</b> | <b>12.420.451</b>  |
| <b>IV. Money markets</b>  |                           | <b>838.302</b>                 | <b>4.475.120</b>  | <b>5.313.422</b>   | <b>1.711.008</b>             | <b>3.019.074</b>  | <b>4.730.082</b>   |
| 4.1 Funds from interbank money market   |                           | -                              | -                 | -                  | -                            | -                 | -                  |
| 4.2 Funds from Istanbul Stock Exchange Money Market   |                           | -                              | -                 | -                  | -                            | -                 | -                  |
| 4.3 Funds provided under repurchase agreements  |                           | 838.302                        | 4.475.120         | 5.313.422          | 1.711.008                    | 3.019.074         | 4.730.082          |
| <b>V. Marketable securities issued (net)</b>  | <b>II-ç</b>               | <b>1.631.517</b>               | <b>1.793.123</b>  | <b>3.424.640</b>   | <b>1.441.014</b>             | <b>885.367</b>    | <b>2.326.381</b>   |
| 5.1 Bills   |                           | 938.340                        | -                 | 938.340            | 737.778                      | -                 | 737.778            |
| 5.2 Asset backed securities   |                           | -                              | -                 | -                  | -                            | -                 | -                  |
| 5.3 Bonds   |                           | 693.177                        | 1.793.123         | 2.486.300          | 703.236                      | 885.367           | 1.588.603          |
| <b>VI. Funds</b>  |                           | -                              | -                 | -                  | -                            | -                 | -                  |
| 6.1 Borrower funds  |                           | -                              | -                 | -                  | -                            | -                 | -                  |
| 6.2 Other   |                           | -                              | -                 | -                  | -                            | -                 | -                  |
| <b>VII. Miscellaneous payables</b>  |                           | <b>5.485.662</b>               | <b>343.164</b>    | <b>5.828.826</b>   | <b>4.759.776</b>             | <b>617.741</b>    | <b>5.377.517</b>   |
| <b>VIII. Other liabilities</b>  | <b>II-d</b>               | <b>450.882</b>                 | <b>616.545</b>    | <b>1.067.427</b>   | <b>1.605.587</b>             | <b>1.027.930</b>  | <b>2.633.517</b>   |
| <b>IX. Factoring payables</b>   |                           | -                              | -                 | -                  | -                            | -                 | -                  |
| <b>X. Lease payables (net)</b>  | <b>II-e</b>               | <b>522</b>                     | <b>3.349</b>      | <b>3.871</b>       | <b>596</b>                   | <b>6.791</b>      | <b>7.387</b>       |
| 10.1 Financial lease payables   |                           | 588                            | 3.424             | 4.012              | 681                          | 6.983             | 7.664              |
| 10.2 Operational lease payables   |                           | -                              | -                 | -                  | -                            | -                 | -                  |
| 10.3 Other  |                           | -                              | -                 | -                  | -                            | -                 | -                  |
| 10.4 Deferred lease expenses (-)  |                           | (66)                           | (75)              | (141)              | (85)                         | (192)             | (277)              |
| <b>XI. Derivative financial liabilities held for hedging</b>  | <b>II-f</b>               | <b>251.394</b>                 | <b>460.821</b>    | <b>712.215</b>     | <b>412.001</b>               | <b>492.686</b>    | <b>904.687</b>     |
| 11.1 Fair value hedge   |                           | 46.088                         | -                 | 46.088             | 90.233                       | -                 | 90.233             |
| 11.2 Cash flow hedge  |                           | 205.306                        | 460.821           | 666.127            | 321.768                      | 492.686           | 814.454            |
| 11.3 Foreign net investment hedge   |                           | -                              | -                 | -                  | -                            | -                 | -                  |
| <b>XII. Provisions</b>  | <b>II-g</b>               | <b>2.400.715</b>               | <b>508.494</b>    | <b>2.909.209</b>   | <b>2.438.060</b>             | <b>461.105</b>    | <b>2.899.165</b>   |
| 12.1 General loan loss provision  |                           | 896.409                        | 439.060           | 1.335.469          | 919.039                      | 385.793           | 1.304.832          |
| 12.2 Restructuring provisions   |                           | -                              | -                 | -                  | -                            | -                 | -                  |
| 12.3 Reserve for employee rights  |                           | 217.922                        | -                 | 217.922            | 213.610                      | -                 | 213.610            |
| 12.4 Insurance technical provisions (net)   |                           | -                              | -                 | -                  | -                            | -                 | -                  |
| 12.5 Other provisions   |                           | 1.286.384                      | 69.434            | 1.355.818          | 1.305.411                    | 75.312            | 1.380.723          |
| <b>XIII. Tax liability</b>  | <b>II-ğ</b>               | <b>298.488</b>                 | -                 | <b>298.488</b>     | <b>408.142</b>               | -                 | <b>408.142</b>     |
| 13.1 Current tax liability  |                           | 298.488                        | -                 | 298.488            | 408.142                      | -                 | 408.142            |
| 13.2 Deferred tax liability   |                           | -                              | -                 | -                  | -                            | -                 | -                  |
| <b>XIV. Liabilities for property and equipment held for sale and related to discontinued operations (net)</b> |                           | -                              | -                 | -                  | -                            | -                 | -                  |
| 14.1 Held for sale  |                           | -                              | -                 | -                  | -                            | -                 | -                  |
| 14.2 Related to discontinued operations   |                           | -                              | -                 | -                  | -                            | -                 | -                  |
| <b>XV. Subordinated loans</b>   | <b>II-h</b>               | -                              | <b>5.361.303</b>  | <b>5.361.303</b>   | -                            | <b>5.195.642</b>  | <b>5.195.642</b>   |
| <b>XVI. Shareholders' equity</b>  | <b>II-ı</b>               | <b>16.433.751</b>              | <b>749.858</b>    | <b>17.183.609</b>  | <b>15.926.652</b>            | <b>935.390</b>    | <b>16.862.042</b>  |
| 16.1 Paid-in capital  |                           | 4.347.051                      | -                 | 4.347.051          | 4.347.051                    | -                 | 4.347.051          |
| 16.2 Capital reserves   |                           | 3.028.946                      | 749.858           | 3.778.804          | 2.758.337                    | 935.390           | 3.693.727          |
| 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  |                           | 1.053.976                      | 1.147.929         | 2.201.905          | 2.039.404                    | 1.377.550         | 3.416.954          |
| 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)  |                           | (54.292)                       | (398.071)         | (452.363)          | (118.653)                    | (442.160)         | (560.813)          |
| 16.2.9 Value increase in assets held for sale and related to discontinued operations                          |                           | 1.186.767                      | -                 | 1.186.767          | -                            | -                 | -                  |
| 16.2.10 Other capital reserves  |                           | 298.614                        | -                 | 298.614            | 293.705                      | -                 | 293.705            |
| 16.3 Profit reserves  |                           | 8.516.634                      | -                 | 8.516.634          | 6.907.792                    | -                 | 6.907.792          |
| 16.3.1 Legal reserves   |                           | 463.786                        | -                 | 463.786            | 359.847                      | -                 | 359.847            |
| 16.3.2 Status reserves  |                           | -                              | -                 | -                  | -                            | -                 | -                  |
| 16.3.3 Extraordinary reserves   |                           | 8.051.473                      | -                 | 8.051.473          | 6.546.849                    | -                 | 6.546.849          |
| 16.3.4 Other profit reserves  |                           | 1.375                          | -                 | 1.375              | 1.096                        | -                 | 1.096              |
| 16.4 Income or (loss)   |                           | 541.120                        | -                 | 541.120            | 1.913.472                    | -                 | 1.913.472          |
| 16.4.1 Prior years' income or (loss)  |                           | -                              | -                 | -                  | -                            | -                 | -                  |
| 16.4.2 Current year income or (loss)  |                           | 541.120                        | -                 | 541.120            | 1.913.472                    | -                 | 1.913.472          |
| <b>Total liabilities and shareholders' equity</b>   |                           | <b>74.151.604</b>              | <b>52.247.274</b> | <b>126.398.878</b> | <b>71.068.711</b>            | <b>51.111.496</b> | <b>122.180.207</b> |

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

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

## Yapı ve Kredi Bankası A.Ş.

### Unconsolidated financial statements as of March 31, 2013 and December 31, 2012 (Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

#### II. Off-balance sheet commitments

|  | Note<br>(Section<br>Five)  | Current Period<br>(31/03/2013) |                    |                    | Prior Period<br>(31/12/2012) |                    |                    |
|--|--|--------------------------------|--------------------|--------------------|------------------------------|--------------------|--------------------|
|  |  | TL                             | FC                 | Total              | TL                           | FC                 | Total              |
| <b>A</b>   | <b>Off-balance sheet commitments (H+II+III)</b>                  | <b>124.440.167</b>             | <b>129.696.672</b> | <b>254.136.839</b> | <b>113.305.921</b>           | <b>113.241.494</b> | <b>226.547.415</b> |
| <b>I</b>   | <b>Guarantees and warranties</b>                                 | <b>11.386.419</b>              | <b>17.608.592</b>  | <b>28.995.011</b>  | <b>11.376.121</b>            | <b>16.986.676</b>  | <b>28.362.797</b>  |
| 1.1  | Letters of guarantee   | 11.301.961                     | 10.558.795         | 21.860.756         | 11.271.953                   | 9.239.705          | 20.511.658         |
| 1.1.1  | Guarantees subject to state tender law                           | 547.997                        | 550.097            | 1.098.094          | 567.403                      | 522.814            | 1.090.217          |
| 1.1.2  | Guarantees given for foreign trade operations                    | 1.094.876                      | 10.008.698         | 11.103.574         | 1.131.282                    | 8.716.891          | 9.848.173          |
| 1.1.3  | Other letters of guarantee                                       | 9.659.088                      | -                  | 9.659.088          | 9.573.268                    | -                  | 9.573.268          |
| 1.2  | Bank acceptances   | -                              | 115.896            | 115.896            | -                            | 121.325            | 121.325            |
| 1.2.1  | Import letter of acceptance                                      | -                              | 115.896            | 115.896            | -                            | 121.325            | 121.325            |
| 1.2.2  | Other bank acceptances   | -                              | -                  | -                  | -                            | -                  | -                  |
| 1.3  | Letters of credit  | 13.571                         | 5.037.757          | 5.051.328          | 13.789                       | 5.596.826          | 5.610.615          |
| 1.3.1  | Documentary letters of credit                                    | 13.571                         | 5.037.757          | 5.051.328          | 13.789                       | 5.596.826          | 5.610.615          |
| 1.3.2  | Other letters of credit  | -                              | -                  | -                  | -                            | -                  | -                  |
| 1.4  | Prefinancing given as guarantee                                  | 143                            | 2.474              | 2.617              | 143                          | 2.377              | 2.520              |
| 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   | 70.744                         | 910.302            | 981.046            | 90.236                       | 1.057.479          | 1.147.715          |
| 1.9  | Other warranties   | -                              | 983.368            | 983.368            | -                            | 968.964            | 968.964            |
| <b>II</b>  | <b>Commitments</b>   | <b>81.934.670</b>              | <b>40.533.986</b>  | <b>122.468.656</b> | <b>75.280.393</b>            | <b>28.375.675</b>  | <b>103.656.068</b> |
| 2.1  | Irrevocable commitments  | 32.244.517                     | 13.278.614         | 45.523.131         | 29.934.837                   | 6.991.388          | 36.926.225         |
| 2.1.1  | Asset purchase and sale commitments                              | 877.387                        | 13.020.492         | 13.897.879         | 35.590                       | 6.661.062          | 6.696.652          |
| 2.1.2  | Deposit purchase and sales commitments                           | 7.152                          | 1.110              | 8.262              | -                            | -                  | -                  |
| 2.1.3  | Share capital commitments to associates and subsidiaries         | -                              | -                  | -                  | -                            | -                  | -                  |
| 2.1.4  | Loan granting commitments  | 5.189.898                      | 257.012            | 5.446.910          | 4.992.286                    | 330.326            | 5.322.612          |
| 2.1.5  | Securities issue brokerage commitments                           | -                              | -                  | -                  | -                            | -                  | -                  |
| 2.1.6  | Commitments for reserve deposit requirements                     | -                              | -                  | -                  | -                            | -                  | -                  |
| 2.1.7  | Commitments for cheques  | 5.474.008                      | -                  | 5.474.008          | 5.258.480                    | -                  | 5.258.480          |
| 2.1.8  | Tax and fund liabilities from export commitments                 | 39.126                         | -                  | 39.126             | 38.106                       | -                  | 38.106             |
| 2.1.9  | Commitments for credit card limits                               | 18.482.516                     | -                  | 18.482.516         | 17.856.081                   | -                  | 17.856.081         |
| 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                                    | 2.174.430                      | -                  | 2.174.430          | 1.754.294                    | -                  | 1.754.294          |
| 2.2  | Revocable commitments  | 49.690.153                     | 27.255.372         | 76.945.525         | 45.345.556                   | 21.384.287         | 66.729.843         |
| 2.2.1  | Revocable loan granting commitments                              | 49.690.153                     | 27.221.082         | 76.911.235         | 45.345.556                   | 21.366.157         | 66.711.713         |
| 2.2.2  | Other revocable commitments                                      | -                              | 34.290             | 34.290             | -                            | 18.130             | 18.130             |
| <b>III</b>                                       | <b>Derivative financial instruments</b>                          | <b>31.119.078</b>              | <b>71.554.094</b>  | <b>102.673.172</b> | <b>26.649.407</b>            | <b>67.879.143</b>  | <b>94.528.550</b>  |
| 3.1  | Derivative financial instruments for hedging purposes            | 13.996.658                     | 27.482.588         | 41.479.246         | 14.124.458                   | 26.657.257         | 40.781.715         |
| 3.1.1  | Transactions for fair value hedge                                | 1.675.058                      | 1.987.605          | 3.662.663          | 1.772.858                    | 2.048.951          | 3.821.809          |
| 3.1.2  | Transactions for cash flow hedge                                 | 12.321.600                     | 25.494.983         | 37.816.583         | 12.351.600                   | 24.608.306         | 36.959.906         |
| 3.1.3  | Transactions for foreign net investment hedge                    | -                              | -                  | -                  | -                            | -                  | -                  |
| 3.2  | Trading transactions   | 17.122.420                     | 44.071.506         | 61.193.926         | 12.524.949                   | 41.221.886         | 53.746.835         |
| 3.2.1  | Forward foreign currency buy/sell transactions                   | 2.391.522                      | 4.327.143          | 6.718.665          | 3.004.739                    | 5.217.724          | 8.222.463          |
| 3.2.1.1  | Forward foreign currency transactions-buy                        | 728.365                        | 2.609.111          | 3.337.476          | 988.634                      | 3.092.645          | 4.081.279          |
| 3.2.1.2  | Forward foreign currency transactions-sell                       | 1.663.157                      | 1.718.032          | 3.381.189          | 2.016.105                    | 2.125.079          | 4.141.184          |
| 3.2.2  | Swap transactions related to foreign currency and interest rates | 9.066.775                      | 27.594.014         | 36.660.789         | 5.339.212                    | 24.430.414         | 29.769.626         |
| 3.2.2.1  | Foreign currency swap-buy  | 4.813.122                      | 12.119.408         | 16.932.530         | 2.604.049                    | 10.715.333         | 13.319.382         |
| 3.2.2.2  | Foreign currency swap-sell                                       | 4.253.653                      | 12.621.838         | 16.875.491         | 2.735.163                    | 10.500.961         | 13.236.124         |
| 3.2.2.3  | Interest rate swap-buy   | -                              | 1.426.384          | 1.426.384          | -                            | 1.607.060          | 1.607.060          |
| 3.2.2.4  | Interest rate swap-sell  | -                              | 1.426.384          | 1,426.384          | -                            | 1,607.060          | 1,607.060          |
| 3.2.3  | Foreign currency, interest rate and securities options           | 4.957.123                      | 11.527.654         | 16.484.777         | 3.473.998                    | 10.919.644         | 14.393.642         |
| 3.2.3.1  | Foreign currency options-buy                                     | 1.648.013                      | 3.662.897          | 5.310.910          | 1.246.132                    | 3.539.644          | 4.785.776          |
| 3.2.3.2  | Foreign currency options-sell                                    | 1.838.397                      | 3.567.531          | 5.405.928          | 1.684.220                    | 3.214.377          | 4.898.597          |
| 3.2.3.3  | Interest rate options-buy  | 88.800                         | 2.185.031          | 2.273.831          | 70.800                       | 2.117.807          | 2.188.607          |
| 3.2.3.4  | Interest rate options-sell                                       | 163.800                        | 2.112.195          | 2.275.995          | 145.800                      | 2,047.816          | 2,193.616          |
| 3.2.3.5  | Securities options-buy   | 767.575                        | -                  | 767.575            | 215.704                      | -                  | 215.704            |
| 3.2.3.6  | Securities options-sell  | 450.538                        | -                  | 450.538            | 111.342                      | -                  | 111.342            |
| 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                        | 622.695            | 1.329.695          | 707.000                      | 654.104            | 1.361.104          |
| <b>B</b>   | <b>Custody and pledges received (IV+V+VI)</b>                    | <b>119.636.689</b>             | <b>26.181.467</b>  | <b>145.818.156</b> | <b>115.496.598</b>           | <b>25.192.246</b>  | <b>140.688.844</b> |
| <b>IV</b>  | <b>Items held in custody</b>                                     | <b>51.290.835</b>              | <b>4.323.384</b>   | <b>55.614.219</b>  | <b>51.688.636</b>            | <b>4.089.103</b>   | <b>55.777.739</b>  |
| 4.1  | Customer fund and portfolio balances                             | -                              | 119                | 119                | -                            | 117                | 117                |
| 4.2  | Investment securities held in custody                            | 39.730.640                     | 3.707.029          | 43.437.669         | 40.031.441                   | 3.492.529          | 43.523.970         |
| 4.3  | Checks received for collection                                   | 9.521.818                      | 108.691            | 9.630.509          | 9.364.237                    | 88.780             | 9.453.017          |
| 4.4  | Commercial notes received for collection                         | 2.030.602                      | 483.203            | 2.513.805          | 2.282.730                    | 483.701            | 2.766.431          |
| 4.5  | Other assets received for collection                             | -                              | 24.342             | 24.342             | -                            | 23.976             | 23.976             |
| 4.6  | Assets received for public offering                              | -                              | -                  | -                  | -                            | -                  | -                  |
| 4.7  | Other items under custody  | 7.775                          | -                  | 7.775              | 10.228                       | -                  | 10.228             |
| 4.8  | Custodians   | -                              | -                  | -                  | -                            | -                  | -                  |
| <b>V</b>   | <b>Pledges received</b>  | <b>67.172.269</b>              | <b>21.270.693</b>  | <b>88.442.962</b>  | <b>62.639.447</b>            | <b>20.520.383</b>  | <b>83.159.830</b>  |
| 5.1  | Marketable securities  | 208.531                        | 201                | 208.732            | 220.994                      | 193                | 221.187            |
| 5.2  | Guarantee notes  | 694.424                        | 379.018            | 1.073.442          | 703.951                      | 365.205            | 1.069.156          |
| 5.3  | Commodity  | 19.466                         | -                  | 19,466             | 28.559                       | -                  | 28.559             |
| 5.4  | Warrants   | -                              | -                  | -                  | -                            | -                  | -                  |
| 5.5  | Properties   | 45.386.093                     | 15.536.087         | 60.922.180         | 41.434.412                   | 15.196.331         | 56.630.743         |
| 5.6  | Other pledged items  | 20.863.755                     | 5.352.104          | 26.215.859         | 20.251.531                   | 4.955.489          | 25.207.020         |
| 5.7  | Pledged items-depository   | -                              | 3.283              | 3.283              | -                            | 3.165              | 3.165              |
| <b>VI</b>  | <b>Accepted independent guarantees and warranties</b>            | <b>1.173.585</b>               | <b>587.390</b>     | <b>1.760.975</b>   | <b>1.168.515</b>             | <b>582.760</b>     | <b>1.751.275</b>   |
| <b>Total off-balance sheet commitments (A+B)</b> |  | <b>244.076.856</b>             | <b>155.878.139</b> | <b>399.954.995</b> | <b>228.802.519</b>           | <b>138.433.740</b> | <b>367.236.259</b> |

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

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

## Yapı ve Kredi Bankası A.Ş.

### Unconsolidated financial statements as of March 31, 2013 and 2012 (Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

#### III. Income statement

|  | Note<br>(Section<br>Five) | Current Period<br>01/01/2013-<br>31/03/2013 | Prior Period<br>01/01/2012-<br>31/03/2012 |
|--|---------------------------|---|---|
| <b>Income and expense items</b>  |                           |   |   |
| <b>I. Interest income</b>  | <b>IV-a</b>               | <b>2.330.977</b>                            | <b>2.212.043</b>                          |
| 1.1 Interest on loans  | IV-a-1                    | 1.908.040                                   | 1.752.254                                 |
| 1.2 Interest received from reserve deposits                                      |                           | -   | -   |
| 1.3 Interest received from banks   | IV-a-2                    | 7.794                                       | 6.711                                     |
| 1.4 Interest received from money market transactions                             |                           | 47.974                                      | 23.797                                    |
| 1.5 Interest received from marketable securities portfolio                       | IV-a-3                    | 366.717                                     | 428.715                                   |
| 1.5.1 Trading financial assets   |                           | 5.298                                       | 5.139                                     |
| 1.5.2 Financial assets at fair value through profit or (loss)                    |                           | -   | -   |
| 1.5.3 Available-for-sale financial assets  |                           | 268.441                                     | 159.410                                   |
| 1.5.4 Held to maturity investments   |                           | 92.978                                      | 264.166                                   |
| 1.6 Financial lease income   |                           | -   | -   |
| 1.7 Other interest income  |                           | 452   | 566                                       |
| <b>II. Interest expense</b>  | <b>IV-b</b>               | <b>(1.128.261)</b>                          | <b>(1.246.064)</b>                        |
| 2.1 Interest on deposits   | IV-b-4                    | (848.739)                                   | (1.019.211)                               |
| 2.2 Interest on funds borrowed   | IV-b-1                    | (211.128)                                   | (131.458)                                 |
| 2.3 Interest expense on money market transactions                                |                           | (14.769)                                    | (48.258)                                  |
| 2.4 Interest on securities issued  | IV-b-3                    | (48.055)                                    | (42.653)                                  |
| 2.5 Other interest expenses  |                           | (5.570)                                     | (4.484)                                   |
| <b>III. Net interest income (I + II)</b>   |                           | <b>1.202.716</b>                            | <b>965.979</b>                            |
| <b>IV. Net fees and commissions income</b>                                       |                           | <b>466.246</b>                              | <b>385.336</b>                            |
| 4.1 Fees and commissions received  |                           | 551.915                                     | 487.496                                   |
| 4.1.1 Non-cash loans   |                           | 67.018                                      | 62.002                                    |
| 4.1.2 Other  | IV-i                      | 484.897                                     | 425.494                                   |
| 4.2 Fees and commissions paid  |                           | (85.669)                                    | (102.160)                                 |
| 4.2.1 Non-cash loans   |                           | (127)                                       | (126)                                     |
| 4.2.2 Other  |                           | (85.542)                                    | (102.034)                                 |
| <b>V. Dividend income</b>  | <b>IV-c</b>               | <b>94.850</b>                               | <b>150.342</b>                            |
| <b>VI. Trading gain/(loss) (net)</b>   | <b>IV-ç</b>               | <b>(108.069)</b>                            | <b>(31.809)</b>                           |
| 6.1 Trading gains/(losses) on securities   |                           | 19.288                                      | 17.571                                    |
| 6.2 Derivative financial transactions gains/(losses)                             | IV-d                      | (118.585)                                   | (344.007)                                 |
| 6.3 Foreign exchange gains/(losses)  |                           | (8.772)                                     | 294.627                                   |
| <b>VII. Other operating income</b>   | <b>IV-e</b>               | <b>116.934</b>                              | <b>97.433</b>                             |
| <b>VIII. Total operating income (III+IV+V+VI+VII)</b>                            |                           | <b>1.772.677</b>                            | <b>1.567.281</b>                          |
| <b>IX. Provision for impairment of loans and other receivables (-)</b>           | <b>IV-f</b>               | <b>(353.195)</b>                            | <b>(229.520)</b>                          |
| <b>X. Other operating expenses (-)</b>   | <b>IV-g</b>               | <b>(766.747)</b>                            | <b>(727.748)</b>                          |
| <b>XI. Net operating income/(loss) (VIII-IX-X)</b>                               |                           | <b>652.735</b>                              | <b>610.013</b>                            |
| <b>XII. Excess amount recorded as income after merger</b>                        |                           | -   | -   |
| <b>XIII. Income/(loss) from investments accounted based on equity method</b>     |                           | -   | -   |
| <b>XIV. Income/(loss) on net monetary position</b>                               |                           | -   | -   |
| <b>XV. Profit/loss before taxes from continuing operations (XI+XII+XIII+XIV)</b> | <b>IV-ğ</b>               | <b>652.735</b>                              | <b>610.013</b>                            |
| <b>XVI. Tax provision for continuing operations (±)</b>                          | <b>IV-h</b>               | <b>(111.615)</b>                            | <b>(102.972)</b>                          |
| 16.1 Current tax provision   |                           | (94.807)                                    | (136.815)                                 |
| 16.2 Deferred tax provision  |                           | (16.808)                                    | 33.843                                    |
| <b>XVII. Net profit/loss from continuing operations (XV±XVI)</b>                 |                           | <b>541.120</b>                              | <b>507.041</b>                            |
| <b>XVIII. Income from discontinued operations</b>                                |                           | -   | -   |
| 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                                   |                           | -   | -   |
| <b>XIX. Expenses from discontinued operations (-)</b>                            |                           | -   | -   |
| 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                                 |                           | -   | -   |
| <b>XX. Profit /losses before taxes from discontinued operations (XVIII-XIX)</b>  |                           | -   | -   |
| <b>XXI. Tax provision for discontinued operations (±)</b>                        |                           | -   | -   |
| 21.1 Current tax provision   |                           | -   | -   |
| 21.2 Deferred tax provision  |                           | -   | -   |
| <b>XXII. Net profit/loss from discontinued operations (XX±XXI)</b>               |                           | -   | -   |
| <b>XXIII. Net profit/loss (XVII+XXII)</b>  | <b>IV-i</b>               | <b>541.120</b>                              | <b>507.041</b>                            |
| Earnings/(loss) per share (full TL)  |                           | 0,0012                                      | 0,0012                                    |

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

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

**Yapı ve Kredi Bankası A.Ş.**

**Unconsolidated financial statements as of March 31, 2013 and 2012**  
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

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

|  |                       | <b>Restated</b>     |
|--|-----------------------|---------------------|
|  | <b>Current Period</b> | <b>Prior Period</b> |
| <b>Income and expense items accounted under shareholders’ equity</b>   | <b>(31/03/2013)</b>   | <b>(31/03/2012)</b> |
| I. Transfers to marketable securities valuation differences from financial assets available for sale             | (137.041)             | 328.714             |
| II. Property and equipment revaluation differences   | -                     | -                   |
| III. Intangible assets revaluation differences   | -                     | -                   |
| IV. Currency translation differences for foreign currency transactions   | 33.637                | 20.199              |
| V. Profit /loss on cash flow hedges (effective part of the fair value changes)                                   | 151.436               | (49.445)            |
| 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                       | 279                   | -                   |
| IX. Deferred tax on valuation differences  | 32.136                | (23.213)            |
| X. Net profit or loss accounted directly under shareholders’ equity (I+II+...+IX)                                | 80.447                | 276.255             |
| XI. Current year profit/loss   | 541.120               | 507.041             |
| 11.1 Net change in fair value of marketable securities (recycled to profit-loss)                                 | 634                   | 1.189               |
| 11.2 Part of cash flow hedge derivative financial instruments reclassified and presented on the income statement | (95.984)              | (35.053)            |
| 11.3 Part of foreign net investment hedges reclassified and presented on the income statement                    | -                     | -                   |
| 11.4 Other   | 636.470               | 540.905             |
| <b>XII. Total income/loss accounted for the period (X+XI)</b>  | <b>621.567</b>        | <b>783.296</b>      |

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

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

**Yapı ve Kredi Bankası A.Ş.**

**Unconsolidated statement of changes in shareholders' equity as of March 31, 2012**

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

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

| Restated<br>Prior Period   | Note<br>(Section<br>five) | Paid-<br>in capital | Adjustment<br>to share<br>capital | Share<br>cancellation<br>premium | Share<br>profits | Legal<br>reserves | Status<br>reserves | Extra ord.<br>reserves | Other<br>reserves | Current<br>period<br>net<br>income/(loss) | Prior<br>period<br>income<br>/(loss) | Marketable<br>securities<br>Value<br>increase<br>fund | Property and<br>equipment and<br>intangible<br>assets<br>revaluation<br>fund | Bonus<br>shares from<br>investments | Hedging<br>funds | Assets held<br>for resale/<br>discontinued<br>operations<br>revaluation fund | Total<br>shareholders'<br>equity |
|--|---------------------------|---------------------|-----------------------------------|----------------------------------|------------------|-------------------|--------------------|------------------------|-------------------|---|--------------------------------------|---|--|-------------------------------------|------------------|--|----------------------------------|
| March 31, 2012   |                           |                     |                                   |                                  |                  |                   |                    |                        |                   |   |                                      |   |  |                                     |                  |  |                                  |
| I. Period opening balance  |                           | 4.347.051           | -                                 | 543.881                          | -                | 266.973           | -                  | 4.930.128              | 146.641           | 1.857.486                                 | -                                    | (83.444)  | -  | -                                   | (308.530)        | -  | 11.700.186                       |
| II. Changes in accounting policies according to TAS 8                            |                           | -                   | -                                 | -                                | -                | -                 | -                  | -                      | -                 | -   | -                                    | 1.550.743   | -  | -                                   | -                | -  | 1.550.743                        |
| 2.1 Effects of errors  |                           | -                   | -                                 | -                                | -                | -                 | -                  | -                      | -                 | -   | -                                    | -   | -  | -                                   | -                | -  | -                                |
| 2.2 Effects of the changes in accounting policies                                |                           | -                   | -                                 | -                                | -                | -                 | -                  | -                      | -                 | -   | -                                    | 1.550.743   | -  | -                                   | -                | -  | 1.550.743                        |
| III. New balance (I+II)  |                           | 4.347.051           | -                                 | 543.881                          | -                | 266.973           | -                  | 4.930.128              | 146.641           | 1.857.486                                 | -                                    | 1.467.299   | -  | -                                   | (308.530)        | -  | 13.250.929                       |
| IV. Increase/decrease due to merger  |                           | -                   | -                                 | -                                | -                | -                 | -                  | -                      | -                 | -   | -                                    | -   | -  | -                                   | -                | -  | -                                |
| V. Marketable securities valuation differences                                   |                           | -                   | -                                 | -                                | -                | -                 | -                  | -                      | -                 | -   | -                                    | 299.653   | -  | -                                   | -                | -  | 299.653                          |
| VI. Hedging transactions (effective portion)                                     |                           | -                   | -                                 | -                                | -                | -                 | -                  | -                      | -                 | -   | -                                    | -   | -  | -                                   | (39.557)         | -  | (39.557)                         |
| 6.1 Cash flow hedge  |                           | -                   | -                                 | -                                | -                | -                 | -                  | -                      | -                 | -   | -                                    | -   | -  | -                                   | (39.557)         | -  | (39.557)                         |
| 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  |                           | -                   | -                                 | -                                | -                | -                 | -                  | -                      | -                 | -   | -                                    | (2.174)   | -  | -                                   | 18.333           | -  | 16.159                           |
| XI. Changes due to the disposal of assets  |                           | -                   | -                                 | -                                | -                | -                 | -                  | -                      | -                 | -   | -                                    | -   | -  | -                                   | -                | -  | -                                |
| XII. Changes due to the reclassification of assets                               |                           | -                   | -                                 | -                                | -                | -                 | -                  | -                      | -                 | -   | -                                    | -   | -  | -                                   | -                | -  | -                                |
| XIII. Effect of the changes in equity of investment in associates                |                           | -                   | -                                 | -                                | -                | -                 | -                  | -                      | -                 | -   | -                                    | -   | -  | -                                   | -                | -  | -                                |
| XIV. Capital increase  |                           | -                   | -                                 | -                                | -                | -                 | -                  | -                      | -                 | -   | -                                    | -   | -  | -                                   | -                | -  | -                                |
| 14.1 Cash increase   |                           | -                   | -                                 | -                                | -                | -                 | -                  | -                      | -                 | -   | -                                    | -   | -  | -                                   | -                | -  | -                                |
| 14.2 Internal resources  |                           | -                   | -                                 | -                                | -                | -                 | -                  | -                      | -                 | -   | -                                    | -   | -  | -                                   | -                | -  | -                                |
| XV. Share premium  |                           | -                   | -                                 | -                                | -                | -                 | -                  | -                      | -                 | -   | -                                    | -   | -  | -                                   | -                | -  | -                                |
| XVI. Share cancellation profits  |                           | -                   | -                                 | -                                | -                | -                 | -                  | -                      | -                 | -   | -                                    | -   | -  | -                                   | -                | -  | -                                |
| XVII. Paid in-capital inflation adjustment difference                            |                           | -                   | -                                 | -                                | -                | -                 | -                  | -                      | -                 | -   | -                                    | -   | -  | -                                   | -                | -  | -                                |
| XVIII. Other   |                           | -                   | -                                 | -                                | -                | -                 | -                  | -                      | -                 | -   | -                                    | -   | -  | -                                   | -                | -  | -                                |
| XIX. Current year income or loss   |                           | -                   | -                                 | -                                | -                | -                 | -                  | -                      | -                 | 507.041                                   | -                                    | -   | -  | -                                   | -                | -  | 507.041                          |
| XX. Profit distribution  |                           | -                   | -                                 | -                                | 92.874           | -                 | 1.616.721          | 147.891                | (1.857.486)       | -   | -                                    | -   | -  | -                                   | -                | -  | -                                |
| 20.1 Dividend paid   |                           | -                   | -                                 | -                                | -                | -                 | -                  | -                      | -                 | -   | -                                    | -   | -  | -                                   | -                | -  | -                                |
| 20.2 Transfers to reserves   |                           | -                   | -                                 | -                                | 92.874           | -                 | 1.616.721          | 147.891                | (1.857.486)       | -   | -                                    | -   | -  | -                                   | -                | -  | -                                |
| 20.3 Other   |                           | -                   | -                                 | -                                | -                | -                 | -                  | -                      | -                 | -   | -                                    | -   | -  | -                                   | -                | -  | -                                |
| Period end balance<br>(III+.....+ XVIII +XIX+XX)                                 |                           | 4.347.051           | -                                 | 543.881                          | -                | 359.847           | -                  | 6.546.849              | 294.532           | 507.041                                   | -                                    | 1.764.778   | -  | -                                   | (329.754)        | -  | 14.034.225                       |

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 March 31, 2013**

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

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

| Current Period  | Note<br>(Section<br>five) | Paid-in<br>capital | Adjustment<br>to share<br>capital | Share<br>premium | Share<br>cancellation<br>profits | Legal<br>reserves | Status<br>reserves | Extra ord.<br>reserves | Other<br>reserves | Current<br>period net<br>income/(loss) | Prior period<br>income/(loss) | Marketable<br>securities<br>value<br>increase<br>fund | Property and<br>equipment<br>and intangible<br>assets<br>revaluation<br>fund | Bonus shares<br>from<br>investments | Hedging<br>funds | Assets held<br>for resale/<br>discontinued<br>operations<br>revaluation<br>fund | Total<br>shareholders'<br>equity |
|---|---------------------------|--------------------|-----------------------------------|------------------|----------------------------------|-------------------|--------------------|------------------------|-------------------|--|-------------------------------|---|--|-------------------------------------|------------------|---|----------------------------------|
| March 31, 2013  |                           |                    |                                   |                  |                                  |                   |                    |                        |                   |  |                               |   |  |                                     |                  |   |                                  |
| I. Prior period end balance   |                           | 4.347.051          | -                                 | 543.881          | -                                | 359.847           | -                  | 6.546.849              | 294.801           | 1.913.472                              | -                             | 2.407.987   | -  | -                                   | (560.813)        | -   | 15.853.075                       |
| Changes in the period   |                           |                    |                                   |                  |                                  |                   |                    |                        |                   |  |                               |   |  |                                     |                  |   |                                  |
| II. Increase/decrease due to the merger   |                           | -                  | -                                 | -                | -                                | -                 | -                  | -                      | -                 | -                                      | -                             | -   | -  | -                                   | -                | -   | -                                |
| III. Marketable securities valuation differences                                  |                           | -                  | -                                 | -                | -                                | -                 | -                  | -                      | -                 | -                                      | -                             | (245.690)   | -  | -                                   | -                | 177.800   | (67.890)                         |
| IV. Hedging transactions (effective portion)                                      |                           | -                  | -                                 | -                | -                                | -                 | -                  | -                      | -                 | -                                      | -                             | -   | -  | -                                   | 121.148          | -   | 121.148                          |
| 4.1 Cash flow hedge   |                           | -                  | -                                 | -                | -                                | -                 | -                  | -                      | -                 | -                                      | -                             | -   | -  | -                                   | 121.148          | -   | 121.148                          |
| 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  |                           | -                  | -                                 | -                | -                                | -                 | -                  | -                      | -                 | -                                      | -                             | 39.608  | -  | -                                   | (12.698)         | -   | 26.910                           |
| IX. Changes due to the disposal of assets   |                           | -                  | -                                 | -                | -                                | -                 | -                  | -                      | -                 | -                                      | -                             | -   | -  | -                                   | -                | -   | -                                |
| X. Changes due to the reclassification of assets                                  |                           | -                  | -                                 | -                | -                                | -                 | -                  | -                      | -                 | -                                      | -                             | -   | -  | -                                   | -                | 1.008.967   | 1.008.967                        |
| 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  |                           | -                  | -                                 | -                | -                                | -                 | -                  | -                      | 279               | -                                      | -                             | -   | -  | -                                   | -                | -   | 279                              |
| XVII. Current year income or loss   |                           | -                  | -                                 | -                | -                                | -                 | -                  | -                      | -                 | 541.120                                | -                             | -   | -  | -                                   | -                | -   | 541.120                          |
| XVIII. Profit distribution  |                           | -                  | -                                 | -                | -                                | 103.939           | -                  | 1.504.624              | 4.909             | (1.913.472)                            | -                             | -   | -  | -                                   | -                | -   | (300.000)                        |
| 18.1 Dividend paid  |                           | -                  | -                                 | -                | -                                | -                 | -                  | -                      | -                 | (300.000)                              | -                             | -   | -  | -                                   | -                | -   | (300.000)                        |
| 18.2 Transfers to reserves  |                           | -                  | -                                 | -                | -                                | 103.939           | -                  | 1.504.624              | 4.909             | (1.613.472)                            | -                             | -   | -  | -                                   | -                | -   | -                                |
| 18.3 Other  |                           | -                  | -                                 | -                | -                                | -                 | -                  | -                      | -                 | -                                      | -                             | -   | -  | -                                   | -                | -   | -                                |
| <b>Period end balance<br/>(I+II+III+...+XVI+XVII+XVIII)</b>                       |                           | <b>4.347.051</b>   | <b>-</b>                          | <b>543.881</b>   | <b>-</b>                         | <b>463.786</b>    | <b>-</b>           | <b>8.051.473</b>       | <b>299.989</b>    | <b>541.120</b>                         | <b>-</b>                      | <b>2.201.905</b>                                      | <b>-</b>   | <b>-</b>                            | <b>(452.363)</b> | <b>1.186.767</b>  | <b>17.183.609</b>                |

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

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

## Yapı ve Kredi Bankası A.Ş.

### Unconsolidated financial statements as of March 31, 2013 and 2012 (Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

#### VI. Statement of cash flows

|   | Notes<br>(Section<br>Five) | Current<br>Period<br>(31/03/2013) | Prior<br>Period<br>(31/03/2012) |
|---|----------------------------|-----------------------------------|---------------------------------|
| <b>A. Cash flows from banking operations</b>  |                            |                                   |                                 |
| 1.1 Operating profit before changes in operating assets and liabilities                       |                            | 1.320.034                         | 2.039.353                       |
| 1.1.1 Interest received   |                            | 2.705.263                         | 2.331.242                       |
| 1.1.2 Interest paid   |                            | (1.053.842)                       | (1.173.042)                     |
| 1.1.3 Dividend received   |                            | 3.738                             | 150.248                         |
| 1.1.4 Fees and commissions received   |                            | 552.416                           | 490.045                         |
| 1.1.5 Other income  |                            | (232.985)                         | (304.400)                       |
| 1.1.6 Collections from previously written-off loans and other receivables                     |                            | 402.603                           | 339.922                         |
| 1.1.7 Payments to personnel and service suppliers   |                            | (487.414)                         | (523.501)                       |
| 1.1.8 Taxes paid  |                            | (264.513)                         | (170.252)                       |
| 1.1.9 Other   | VI                         | (305.232)                         | 899.091                         |
| 1.2 Changes in operating assets and liabilities   |                            | (2.532.250)                       | (4.444.854)                     |
| 1.2.1 Net (increase)/decrease in trading securities   |                            | 353.607                           | (5.631)                         |
| 1.2.2 Net (increase)/decrease in fair value through profit/loss financial assets              |                            | -                                 | -                               |
| 1.2.3 Net (increase)/decrease in banks  |                            | (2.912.684)                       | 52.331                          |
| 1.2.4 Net (increase)/decrease in loans  |                            | (2.931.860)                       | (938.316)                       |
| 1.2.5 Net (increase)/decrease in other assets   |                            | 113.204                           | 410.581                         |
| 1.2.6 Net increase /(decrease) in bank deposits   |                            | 650.865                           | (76.575)                        |
| 1.2.7 Net increase /(decrease) in other deposits  |                            | 2.506.592                         | (1.979.113)                     |
| 1.2.8 Net increase /(decrease) in funds borrowed  |                            | 995.706                           | (2.587.036)                     |
| 1.2.9 Net increase /(decrease) in payables  |                            | -                                 | -                               |
| 1.2.10 Net increase /(decrease) in other liabilities  | VI                         | (1.307.680)                       | 678.905                         |
| <b>I. Net cash flows from banking operations</b>  |                            | <b>(1.212.216)</b>                | <b>(2.405.501)</b>              |
| <b>B. Cash flows from investing activities</b>  |                            |                                   |                                 |
| <b>II. Net cash flows from investing activities</b>   |                            | <b>(127.894)</b>                  | <b>185.251</b>                  |
| 2.1 Cash paid for acquisition of investments in associates, subsidiaries and joint ventures   |                            | (128)                             | -                               |
| 2.2 Cash obtained from disposal of investments in associates, subsidiaries and joint ventures |                            | -                                 | -                               |
| 2.3 Purchases of property and equipment   |                            | (48.168)                          | (33.091)                        |
| 2.4 Disposals of property and equipment   |                            | 20.711                            | 2.056                           |
| 2.5 Purchase of investments available-for-sale  |                            | (1.610.346)                       | (1.168.256)                     |
| 2.6 Sale of investments available-for -sale   |                            | 1.492.799                         | 1.310.091                       |
| 2.7 Purchase of investment securities   |                            | -                                 | (46)                            |
| 2.8 Sale of investment securities   |                            | 17.238                            | 74.497                          |
| 2.9 Other   |                            | -                                 | -                               |
| <b>C. Cash flows from financing activities</b>  |                            |                                   |                                 |
| <b>III. Net cash flows from financing activities</b>  |                            | <b>945.783</b>                    | <b>1.258.567</b>                |
| 3.1 Cash obtained from funds borrowed and securities issued                                   |                            | 1.261.687                         | 1.370.877                       |
| 3.2 Cash used for repayment of funds borrowed and securities issued                           |                            | (311.979)                         | (97.747)                        |
| 3.3 Issued capital instruments  |                            | -                                 | -                               |
| 3.4 Dividends paid  |                            | -                                 | -                               |
| 3.5 Payments for finance leases   |                            | (3.925)                           | (14.563)                        |
| 3.6 Other   |                            | -                                 | -                               |
| <b>IV. Effect of change in foreign exchange rates on cash and cash equivalents</b>            | VI                         | <b>60.221</b>                     | <b>(136.886)</b>                |
| <b>V. Net increase in cash and cash equivalents (I+II+III+IV)</b>                             |                            | <b>(334.106)</b>                  | <b>(1.098.569)</b>              |
| <b>VI. Cash and cash equivalents at beginning of the period</b>                               | VI                         | <b>8.309.106</b>                  | <b>9.780.424</b>                |
| <b>VII. Cash and cash equivalents at end of the period</b>                                    | VI                         | <b>7.975.000</b>                  | <b>8.681.855</b>                |

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

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (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” and changes and notes to this communiqué published in the Official Gazette No. 28337 dated June 28, 2012. The Bank’s accounting books are prepared in accordance with Banking Law, Turkish Commercial Code and Turkish Tax Legislations in Turkish Lira.

The accompanying unconsolidated financial statements are prepared in accordance with the historical cost basis (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 and hedging derivative financial assets/liabilities. Besides, the carrying values of 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 assets and liabilities 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 financial statements are defined and applied in accordance with TAS and are consistent with the accounting policies applied for the year ended December 31, 2012. IAS/IFRS changes ( IFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendment), IAS 1 Presentation of Financial Statements (Amended) – Presentation of Items of Other Comprehensive Income, IAS 19 Employee Benefits (Amended), IAS 27 Separate Financial Statements (Amended), IAS 28 Investments in Associates and Joint Ventures (Amended), IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities, IFRS 13 Fair Value Measurement) do not have a significant effect on the Bank’s accounting policies, financial position or performance. Those accounting policies and valuation principles are explained in Notes II. to XXVII. below. The changes introduced by IFRS 10 as adopted by the Bank is evaluated and it was concluded the changes have no impact on the accounting policies of the Bank.



**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (continued)**

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

**Accounting policies (continued)**

The effects of TFRS 9, "Financial Instruments" which has not been implemented yet, are under evaluation by the Bank. The standard which the Bank did not early adopt 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.

**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 restated. The effect of this restatement and other classifications on the financial statements as of December 31, 2011 and March 31, 2012 are summarized below:

| <b>March 31, 2012</b>                       | <b>Published</b> | <b>Adjustments</b> | <b>Restated</b> |
|---|------------------|--------------------|-----------------|
| Subsidiaries (Net)                          | 1.801.223        | 1.734.147          | 3.535.370       |
| Total Assets                                | 106.032.374      | 1.734.147          | 107.766.521     |
| Marketable Securities Valuation Differences | 30.631           | 1.734.147          | 1.764.778       |
| Other capital reserves                      | 294.532          | (827)              | 293.705         |
| Other profit reserves                       | -                | 827                | 827             |
| Shareholder's Equity                        | 12.300.078       | 1.734.147          | 14.034.225      |
| Total Liabilities                           | 106.032.374      | 1.734.147          | 107.766.521     |

| <b>December 31, 2011</b>                    | <b>Published</b> | <b>Adjustments</b> | <b>Restated</b> |
|---|------------------|--------------------|-----------------|
| Subsidiaries (Net)                          | 1.801.223        | 1.550.743          | 3.351.966       |
| Total Assets                                | 108.102.977      | 1.550.743          | 109.653.720     |
| Marketable Securities Valuation Differences | (83.444)         | 1.550.743          | 1.467.299       |
| Other capital reserves                      | 146.641          | (827)              | 145.814         |
| Other profit reserves                       | -                | 827                | 827             |
| Shareholder's Equity                        | 11.700.186       | 1.550.743          | 13.250.929      |
| Total Liabilities                           | 108.102.977      | 1.550.743          | 109.653.720     |

**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 March 31, 2013 (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 is also sustaining a lengthened liability structure by using long-term foreign and local currency borrowings from domestic and international investors and 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:**

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” in the unconsolidated financial statements. 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 the line item ‘Marketable Securities Valuation Differences’ under equity. Investments in subsidiaries which are not quoted in organized markets and for which their fair values cannot 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 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 remeasured 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 applied to 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 March 31, 2013 (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. The ineffective portion of the mentioned hedging transaction is reflected to the income statement. 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 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 March 31, 2013, 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 March 31, 2013 (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 case 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, currency exchange transactions, which are 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.

A Credit Valuation Adjustment (CVA) is applied to the Bank's over-the-counter derivative exposures to take into account the counterparty's risk of default when measuring the fair value of the derivative. CVA is the mark-to-market cost of protection required to hedge credit risk from counterparties in the Bank's over-the-counter derivatives portfolio. The Bank calculates CVA based on collective provisioning methodology calculated in accordance with international financial reporting standards, IAS 39, comprising the product of Exposure, Probability of Default (PD) and Loss Given Default (LGD). CVA is calculated based on the exposure of each counterparty.

**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:**

Fees and commissions received as a result of the service agreements or arising from negotiating or participating in the negotiation of a transaction on behalf of a third party are recognized either in the period when the transaction is realized or deferred based on the type of the underlying transaction. Other commission income and fees from various banking services are recorded as income at the time of realization.

**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 accordance with the basis of valuation of assets.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (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, sales or reclassification to available for sale portfolio of insignificant amount of financial assets, sale or reclassification to available for sale portfolio of financial assets which are close to maturity less than three months, or sale or reclassification to available for sale portfolio of assets as a result of significant increase in the risk weights of held-to-maturity investments used for regulatory risk-based capital purposes 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, 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 Accounts (‘UCA’). Foreign currency indexed loans are initially measured at local currency accounts with the foreign exchange rate prevailing at date of the initial recognition and re-valued with the relevant foreign currency rates prevailing at the date of the financial statements. Increase or decrease in the value of the principal amount of the loan 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 prevailing at the repayment dates 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 March 31, 2013 (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.

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 cannot 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 UCA.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (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 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 March 31, 2013 (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.

**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 March 31, 2013 (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 another 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 March 31, 2013 (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 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 March 31, 2013 (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. Actuarial gains and losses generated after January 1, 2013, are accounted for under equity in accordance with the revised IAS 19 standard.

**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, Council of Ministers was authorized to increase the two-year extension period mentioned above to four years. It was decided to extend the transfer date by one year in accordance with the decision of the Council of Ministers on 8 April 2013.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (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 March 31, 2013 (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 March 31, 2013 (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 March 31, 2013, the Bank received government grant from TÜBİTAK amounting to TL 1.096 (December 31, 2012 - TL 1.096).

**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.

|   | <b>Current Period</b> | <b>Prior Period</b> |
|---|-----------------------|---------------------|
| Net Income/(loss) to be appropriated to ordinary shareholders | 541.120               | 507.041             |
| Weighted average number of issued ordinary shares(thousand)   | 434.705.128           | 434.705.128         |
| <b>Earnings per share (disclosed in full TL)</b>              | <b>0,0012</b>         | <b>0,0012</b>       |

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

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (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.

As of March 31, 2013 no bonus shares were issued during 2013 (December 31, 2012 - no bonus shares were issued).

**XXIV. Related parties:**

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

**XXV. 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 XV of Section Four.

**XXVI. Explanations on other matters:**

Changes have been made to comparative figures as of December 31, 2011 and March 31, 2012 as detailed in Note I of Section III.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (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 15,99% (December 31, 2012 –16,30%)
- 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 Provisioning Regulation. 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 which are in banking books, 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.



(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 March 31, 2013 (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      |                  |                   |                   |                   |                  |                  | Total              |
|--|-------------------|------------------|-------------------|-------------------|-------------------|------------------|------------------|--------------------|
|  | 0%                | 20%              | 50%               | 75%               | 100%              | 150%             | 200%             |                    |
| <b>Amounts subject to credit risk</b>  | <b>24.943.744</b> | <b>4.395.560</b> | <b>23.619.485</b> | <b>31.085.866</b> | <b>61.539.782</b> | <b>3.915.844</b> | <b>4.213.774</b> | <b>153.714.055</b> |
| <b>Risk classifications:</b>   | 23.499.585        | -                | 10.376.495        | -                 | -                 | -                | -                | <b>33.876.080</b>  |
| Conditional and unconditional receivables from central governments or central banks                | -                 | 139              | -                 | -                 | -                 | -                | -                | <b>139</b>         |
| Conditional and unconditional receivables from regional or local governments                       | -                 | -                | -                 | -                 | 591               | -                | -                | <b>591</b>         |
| Conditional and unconditional receivables from administrative units and non-commercial enterprises | 1.619             | -                | -                 | -                 | -                 | -                | -                | <b>1.619</b>       |
| Conditional and unconditional receivables from multilateral development banks                      | -                 | -                | -                 | -                 | -                 | -                | -                | <b>-</b>           |
| Conditional and unconditional receivables from international organizations                         | -                 | 4.351.445        | 4.702.790         | -                 | 2.405.062         | -                | -                | <b>11.459.297</b>  |
| Conditional and unconditional receivables from banks and brokerage houses                          | -                 | -                | -                 | -                 | 51.351.191        | -                | -                | <b>51.351.191</b>  |
| Conditional and unconditional receivables from corporates  | -                 | -                | -                 | 31.085.866        | -                 | -                | -                | <b>31.085.866</b>  |
| Conditional and unconditional retail receivables   | -                 | -                | 8.540.200         | -                 | -                 | -                | -                | <b>8.540.200</b>   |
| Conditional and unconditional receivables secured by mortgages                                     | -                 | -                | -                 | -                 | 682.016           | 327.464          | -                | <b>1.009.480</b>   |
| Past due receivables   | -                 | -                | -                 | -                 | -                 | 3.588.380        | 4.213.774        | <b>7.802.154</b>   |
| Receivables defined as high risk category by the Regulator   | -                 | -                | -                 | -                 | -                 | -                | -                | <b>-</b>           |
| Secured by mortgages   | -                 | -                | -                 | -                 | -                 | -                | -                | <b>-</b>           |
| Securitization positions   | -                 | -                | -                 | -                 | -                 | -                | -                | <b>-</b>           |
| Short-term receivables from banks, brokerage houses and corporates                                 | -                 | -                | -                 | -                 | -                 | -                | -                | <b>-</b>           |
| Investments similar to collective investment funds   | 1.442.540         | 43.976           | -                 | -                 | 7.100.922         | -                | -                | <b>8.587.438</b>   |
| Other receivables  | -                 | -                | -                 | -                 | -                 | -                | -                | <b>-</b>           |
| <b>Credit Risk Weighted Amounts</b>  | <b>-</b>          | <b>879.112</b>   | <b>11.809.743</b> | <b>23.314.400</b> | <b>61.539.782</b> | <b>5.873.766</b> | <b>8.427.548</b> | <b>111.844.351</b> |

**Summary information about capital adequacy ratio:**

|  | Current Period    | Prior Period      |
|--|-------------------|-------------------|
| Capital Requirement for Credit Risk (Value at Credit Risk*0.08) (CRCR) | 8.947.548         | 8.639.259         |
| Capital requirement for market risk (II) (MRCR)                        | 140.126           | 134.553           |
| Capital requirement for operational risk (III) (ORCR)                  | 802.350           | 746.900           |
| <b>Shareholders' equity</b>  | <b>19.773.461</b> | <b>19.397.778</b> |
| <b>Shareholders' Equity/((CRCR+MRCR+ORCR) * 12.5) * 100</b>            | <b>15,99</b>      | <b>16,30</b>      |

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (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:**

|  | Current Period        | Prior Period        |
|--|-----------------------|---------------------|
| <b>Core Capital</b>  |                       |                     |
| Paid-in capital  | 4.347.051             | 4.347.051           |
| Nominal capital  | 4.347.051             | 4.347.051           |
| Capital commitments (-)  | -                     | -                   |
| Adjustment to paid-in capital  | -                     | -                   |
| Share premium  | 543.881               | 543.881             |
| Share repeal   | -                     | -                   |
| Legal reserves   | 8.516.634             | 6.907.792           |
| Adjustment to legal reserves   | -                     | -                   |
| Profit   | 541.120               | 1.913.472           |
| Net current period profit  | 541.120               | 1.913.472           |
| Prior period profit  | -                     | -                   |
| Provisions for possible losses up to 25% of core capital   | 180.831               | 229.247             |
| Income on sale of equity shares and real estates <sup>(1)</sup>  | 298.614               | 293.705             |
| Primary subordinated loans   | -                     | -                   |
| Loss (in excess of Reserves) (-)   | -                     | -                   |
| Net current period's losses  | -                     | -                   |
| prior periods' losses  | -                     | -                   |
| Leasehold Improvements on Operational Leases (-)   | 70.313                | 77.850              |
| Intangible assets (-)  | 1.332.399             | 1.329.944           |
| Deferred-assets for tax which exceeds 10% of core capital (-)  | -                     | -                   |
| Excess amount expressed in the Law (Article 56, 3rd paragraph) (-)   | -                     | -                   |
| <b>Total core capital</b>  | <b>13.025.419</b>     | <b>12.827.354</b>   |
|  | <b>Current Period</b> | <b>Prior Period</b> |
| <b>Supplementary capital</b>   |                       |                     |
| General reserves   | 1.335.469             | 1.304.832           |
| 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 <sup>(2)</sup>  | 4.177.422             | 3.990.969           |
| 45% of value increase fund of financial assets available for sale and associates and subsidiaries <sup>(3)</sup>   | 1.524.902             | 1.537.629           |
| Adjustment to paid-in capital, profit reserves and previous years losses(except adjustment to legal reserves)  | -                     | -                   |
| <b>Total supplementary capital</b>   | <b>7.037.793</b>      | <b>6.833.430</b>    |
| <b>Capital</b>   | <b>20.063.212</b>     | <b>19.660.784</b>   |
| <b>Deductions from the capital</b>   | <b>289.751</b>        | <b>263.006</b>      |
| Partnership share on banks and financial institutions (domestic and abroad) that are not consolidated, with a shareholding of 10% and above  | 63.027                | 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   | 2.045                 | 3.190               |
| 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 | 6.792                 | 6.844               |
| Securitization positions that is deducted -preferably- from the shareholders' equity   | -                     | -                   |
| Other  | 217.887               | 189.945             |
| <b>Total shareholders' equity</b>  | <b>19.773.461</b>     | <b>19.397.778</b>   |

(1) The figure includes income on sale of equity shares and real estates for TL 302.468 and other reserves for TL (3.854)

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

(3) Includes accumulated differences in the valuation of assets held for sale.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (continued)**

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

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

**c. Approaches for assessment of adequacy of internal capital requirements for current and future activities:**

This footnote is not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks” for the interim period reports.

**II. Explanations on credit risk:**

This footnote is not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks” for the interim period reports.

**III. Explanations on market risk:**

Risk management activities of the Bank are carried out under the responsibility of the Bank’s 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 Bank’s Board of Directors 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 to the Bank’s 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 March 31, 2013 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.

**(1) Explanations on market risk:**

**a. Information on market risk:**

|  | <b>Current Period</b> | <b>Prior Period</b> |
|--|-----------------------|---------------------|
| (I) Capital requirement against general market risk - standard method                                    | 21.421                | 24.099              |
| (II) Capital requirement against specific risks - standard method  | 66.433                | 22.162              |
| Capital requirement against specific risks of securitization positions– standard method                  | -                     | -                   |
| (III) Capital requirement against currency exchange risk - standard method                               | 33.918                | 65.876              |
| (IV) Capital requirement against commodity risks - standard method                                       | 2.565                 | 3.024               |
| (V) Capital requirement against exchange risks - standard method   | -                     | -                   |
| (VI) Capital requirement against market risks of options - standard method                               | 437                   | 1.277               |
| (VII) Capital requirement against counterparty credit risks - standard method                            | 15.352                | 18.115              |
| (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)<br>(i+ii+iii+iv+v+vi+vii+viii) | 140.126               | 134.553             |
| <b>(IX) Value-at-market risk ((12.5*viii) or (12.5*ix))</b>  | <b>1.751.575</b>      | <b>1.681.913</b>    |

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (continued)**

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

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

- b. This footnote is not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks” for the interim period reports.

**(2) Quantitative information on counterparty risk:**

This footnote is not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks” for the interim period reports.

**(3) Explanations on calculation of capital requirements through a risk measurement model which is permitted to be used by the authorities;**

This footnote is not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks” for the interim period reports.

**IV. Explanations on operational risk:**

This footnote is not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks” for the interim period reports.

**V. 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. Cross currency risk is also taken into consideration for the currency risk calculations and measurements.

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, although the internal exchange position limit is lower when compared to the related legal limit, there has not been any limit exceeding during the period. As an instrument 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. Value at risk method is used for the measurement of foreign exchange risk.

The details of hedging of the foreign currency debt instruments and net foreign currency investment risk with derivative instruments are disclosed in section four Note XIII.

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)

|  | <b>USD</b>        | <b>EUR</b>        |
|--|-------------------|-------------------|
| <b>Balance sheet evaluation rate</b>                     | <b>TL 1,80870</b> | <b>TL 2,31890</b> |
| First day current bid rate                               | TL 1,80870        | TL 2,31890        |
| Second day current bid rate                              | TL 1,81370        | TL 2,32060        |
| Third day current bid rate                               | TL 1,81760        | TL 2,32570        |
| Fourth day current bid rate                              | TL 1,81680        | TL 2,33790        |
| Fifth day current bid rate                               | TL 1,81400        | TL 2,35510        |
| <b>Arithmetic average of the last 31 days:</b>           | <b>TL 1,77045</b> | <b>TL 2,29778</b> |
| <b>Balance sheet evaluation rate as of Prior Period:</b> | <b>TL 1,73800</b> | <b>TL 2,29290</b> |

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

## Yapı ve Kredi Bankası A.Ş.

### Notes to unconsolidated financial statements at March 31, 2013 (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 <sup>(4)</sup> | Total              |
|---|--------------------|--------------------|-------------------------|--------------------|
| <b>Current Period</b>   |                    |                    |                         |                    |
| <b>Assets</b>   |                    |                    |                         |                    |
| Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey | 3.956.831          | 4.994.570          | 2.884.291               | 11.835.692         |
| Banks   | 336.420            | 608.278            | 133.608                 | 1.078.306          |
| Financial assets at fair value through profit or loss   | 11.432             | 98.335             | 235                     | 110.002            |
| Money market placements   | -                  | -                  | -                       | -                  |
| Available-for-sale financial assets   | 302.932            | 6.258.700          | -                       | 6.561.632          |
| Loans <sup>(1)</sup>  | 7.779.247          | 17.446.850         | 625.548                 | 25.851.645         |
| Investments in associates, subsidiaries and joint ventures  | 374.551            | 196.562            | 43.404                  | 614.517            |
| Held-to-maturity investments  | 120.571            | 2.343.973          | -                       | 2.464.544          |
| Hedging derivative financial assets   | -                  | -                  | -                       | -                  |
| Tangible assets   | -                  | -                  | -                       | -                  |
| Intangible assets   | -                  | -                  | -                       | -                  |
| Other assets <sup>(2)</sup>   | 144.204            | 633.222            | 85.057                  | 862.483            |
| <b>Total assets</b>   | <b>13.026.188</b>  | <b>32.580.490</b>  | <b>3.772.143</b>        | <b>49.378.821</b>  |
| <b>Liabilities</b>  |                    |                    |                         |                    |
| Bank deposits   | 36.357             | 186.646            | 22.259                  | 245.262            |
| Foreign currency deposits   | 10.015.342         | 13.555.082         | 1.771.695               | 25.342.119         |
| Funds from money market   | -                  | 4.475.120          | -                       | 4.475.120          |
| Funds borrowed from other financial institutions  | 5.342.770          | 6.790.939          | 135.953                 | 12.269.662         |
| Marketable securities issued  | -                  | 1.793.123          | -                       | 1.793.123          |
| Miscellaneous payables  | 223.453            | 104.677            | 15.034                  | 343.164            |
| Hedging derivative financial liabilities  | 100.441            | 360.380            | -                       | 460.821            |
| Other liabilities <sup>(3)</sup>  | 2.757.519          | 3.365.978          | 5.588                   | 6.129.085          |
| <b>Total liabilities</b>  | <b>18.475.882</b>  | <b>30.631.945</b>  | <b>1.950.529</b>        | <b>51.058.356</b>  |
| <b>Net on-balance sheet position</b>  | <b>(5.449.694)</b> | <b>1.948.545</b>   | <b>1.821.614</b>        | <b>(1.679.535)</b> |
| <b>Net off-balance sheet position</b>   | <b>6.221.344</b>   | <b>(2.182.732)</b> | <b>(1.662.760)</b>      | <b>2.375.852</b>   |
| Financial derivative assets   | 7.805.977          | 8.095.183          | 862.632                 | 16.763.792         |
| Financial derivative liabilities  | 1.584.633          | 10.277.915         | 2.525.392               | 14.387.940         |
| <b>Non-cash loans</b>   | <b>6.563.844</b>   | <b>9.753.255</b>   | <b>1.291.493</b>        | <b>17.608.592</b>  |
| <b>Prior Period</b>   |                    |                    |                         |                    |
| Total assets  | 11.281.116         | 33.390.424         | 2.729.917               | 47.401.457         |
| Total liabilities   | 17.242.025         | 30.721.507         | 1.826.781               | 49.790.313         |
| <b>Net on-balance sheet position</b>  | <b>(5.960.909)</b> | <b>2.668.917</b>   | <b>903.136</b>          | <b>(2.388.856)</b> |
| <b>Net off-balance sheet position</b>   | <b>5.895.947</b>   | <b>(1.553.974)</b> | <b>(1.111.471)</b>      | <b>3.230.502</b>   |
| Financial derivative assets   | 7.533.536          | 7.960.682          | 414.402                 | 15.908.620         |
| Financial derivative liabilities  | 1.637.589          | 9.514.656          | 1.525.873               | 12.678.118         |
| <b>Non-cash loans</b>   | <b>6.592.226</b>   | <b>10.094.529</b>  | <b>299.921</b>          | <b>16.986.676</b>  |

(1) Includes FX indexed loans amounting to TL 3.418.773 (December 31, 2012 – TL 3.221.773) which have been disclosed as TL in the financial statements.

(2) Does not include foreign currency prepaid expenses amounting to TL 31.221 (December 31, 2012 - TL 33.840).

(3) Does not include foreign currency denominated general provisions for foreign currencies, hedge funds and marketable securities valuation differences under equity.

(4) Other FC column also includes gold amounts.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (continued)**

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

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

**VI. 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 over carrying values. The results are presented monthly to the 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 are utilized.

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

| <b>Current Period</b>   | <b>Up to 1 month</b> | <b>1-3 months</b> | <b>3-12 months</b> | <b>1-5 years</b>  | <b>5 years and over</b> | <b>Non interest bearing</b> | <b>Total</b>        |
|---|----------------------|-------------------|--------------------|-------------------|-------------------------|-----------------------------|---------------------|
| <b>Assets</b>   |                      |                   |                    |                   |                         |                             |                     |
| Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey | -                    | -                 | -                  | -                 | -                       | 14.466.200                  | 14.466.200          |
| Banks   | 968.035              | 109.294           | 187.050            | -                 | -                       | 788.847                     | 2.053.226           |
| Financial assets at fair value through profit/loss  | 100.174              | 78.257            | 127.674            | 72.700            | 24.608                  | -                           | 403.413             |
| Money market placements   | 2.586.720            | -                 | -                  | -                 | -                       | -                           | 2.586.720           |
| Available-for-sale financial assets   | 973.948              | 975.484           | 3.634.955          | 2.759.394         | 5.922.122               | 5.313                       | 14.271.216          |
| Loans   | 16.933.119           | 21.890.462        | 17.688.714         | 15.201.867        | 4.700.784               | 1.744.282                   | 78.159.228          |
| Held-to-maturity investments  | 418.427              | 1.034.205         | 1.542.057          | 240.198           | 2.464.544               | -                           | 5.699.431           |
| Other assets  | 27.535               | 67.897            | 27.306             | -                 | -                       | 8.636.706                   | 8.759.444           |
| <b>Total assets</b>   | <b>22.007.958</b>    | <b>24.155.599</b> | <b>23.207.756</b>  | <b>18.274.159</b> | <b>13.112.058</b>       | <b>25.641.348</b>           | <b>126.398.878</b>  |
| <b>Liabilities</b>  |                      |                   |                    |                   |                         |                             |                     |
| Bank deposits   | 415.698              | 163.384           | 94.476             | 295               | -                       | 671.788                     | 1.345.641           |
| Other deposits  | 43.409.422           | 8.948.447         | 6.558.355          | 34.890            | -                       | 10.894.331                  | 69.845.445          |
| Funds from money market   | 2.613.170            | 1.888.095         | 812.157            | -                 | -                       | -                           | 5.313.422           |
| Miscellaneous payables  | -                    | -                 | -                  | -                 | -                       | 5.828.826                   | 5.828.826           |
| Marketable securities issued  | 252.650              | 1.065.417         | 313.450            | 897.504           | 895.619                 | -                           | 3.424.640           |
| Funds borrowed from other financial institutions  | 2.862.390            | 5.266.038         | 2.532.726          | 1.610.121         | 497.721                 | -                           | 12.768.996          |
| Other liabilities and shareholders' equity  | 1.222.983            | 2.037.837         | 1.302.900          | 33.791            | 1.815.664               | 21.458.733                  | 27.871.908          |
| <b>Total liabilities</b>  | <b>50.776.313</b>    | <b>19.369.218</b> | <b>11.614.064</b>  | <b>2.576.601</b>  | <b>3.209.004</b>        | <b>38.853.678</b>           | <b>126.398.878</b>  |
| <b>Balance sheet long position</b>  | -                    | <b>4.786.381</b>  | <b>11.593.692</b>  | <b>15.697.558</b> | <b>9.903.054</b>        | -                           | <b>41.980.685</b>   |
| <b>Balance sheet short position</b>   | <b>(28.768.355)</b>  | -                 | -                  | -                 | -                       | <b>(13.212.330)</b>         | <b>(41.980.685)</b> |
| Off-balance sheet long position   | 6.004.224            | 13.525.508        | -                  | -                 | -                       | -                           | 19.529.732          |
| Off-balance sheet short position  | -                    | -                 | (3.411.177)        | (15.177.253)      | (1.250.100)             | -                           | (19.838.530)        |
| <b>Total position</b>   | <b>(22.764.131)</b>  | <b>18.311.889</b> | <b>8.182.515</b>   | <b>520.305</b>    | <b>8.652.954</b>        | <b>(13.212.330)</b>         | <b>(308.798)</b>    |

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

## Yapı ve Kredi Bankası A.Ş.

### Notes to unconsolidated financial statements at March 31, 2013 (continued)

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

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

| Prior Period  | Up to<br>1 month    | 1-3<br>months     | 3-12<br>months    | 1-5<br>years      | 5 years<br>and over | Non<br>interest<br>bearing | Total               |
|---|---------------------|-------------------|-------------------|-------------------|---------------------|----------------------------|---------------------|
| <b>Assets</b>   |                     |                   |                   |                   |                     |                            |                     |
| Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey | -                   | -                 | -                 | -                 | -                   | 11.076.562                 | 11.076.562          |
| Banks   | 755.441             | 193.448           | 4.043             | 177.291           | -                   | 1.590.730                  | 2.720.953           |
| Financial assets at fair value through profit/loss  | 129.691             | 104.992           | 185.673           | 122.150           | 297.895             | -                          | 840.401             |
| Money market placements   | 2.620.972           | 109.080           | -                 | -                 | -                   | -                          | 2.730.052           |
| Available-for-sale financial assets   | 1.615.316           | 1.523.937         | 2.296.245         | 2.968.458         | 6.452.196           | 5.311                      | 14.861.463          |
| Loans   | 17.264.421          | 18.436.046        | 19.056.320        | 14.662.021        | 4.446.618           | 1.903.890                  | 75.769.316          |
| Held-to-maturity investments  | 17.390              | 1.585.559         | 1.438.080         | 245.732           | 2.399.687           | -                          | 5.686.448           |
| Other assets  | 10.930              | 36.115            | 47.121            | -                 | -                   | 8.400.846                  | 8.495.012           |
| <b>Total assets</b>   | <b>22.414.161</b>   | <b>21.989.177</b> | <b>23.027.482</b> | <b>18.175.652</b> | <b>13.596.396</b>   | <b>22.977.339</b>          | <b>122.180.207</b>  |
| <b>Liabilities</b>  |                     |                   |                   |                   |                     |                            |                     |
| Bank deposits   | 69.851              | 214.492           | 97.352            | 258               | -                   | 313.856                    | 695.809             |
| Other deposits  | 41.942.540          | 12.628.554        | 1.997.437         | 33.251            | -                   | 10.746.349                 | 67.348.131          |
| Funds from money market   | 3.222.368           | 1.507.714         | -                 | -                 | -                   | -                          | 4.730.082           |
| Miscellaneous payables  | -                   | -                 | -                 | -                 | -                   | 5.377.517                  | 5.377.517           |
| Marketable securities issued  | 170.578             | 34.135            | 1.236.302         | 885.366           | -                   | -                          | 2.326.381           |
| Funds borrowed from other financial institutions  | 420.171             | 4.902.762         | 5.103.676         | 1.376.644         | 617.198             | -                          | 12.420.451          |
| Other liabilities and shareholders' equity  | 288.180             | 2.761.163         | 1.635.699         | 41.771            | 1.752.157           | 22.802.866                 | 29.281.836          |
| <b>Total liabilities</b>  | <b>46.113.688</b>   | <b>22.048.820</b> | <b>10.070.466</b> | <b>2.337.290</b>  | <b>2.369.355</b>    | <b>39.240.588</b>          | <b>122.180.207</b>  |
| <b>Balance sheet long position</b>  | -                   | -                 | <b>12.957.016</b> | <b>15.838.362</b> | <b>11.227.041</b>   | -                          | <b>40.022.419</b>   |
| <b>Balance sheet short position</b>   | <b>(23.699.527)</b> | <b>(59.643)</b>   | -                 | -                 | -                   | <b>(16.263.249)</b>        | <b>(40.022.419)</b> |
| Off-balance sheet long position   | 4.790.872           | 13.601.622        | -                 | -                 | -                   | -                          | 18.392.494          |
| Off-balance sheet short position  | -                   | -                 | (1.508.907)       | (16.133.414)      | (1.356.983)         | -                          | (18.999.304)        |
| <b>Total position</b>   | <b>(18.908.655)</b> | <b>13.541.979</b> | <b>11.448.109</b> | <b>(295.052)</b>  | <b>9.870.058</b>    | <b>(16.263.249)</b>        | <b>(606.810)</b>    |

#### 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.

| Current Period  | EURO | USD  | Yen  | TL    |
|---|------|------|------|-------|
|   | %    | %    | %    | %     |
| <b>Assets</b>   |      |      |      |       |
| Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey | -    | -    | -    | -     |
| Banks   | 0,35 | 2,60 | -    | 7,20  |
| Financial assets at fair value through profit/loss  | 2,12 | 3,62 | -    | 6,10  |
| Money market placements   | -    | -    | -    | 6,53  |
| Available-for-sale financial assets   | 5,40 | 7,00 | -    | 9,07  |
| Loans   | 5,08 | 5,00 | 4,41 | 12,48 |
| Held-to-maturity investments  | 5,20 | 5,51 | -    | 7,71  |
| <b>Liabilities <sup>1)</sup></b>  |      |      |      |       |
| Bank deposits   | 0,36 | 0,82 | -    | 6,47  |
| Other deposits  | 2,41 | 2,38 | 0,30 | 7,28  |
| Funds from money market   | -    | 1,04 | -    | 5,65  |
| Miscellaneous payables  | -    | -    | -    | -     |
| Marketable securities issued  | -    | 5,44 | -    | 7,42  |
| Funds borrowed from other financial institutions  | 2,34 | 3,49 | 2,55 | 10,62 |

(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 March 31, 2013 (continued)**

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

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

| Prior Period  | EURO | USD  | Yen  | TL    |
|---|------|------|------|-------|
|   | %    | %    | %    | %     |
| <b>Assets</b>   |      |      |      |       |
| Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey | -    | -    | -    | -     |
| Banks   | 0,30 | 1,41 | -    | 6,11  |
| Financial assets at fair value through profit/loss  | 2,57 | 4,03 | -    | 7,10  |
| Money market placements   | -    | 0,60 | -    | 6,26  |
| Available-for-sale financial assets   | 5,41 | 7,05 | -    | 9,19  |
| Loans   | 5,44 | 5,18 | 4,40 | 12,52 |
| Held-to-maturity investments  | 5,48 | 5,51 | -    | 8,98  |
| <b>Liabilities <sup>1)</sup></b>  |      |      |      |       |
| Bank deposits   | 0,36 | -    | -    | 6,23  |
| Other deposits  | 3,00 | 2,92 | 0,30 | 8,34  |
| Funds from money market   | 0,71 | 1,37 | -    | 5,63  |
| Miscellaneous payables  | -    | -    | -    | -     |
| Marketable securities issued  | -    | 6,86 | -    | 7,88  |
| Funds borrowed from other financial institutions  | 2,36 | 3,92 | 2,46 | 10,67 |

(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 performed 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 March 31, 2013 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".



(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 March 31, 2013 (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<br>(+/- x basis<br>points)* | Gains/Losses       | Gains/SE-<br>Losses/SE |
|------------------------------------|---|--------------------|------------------------|
| TRY                                | (+)500 bp                                 | (1.228.905)        | %(6,22)                |
| TRY                                | (-)400 bp                                 | 1.212.031          | %6,13                  |
| EURO                               | (+)200 bp                                 | 5.663              | %0,03                  |
| EURO                               | (-)200 bp                                 | 6.741              | %0,03                  |
| USD                                | (+)200 bp                                 | (328.551)          | %(1,66)                |
| USD                                | (-)200 bp                                 | 544.424            | %2,75                  |
| <b>Total (For negative shocks)</b> |   | <b>1.763.196</b>   | <b>%8,92</b>           |
| <b>Total (For positive shocks)</b> |   | <b>(1.551.793)</b> | <b>%(7,85)</b>         |

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

- Consolidated subsidiaries of the Bank are carried at fair value 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.
- Comparison of carrying value of equity investments at fair value with the market value;

| Equity shares invested                             | Comparison       |                  |                        |
|--|------------------|------------------|------------------------|
|  | Carrying Value   | Fair Value       | Quoted<br>Market Value |
| <b>Investments for quoted securities - Group A</b> | <b>1.419.108</b> | <b>1.419.108</b> | <b>1.419.108</b>       |
| Quoted in a stock exchange                         | 1.419.108        | 1.419.108        | 1.419.108              |

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

Below figures represent valuation differences, before tax, arising from fair value accounting of subsidiaries which are presented in the line item “marketable securities valuation differences” under equity and accumulated differences in the valuation of assets held for sale.

| Portfolio                              | Realized<br>gains<br>(losses) in<br>the current | Revaluation Surpluses |  | Unrealized gains and losses |                                 |   |
|--|---|-----------------------|--|-----------------------------|---------------------------------|---|
|  |   | Total                 | Amount under<br>supplementary<br>capital | Total                       | Amount<br>under core<br>capital | Amount under<br>supplementar<br>y capital |
| 1. Equity Shares Investments           | -   | -                     | -  | -                           | -                               | -   |
| 2. Quoted Equity Shares <sup>(1)</sup> | -   | 1.186.767             | 534.045                                  | -                           | -                               | -   |
| 3. Other Equity Shares                 | -   | 969.738               | 436.382                                  | -                           | -                               | -   |
| <b>Total</b>                           | <b>-</b>  | <b>2.156.505</b>      | <b>970.427</b>                           | <b>-</b>                    | <b>-</b>                        | <b>-</b>                                  |

(1) Includes valuation differences of subsidiaries classified as assets held for sale.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (continued)**

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

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

**VIII. Explanations on liquidity risk:**

Liquidity risk covers the inability to fund increases in assets or 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.

(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 March 31, 2013 (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<br>1 month    | 1-3<br>months      | 3-12<br>months    | 1-5<br>years      | 5 years<br>and over | Unclassified<br>(1),(2) | Total              |
|---|--------------------|---------------------|--------------------|-------------------|-------------------|---------------------|-------------------------|--------------------|
| <b>Current Period</b>   |                    |                     |                    |                   |                   |                     |                         |                    |
| <b>Assets</b>   |                    |                     |                    |                   |                   |                     |                         |                    |
| Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey | 3.528.875          | 10.937.325          | -                  | -                 | -                 | -                   | -                       | 14.466.200         |
| Banks   | 788.847            | 968.035             | 109.294            | 6.128             | 180.922           | -                   | -                       | 2.053.226          |
| Financial assets at fair value through profit or loss   | -                  | 78.148              | 71.028             | 119.896           | 86.618            | 47.723              | -                       | 403.413            |
| Money market placements   | -                  | 2.586.720           | -                  | -                 | -                 | -                   | -                       | 2.586.720          |
| Available-for-sale financial assets   | 96.881             | 86.014              | 130.778            | 666.034           | 4.479.408         | 8.806.788           | 5.313                   | 14.271.216         |
| Loans   | -                  | 12.749.560          | 8.894.165          | 18.971.954        | 22.451.563        | 14.089.229          | 1.002.757               | 78.159.228         |
| Held-to-maturity investments  | -                  | -                   | -                  | 1.542.056         | 1.692.830         | 2.464.545           | -                       | 5.699.431          |
| Other assets <sup>(1)</sup>   | 2.485.400          | 1.066.933           | -                  | 55.499            | 55.407            | 11.832              | 5.084.373               | 8.759.444          |
| <b>Total assets</b>   | <b>6.900.003</b>   | <b>28.472.735</b>   | <b>9.205.265</b>   | <b>21.361.567</b> | <b>28.946.748</b> | <b>25.420.117</b>   | <b>6.092.443</b>        | <b>126.398.878</b> |
| <b>Liabilities</b>  |                    |                     |                    |                   |                   |                     |                         |                    |
| Bank deposits   | 671.788            | 415.698             | 163.384            | 94.476            | 295               | -                   | -                       | 1.345.641          |
| Other deposits  | 10.894.331         | 43.156.199          | 8.956.736          | 6.686.839         | 151.340           | -                   | -                       | 69.845.445         |
| Funds borrowed from other financial institutions  | -                  | 720.094             | 3.422.618          | 3.971.045         | 3.559.880         | 1.095.359           | -                       | 12.768.996         |
| Funds from money market   | -                  | 2.613.170           | 1.888.095          | 812.157           | -                 | -                   | -                       | 5.313.422          |
| Marketable securities issued  | -                  | 252.650             | 679.420            | 288.185           | 1.308.766         | 895.619             | -                       | 3.424.640          |
| Miscellaneous payables  | 1.156.530          | 4.672.296           | -                  | -                 | -                 | -                   | -                       | 5.828.826          |
| Other liabilities <sup>(2)</sup>  | 344.715            | 286.369             | 231.697            | 474.949           | 4.366.238         | 3.367.885           | 18.800.055              | 27.871.908         |
| <b>Total liabilities</b>  | <b>13.067.364</b>  | <b>52.116.476</b>   | <b>15.341.950</b>  | <b>12.327.651</b> | <b>9.386.519</b>  | <b>5.358.863</b>    | <b>18.800.055</b>       | <b>126.398.878</b> |
| <b>Net liquidity gap</b>  | <b>(6.167.361)</b> | <b>(23.643.741)</b> | <b>(6.136.685)</b> | <b>9.033.916</b>  | <b>19.560.229</b> | <b>20.061.254</b>   | <b>(12.707.612)</b>     | <b>-</b>           |
| <b>Prior Period</b>   |                    |                     |                    |                   |                   |                     |                         |                    |
| Total assets  | 6.030.719          | 27.048.810          | 8.662.255          | 18.946.861        | 29.312.329        | 24.944.257          | 7.234.976               | 122.180.207        |
| Total liabilities   | 11.975.313         | 50.569.935          | 15.045.260         | 10.630.512        | 9.386.631         | 4.456.827           | 20.115.729              | 122.180.207        |
| <b>Net liquidity gap</b>  | <b>(5.944.594)</b> | <b>(23.521.125)</b> | <b>(6.383.005)</b> | <b>8.316.349</b>  | <b>19.925.698</b> | <b>20.487.430</b>   | <b>(12.880.753)</b>     | <b>-</b>           |

(1) Assets that are necessary for banking activities and that cannot be liquidated in the short-term, such as fixed and intangible assets, investments in associates, subsidiaries, assets held for sale, stationary 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.

#### IX. Explanations on securitization positions:

None.

#### X. Credit risk mitigation techniques:

The Bank does not use on-balance and off-balance sheet netting for the calculation of credit risk mitigation factors.

The Bank applies credit risk mitigation according to the comprehensive method in compliance with the article 34 of the "Regulation on Credit Risk Mitigation Techniques". Only cash and cash equivalent collaterals are taken into account for the purpose of credit risk migration.

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

Cash and cash equivalent collaterals considered for the mitigating the credit risk, are taken into account at their nominal values. Standard 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 appraisal companies' 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 March 31, 2013 (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.

The Bank does not use credit derivatives within the scope of 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:**

| <b>Current Period</b>  | <b>Amount<sup>(1)</sup></b> | <b>Financial guaranties<sup>(2)</sup></b> | <b>Other / Physical guaranties<sup>(2)</sup></b> | <b>Guarantees and credit derivatives<sup>(2)</sup></b> |
|--|-----------------------------|---|--|--|
| Conditional and unconditional receivables from central governments or central banks                | 34.379.622                  | -   | -  | -  |
| Conditional and unconditional receivables from regional or local governments                       | 715                         | -   | -  | -  |
| Conditional and unconditional receivables from administrative units and non-commercial enterprises | 12.616                      | -   | -  | -  |
| Conditional and unconditional receivables from multilateral development banks                      | 144.696                     | -   | -  | -  |
| Conditional and unconditional receivables from international organizations                         | -                           | -   | -  | -  |
| Conditional and unconditional receivables from banks and brokerage houses                          | 26.346.064                  | 39.272                                    | -  | -  |
| Conditional and unconditional receivables from corporates  | 161.789.223                 | 1.820.066                                 | -  | 104.132  |
| Conditional and unconditional retail receivables   | 74.360.654                  | 255.198                                   | -  | 8.714  |
| Conditional and unconditional receivables secured by mortgages                                     | 8.632.173                   | -   | -  | -  |
| Past due receivables   | 1.009.481                   | -   | -  | -  |
| Receivables defined in high risk category by the Regulator   | 7.802.154                   | -   | -  | -  |
| Securities collateralized by mortgages   | -                           | -   | -  | -  |
| Securitization positions   | -                           | -   | -  | -  |
| Short-term receivables from banks, brokerage houses and corporates                                 | -                           | -   | -  | -  |
| Other Receivables  | 8.587.438                   | -   | -  | -  |
| <b>Total</b>   | <b>323.064.836</b>          | <b>2.114.536</b>                          | <b>-</b>   | <b>112.846</b>   |

(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 March 31, 2013 (continued)**

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

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

**XI. Strategies and policies 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.

**XII. Explanations on the presentation of financial assets and liabilities at fair values:**

This footnote is not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks” for the interim period reports.

**XIII. Explanations on hedge accounting:**

The Bank applies the following hedge accounting models as of March 31, 2013:

- 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 March 31, 2013 of these hedging instruments are presented in the table below:

|                                   | Current Period          |                |                | Prior Period            |               |                |
|-----------------------------------|-------------------------|----------------|----------------|-------------------------|---------------|----------------|
|                                   | Notional <sup>(1)</sup> | Asset          | Liability      | Notional <sup>(1)</sup> | Asset         | Liability      |
| <b>Hedging instrument</b>         |                         |                |                |                         |               |                |
| Interest rate swap                | 18.908.291              | 11.832         | 666.127        | 18.479.953              | 170           | 814.454        |
| Cross currency interest rate swap | 1.675.058               | 110.906        | 46.088         | 1.772.858               | 93.996        | 90.233         |
| <b>Total</b>                      | <b>20.583.349</b>       | <b>122.738</b> | <b>712.215</b> | <b>20.252.811</b>       | <b>94.166</b> | <b>904.687</b> |

(1) Only the “sell” legs of the related derivatives are presented with the addition of the “buy” legs of these derivatives amounting to TL 20.895.897 (December 31, 2012 – TL 20.528.904) the total notional of derivative financial assets amounting to TL 41.479.246 (December 31, 2012 – TL 40.781.715) 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 March 31, 2013 (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:

| Current Period                     |   |  |  |   |           |  |
|------------------------------------|---|--|--|---|-----------|--|
| Type of hedging instrument         | Hedged item (asset and liability)   | Nature of hedged risks                                   | Fair value difference / adjustment of the hedged item <sup>(1)</sup> | Net fair value of the hedging instrument <sup>(2)</sup> |           | Net gain/(loss) recognised in the income statement (Derivative financial transactions gains/losses) <sup>(3)</sup> |
|                                    |   |  |  | 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 | 110.881  | 110.906   | 46.088    | (37.754)   |

(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 679.

| Prior Period                       |   |  |  |   |           |  |
|------------------------------------|---|--|--|---|-----------|--|
| Type of hedging instrument         | Hedged item (asset and liability)   | Nature of hedged risks                                   | Fair value difference / adjustment of the hedged item <sup>(1)</sup> | Net fair value of the hedging instrument <sup>(2)</sup> |           | Net gain/(loss) recognised in the income statement (Derivative financial transactions gains/losses) <sup>(3)</sup> |
|                                    |   |  |  | 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 | 148.635  | 93.996  | 90.233    | 41.431   |

(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 funding 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 5.689.

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 accordance with 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 March 31, 2013 (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:

| Current Period             |   |   |  |           |  |  |
|----------------------------|---|---|--|-----------|--|--|
| 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 <sup>(1)</sup> | Net gain/(loss) reclassified to equity <sup>(2)(3)</sup> |
|                            |   |   | Asset                                    | Liability |  |  |
| Interest rate swaps        | Customer deposits, borrowings and repos | Cash flow risk due to the changes in the interest rates | 11.832                                   | 666.127   | (452.363)  | 108.450  |

(1) Includes deferred tax impact.

(2) Includes tax and foreign exchange differences.

(3) The ineffective portion of the mentioned hedging transaction is TL 224.

| Prior Period               |                                    |   |  |           |  |  |
|----------------------------|------------------------------------|---|--|-----------|--|--|
| 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 <sup>(1)</sup> | Net gain/(loss) reclassified to equity <sup>(2)(3)</sup> |
|                            |                                    |   | Asset                                    | Liability |  |  |
| Interest rate swaps        | Customer deposits and repos        | Cash flow risk due to the changes in the interest rates | 170                                      | 814.454   | (560.813)  | (252.283)  |

(1) Includes deferred tax impact.

(2) Includes tax and foreign exchange differences.

(3) The ineffective portion of the mentioned hedging transaction is TL 2.304.

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.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (continued)**

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

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

**XIV. Explanations on the activities carried out on behalf of others and fiduciary transactions:**

The Bank carries out trading, custody, management and consulting services on behalf of customers and on their account. The Bank has no fiduciary transactions.

**XV. 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), 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 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.

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



(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 March 31, 2013 (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:**

| <b>Current Period</b>                                      | <b>Retail banking</b> | <b>Corporate and commercial banking</b> | <b>Private banking and wealth management</b> | <b>Treasury, Asset-Liability Management and Other</b> | <b>Total operations of the Bank</b> |
|--|-----------------------|---|--|---|-------------------------------------|
| Operating revenue  | 803.134               | 422.975                                 | 36.777                                       | 414.941   | 1.677.827                           |
| Operating expenses   | (627.458)             | (130.156)                               | (16.236)                                     | (346.092)   | (1.119.942)                         |
| <b>Net operating income</b>                                | <b>175.676</b>        | <b>292.819</b>                          | <b>20.541</b>                                | <b>68.849</b>   | <b>557.885</b>                      |
| Dividend income <sup>(1)</sup>                             | -                     | -                                       | -  | 94.850  | 94.850                              |
| <b>Profit before tax</b>                                   | <b>175.676</b>        | <b>292.819</b>                          | <b>20.541</b>                                | <b>163.699</b>  | <b>652.735</b>                      |
| Tax provision <sup>(1)</sup>                               | -                     | -                                       | -  | (111.615)   | (111.615)                           |
| <b>Net profit</b>  | <b>175.676</b>        | <b>292.819</b>                          | <b>20.541</b>                                | <b>52.084</b>   | <b>541.120</b>                      |
| Segment assets <sup>(3)</sup>                              | 40.069.076            | 31.798.840                              | 155.808                                      | 51.648.442  | 123.672.166                         |
| Investments in associates, subsidiaries and joint ventures | -                     | -                                       | -  | 2.726.712   | 2.726.712                           |
| <b>Total assets</b>  | <b>40.069.076</b>     | <b>31.798.840</b>                       | <b>155.808</b>                               | <b>54.375.154</b>                                     | <b>126.398.878</b>                  |
| Segment liabilities <sup>(3)</sup>                         | 30.351.805            | 26.468.968                              | 17.729.341                                   | 34.665.155  | 109.215.269                         |
| Shareholders' equity                                       | -                     | -                                       | -  | 17.183.609  | 17.183.609                          |
| <b>Total liabilities</b>                                   | <b>30.351.805</b>     | <b>26.468.968</b>                       | <b>17.729.341</b>                            | <b>51.848.764</b>                                     | <b>126.398.878</b>                  |

| <b>Prior Period</b>  | <b>Retail banking</b> | <b>Corporate and commercial banking</b> | <b>Private banking and wealth management</b> | <b>Treasury, Asset-Liability Management and Other</b> | <b>Total operations of the Bank</b> |
|--|-----------------------|---|--|---|-------------------------------------|
| Operating revenue <sup>(2)</sup>                           | 646.855               | 384.490                                 | 31.484                                       | 354.110   | 1.416.939                           |
| Operating expenses <sup>(2)</sup>                          | (510.837)             | (60.484)                                | (17.080)                                     | (368.867)   | (957.268)                           |
| <b>Net operating income<sup>(2)</sup></b>                  | <b>136.018</b>        | <b>324.006</b>                          | <b>14.404</b>                                | <b>(14.757)</b>                                       | <b>459.671</b>                      |
| Dividend income <sup>(1)(2)</sup>                          | -                     | -                                       | -  | 150.342   | 150.342                             |
| <b>Profit before tax<sup>(2)</sup></b>                     | <b>136.018</b>        | <b>324.006</b>                          | <b>14.404</b>                                | <b>135.585</b>  | <b>610.013</b>                      |
| Tax provision <sup>(1)(2)</sup>                            | -                     | -                                       | -  | (102.972)   | (102.972)                           |
| <b>Net profit</b>  | <b>136.018</b>        | <b>324.006</b>                          | <b>14.404</b>                                | <b>32.613</b>   | <b>507.041</b>                      |
| Segment assets <sup>(3)</sup>                              | 38.170.950            | 31.191.828                              | 169.225                                      | 48.760.495  | 118.292.498                         |
| Investments in associates, subsidiaries and joint ventures | -                     | -                                       | -  | 3.887.709   | 3.887.709                           |
| <b>Total assets</b>  | <b>38.170.950</b>     | <b>31.191.828</b>                       | <b>169.225</b>                               | <b>52.648.204</b>                                     | <b>122.180.207</b>                  |
| Segment liabilities <sup>(3)</sup>                         | 30.189.733            | 25.936.583                              | 17.125.662                                   | 32.066.187  | 105.318.165                         |
| Shareholders' equity                                       | -                     | -                                       | -  | 16.862.042  | 16.862.042                          |
| <b>Total liabilities</b>                                   | <b>30.189.733</b>     | <b>25.936.583</b>                       | <b>17.125.662</b>                            | <b>48.928.229</b>                                     | <b>122.180.207</b>                  |

(1) Dividend income and tax provision have not been distributed based on operating segments and presented under “Treasury, Asset-Liability Management and Other”.

(2) Income statement figures represent balances for the 3 months period ended March 31, 2012.

(3) Segment asset and liability balances are extracted from Management Information Systems (MIS).

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (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:

|                         | Current Period   |                   | Prior Period     |                  |
|-------------------------|------------------|-------------------|------------------|------------------|
|                         | TL               | FC                | TL               | FC               |
| Cash                    | 1.116.864        | 291.977           | 1.206.771        | 308.515          |
| The CBRT <sup>(1)</sup> | 1.513.644        | 11.543.552        | 414.040          | 9.147.081        |
| Other                   | -                | 163               | -                | 155              |
| <b>Total</b>            | <b>2.630.508</b> | <b>11.835.692</b> | <b>1.620.811</b> | <b>9.455.751</b> |

(1) The balance of gold amounting to TL 2.868.992 is accounted for under the Central Bank foreign currency account as of March 31, 2013 (December 31, 2012 – TL 1.398.753).

2. Information on the account of the CBRT:

|   | Current Period   |                   | Prior Period   |                  |
|---|------------------|-------------------|----------------|------------------|
|   | TL               | FC                | TL             | FC               |
| Demand unrestricted amount <sup>(1)</sup> | 1.513.644        | 606.227           | 414.040        | 1.316.533        |
| Time unrestricted amount                  | -                | -                 | -              | -                |
| Reserve requirement <sup>(2)</sup>        | -                | 10.937.325        | -              | 7.830.548        |
| <b>Total</b>                              | <b>1.513.644</b> | <b>11.543.552</b> | <b>414.040</b> | <b>9.147.081</b> |

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

(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 March 31, 2013, 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, 2012 - None).

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

|                                  | Current Period |               | Prior Period   |               |
|----------------------------------|----------------|---------------|----------------|---------------|
|                                  | TL             | FC            | TL             | FC            |
| Forward transactions             | 39.778         | -             | 52.215         | -             |
| Swap transactions <sup>(1)</sup> | 175.274        | 66.418        | 226.076        | 70.326        |
| Futures transactions             | -              | -             | -              | -             |
| Options                          | 11.453         | 14.709        | 9.296          | 22.314        |
| Other                            | -              | -             | -              | -             |
| <b>Total</b>                     | <b>226.505</b> | <b>81.127</b> | <b>287.587</b> | <b>92.640</b> |

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

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (continued)**

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

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

**ç. Information on banks:**

1. Information on banks:

|                                   | Current Period |                  | Prior Period   |                  |
|-----------------------------------|----------------|------------------|----------------|------------------|
|                                   | TL             | FC               | TL             | FC               |
| Banks                             |                |                  |                |                  |
| Domestic                          | 967.164        | 10.814           | 297.634        | 372.828          |
| Foreign <sup>(1)</sup>            | 7.756          | 1.067.492        | 101            | 2.050.390        |
| Head quarters and branches abroad | -              | -                | -              | -                |
| <b>Total</b>                      | <b>974.920</b> | <b>1.078.306</b> | <b>297.735</b> | <b>2.423.218</b> |

(1) As of March 31, 2013 the balance of foreign currency account in foreign banks includes the balance of gold amounting to TL 89.075 (December 31, 2012 – TL 401.708).

2. Information on foreign banks account:

This footnote is not prepared in compliance with the Article 25 of the communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks” for the interim period reports.

**d. Information on available-for-sale financial assets which are subject to repurchase agreements and given as collateral / blocked:**

Carrying values of available-for-sale financial assets which are subject to repurchase agreements and given as collateral / blocked:

As of March 31, 2013, available-for-sale financial assets given as collateral/blocked amount to TL 1.112.878 (December 31, 2012 - TL 1.118.165) and available-for-sale financial assets subject to repo transactions amount to TL 3.968.626 (December 31, 2012 – TL 2.570.408).

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

|   | Current Period    | Prior Period      |
|---|-------------------|-------------------|
| Debt securities                         | 14.229.123        | 14.928.018        |
| Quoted in stock exchange                | 12.603.917        | 13.303.177        |
| Not quoted <sup>(1)</sup>               | 1.625.206         | 1.624.841         |
| Share certificates                      | 50.613            | 50.611            |
| Quoted in stock exchange                | -                 | -                 |
| Not quoted                              | 50.613            | 50.611            |
| Impairment provision (-) <sup>(2)</sup> | (105.401)         | (198.106)         |
| Other <sup>(3)</sup>                    | 96.881            | 80.940            |
| <b>Total</b>                            | <b>14.271.216</b> | <b>14.861.463</b> |

(1) Includes credit linked notes amounting to TL 880.674 as of March 31, 2013 (December 31, 2012 - TL 895.659).

(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 March 31, 2013, other available-for-sale financial assets include mutual funds amounting to TL 96.881 (December 31, 2012 - TL 80.940).

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (continued)**

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

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

**f. Explanations on loans:**

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

|   | Current Period |                | Prior Period   |                |
|---|----------------|----------------|----------------|----------------|
|   | Cash           | Non-cash       | Cash           | Non-cash       |
| <b>Direct loans granted to shareholders</b>   | -              | -              | -              | -              |
| Corporate shareholders                        | -              | -              | -              | -              |
| Real person shareholders                      | -              | -              | -              | -              |
| <b>Indirect loans granted to shareholders</b> | <b>4.522</b>   | <b>210.507</b> | <b>5.390</b>   | <b>403.915</b> |
| <b>Loans granted to employees</b>             | <b>101.196</b> | <b>68</b>      | <b>104.256</b> | <b>68</b>      |
| <b>Total</b>                                  | <b>105.718</b> | <b>210.575</b> | <b>109.646</b> | <b>403.983</b> |

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

| Cash Loans                      | Standard loans and other receivables |  |       | Loans and other receivables under close monitoring |  |               |
|---------------------------------|--------------------------------------|--|-------|--|--|---------------|
|                                 | Loans and other receivables (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         |
| <b>Non-specialized loans</b>    | <b>74.785.704</b>                    | <b>1.911.058</b>                         | -     | <b>2.370.767</b>                                   | <b>188.728</b>                           | <b>92.700</b> |
| Loans given to enterprises      | 27.714.098                           | -  | -     | 434.846  | -  | 65.204        |
| Export loans                    | 3.989.891                            | 176.189                                  | -     | 63.349   | 16.580                                   | -             |
| Import loans                    | -                                    | -  | -     | -  | -  | -             |
| Loans given to financial sector | 1.674.927                            | -  | -     | -  | -  | -             |
| Consumer loans                  | 15.368.391                           | 1.341.156                                | -     | 686.778  | 28.769                                   | 15.112        |
| Credit cards                    | 14.867.258                           | -  | -     | 316.740  | -  | 12.383        |
| Other <sup>(1)</sup>            | 11.171.139                           | 393.713                                  | -     | 869.054  | 143.379                                  | 1             |
| <b>Specialized loans</b>        | -                                    | -  | -     | -  | -  | -             |
| <b>Other receivables</b>        | -                                    | -  | -     | -  | -  | -             |
| <b>Total</b>                    | <b>74.785.704</b>                    | <b>1.911.058</b>                         | -     | <b>2.370.767</b>                                   | <b>188.728</b>                           | <b>92.700</b> |

(1) As explained in the Note XIII of Section IV, TL 110.881 of fair value difference of hedged items is classified under other loans.

|  | Standard loans and other receivables | Loans and other receivables under close monitoring |
|--|--------------------------------------|--|
| <b>Number of modifications made to extend payment plan<sup>(1)</sup></b> |                                      |  |
| Extended by 1 or 2 times   | 1.848.952                            | 172.148  |
| Extended by 3,4 or 5 times   | 20.274                               | 2.672  |
| Extended by more than 5 times  | 41.832                               | 13.908   |
| <b>Total</b>   | <b>1.911.058</b>                     | <b>188.728</b>                                     |

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

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (continued)**

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

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

| <b>Extended period of time<sup>(1)</sup></b> | <b>Standard loans and other receivables</b> | <b>Loans and other receivables under close monitoring</b> |
|--|---|---|
| 0 - 6 Months                                 | 254.554                                     | 19.681  |
| 6 - 12 Months                                | 114.975                                     | 14.072  |
| 1 - 2 Years                                  | 205.692                                     | 81.640  |
| 2 - 5 Years                                  | 707.929                                     | 67.725  |
| 5 Years and over                             | 627.908                                     | 5.610   |
| <b>Total</b>                                 | <b>1.911.058</b>                            | <b>188.728</b>  |

(1) Four loans which are restructured in accordance with the temporary article 5 subsection 2 of the amendment of Provisioning Regulation dated April 9, 2011 have maturities between 6 months to 1 year and 1 year to 5 years.

One loan which is restructured in accordance with temporary article 6 subsection 2 of the amendment of Provisioning Regulation dated December 30, 2011 has a maturity between 1 to 5 years.

3. Loans according to their maturity structure:

This footnote is not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks" for the interim period reports.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (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 consumer loans, individual credit cards, personnel loans and personnel credit cards:

|  | Short-term        | Medium and long-term | Total             |
|--|-------------------|----------------------|-------------------|
| <b>Consumer loans-TL</b>                                     | <b>143.817</b>    | <b>15.447.989</b>    | <b>15.591.806</b> |
| Real estate loans  | 3.625             | 7.699.190            | 7.702.815         |
| Automotive loans   | 6.603             | 1.050.328            | 1.056.931         |
| Consumer loans   | 1.623             | 55.015               | 56.638            |
| Other  | 131.966           | 6.643.456            | 6.775.422         |
| <b>Consumer loans-FC indexed</b>                             | -                 | <b>111.469</b>       | <b>111.469</b>    |
| Real estate loans  | -                 | 110.445              | 110.445           |
| Automotive loans   | -                 | 8                    | 8                 |
| Consumer loans   | -                 | 725                  | 725               |
| Other  | -                 | 291                  | 291               |
| <b>Consumer loans-FC</b>                                     | -                 | -                    | -                 |
| Real estate loans  | -                 | -                    | -                 |
| Automotive loans   | -                 | -                    | -                 |
| Consumer loans   | -                 | -                    | -                 |
| Other  | -                 | -                    | -                 |
| <b>Individual credit cards-TL</b>                            | <b>12.462.852</b> | <b>595.582</b>       | <b>13.058.434</b> |
| With installments  | 8.145.028         | 588.948              | 8.733.976         |
| Without installments   | 4.317.824         | 6.634                | 4.324.458         |
| <b>Individual credit cards- FC</b>                           | -                 | -                    | -                 |
| With installments  | -                 | -                    | -                 |
| Without installments   | -                 | -                    | -                 |
| <b>Personnel loans-TL</b>                                    | <b>4.281</b>      | <b>40.108</b>        | <b>44.389</b>     |
| Real estate loans  | -                 | 726                  | 726               |
| Automotive loans   | 60                | 945                  | 1.005             |
| Consumer loans   | -                 | -                    | -                 |
| Other  | 4.221             | 38.437               | 42.658            |
| <b>Personnel loans-FC indexed</b>                            | -                 | -                    | -                 |
| Real estate loans  | -                 | -                    | -                 |
| Automotive loans   | -                 | -                    | -                 |
| Consumer loans   | -                 | -                    | -                 |
| Other  | -                 | -                    | -                 |
| <b>Personnel loans-FC</b>                                    | -                 | -                    | -                 |
| Real estate loans  | -                 | -                    | -                 |
| Automotive loans   | -                 | -                    | -                 |
| Consumer loans   | -                 | -                    | -                 |
| Other  | -                 | -                    | -                 |
| <b>Personnel credit cards-TL</b>                             | <b>55.317</b>     | <b>847</b>           | <b>56.164</b>     |
| With installments  | 36.242            | 847                  | 37.089            |
| Without installments   | 19.075            | -                    | 19.075            |
| <b>Personnel credit cards-FC</b>                             | -                 | -                    | -                 |
| With installments  | -                 | -                    | -                 |
| Without installments   | -                 | -                    | -                 |
| <b>Credit deposit account-TL (real person)<sup>(1)</sup></b> | <b>307.505</b>    | -                    | <b>307.505</b>    |
| <b>Credit deposit account-FC (real person)</b>               | -                 | -                    | -                 |
| <b>Total</b>   | <b>12.973.772</b> | <b>16.195.995</b>    | <b>29.169.767</b> |

(1) TL 643 of the credit deposit account belongs to the loans used by personnel.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (continued)**

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

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

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

|   | Short-term       | Medium and long-term | Total            |
|---|------------------|----------------------|------------------|
| <b>Commercial installments loans-TL</b>         | <b>527.755</b>   | <b>5.310.790</b>     | <b>5.838.545</b> |
| Business loans                                  | 603              | 281.052              | 281.655          |
| Automotive loans                                | 27.557           | 1.737.991            | 1.765.548        |
| Consumer loans                                  | -                | 24                   | 24               |
| Other   | 499.595          | 3.291.723            | 3.791.318        |
| <b>Commercial installments loans-FC indexed</b> | <b>27.026</b>    | <b>344.897</b>       | <b>371.923</b>   |
| Business loans                                  | -                | 18.672               | 18.672           |
| Automotive loans                                | 715              | 66.243               | 66.958           |
| Consumer loans                                  | -                | -                    | -                |
| Other   | 26.311           | 259.982              | 286.293          |
| <b>Commercial installments loans-FC</b>         | <b>-</b>         | <b>-</b>             | <b>-</b>         |
| Business loans                                  | -                | -                    | -                |
| Automotive loans                                | -                | -                    | -                |
| Consumer loans                                  | -                | -                    | -                |
| Other   | -                | -                    | -                |
| <b>Corporate credit cards-TL</b>                | <b>2.062.740</b> | <b>6.660</b>         | <b>2.069.400</b> |
| With installment                                | 1.386.405        | 6.660                | 1.393.065        |
| Without installment                             | 676.335          | -                    | 676.335          |
| <b>Corporate credit cards-FC</b>                | <b>-</b>         | <b>-</b>             | <b>-</b>         |
| With installment                                | -                | -                    | -                |
| Without installment                             | -                | -                    | -                |
| <b>Credit deposit account-TL (legal person)</b> | <b>731.246</b>   | <b>-</b>             | <b>731.246</b>   |
| <b>Credit deposit account-FC (legal person)</b> | <b>-</b>         | <b>-</b>             | <b>-</b>         |
| <b>Total</b>                                    | <b>3.348.767</b> | <b>5.662.347</b>     | <b>9.011.114</b> |

6. Loans according to types of borrowers:

This footnote is not prepared in compliance with the Article 25 of the communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks" for the interim period reports.

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

|                | Current Period    | Prior Period      |
|----------------|-------------------|-------------------|
| Domestic loans | 76.107.028        | 73.717.769        |
| Foreign loans  | 1.049.443         | 1.076.743         |
| <b>Total</b>   | <b>77.156.471</b> | <b>74.794.512</b> |

8. Loans granted to associates and subsidiaries:

|   | Current Period | Prior Period   |
|---|----------------|----------------|
| Direct loans granted to associates and subsidiaries   | 93.943         | 203.903        |
| Indirect loans granted to associates and subsidiaries | -              | -              |
| <b>Total</b>  | <b>93.943</b>  | <b>203.903</b> |

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

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (continued)**

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

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

9. Specific provisions provided against loans:

|  | <b>Current Period</b> | <b>Prior Period</b> |
|--|-----------------------|---------------------|
| Loans and other receivables with limited collectability  | 90.738                | 95.603              |
| Loans and other receivables with doubtful collectability | 395.389               | 359.150             |
| Uncollectible loans and other receivables                | 1.259.486             | 1.096.348           |
| <b>Total</b>   | <b>1.745.613</b>      | <b>1.551.101</b>    |

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

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

|   | <b>III. Group</b>  | <b>IV. Group</b>  | <b>V. Group</b>                                  |
|---|--|---|--|
|   | <b>Loans and other receivables with limited collectability</b> | <b>Loans and other receivables with doubtful collectability</b> | <b>Uncollectible loans and other receivables</b> |
| <b>Current Period</b>                           |  |   |  |
| <b>(Gross amounts before specific reserves)</b> | <b>15.859</b>  | <b>36.629</b>   | <b>63.633</b>                                    |
| Restructured loans and other receivables        | 15.859   | 36.629  | 63.633   |
| Rescheduled loans and other receivables         | -  | -   | -  |
| <b>Prior Period</b>                             |  |   |  |
| <b>(Gross amounts before specific reserves)</b> | <b>21.912</b>  | <b>40.169</b>   | <b>102.289</b>                                   |
| Restructured loans and other receivables        | 21.912   | 40.169  | 102.289  |
| Rescheduled loans and other receivables         | -  | -   | -  |



(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 March 31, 2013 (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 the movement of total non-performing loans:

|   | III. Group   | IV. Group   | V. Group   |
|---|--|---|--|
|   | Loans and other<br>receivables with<br>limited<br>collectability | Loans and other<br>receivables with<br>doubtful<br>collectability | Uncollectible<br>loans<br>and other<br>receivables |
| <b>Prior Period</b>   | <b>554.524</b>   | <b>733.508</b>  | <b>1.237.873</b>                                   |
| Additions (+)   | 554.039  | 25.650  | 45.379   |
| Transfers from other categories of non-performing loans (+) | -  | 406.357   | 255.499  |
| Transfer to other categories of non-performing loans (-)    | (406.357)  | (255.499)   | -  |
| Collections (-)   | (198.688)  | (65.775)  | (138.140)  |
| Write-offs(-)   | -  | -   | -  |
| Corporate and commercial loans                              | -  | -   | -  |
| Consumer loans  | -  | -   | -  |
| Credit cards  | -  | -   | -  |
| Other   | -  | -   | -  |
| <b>Current Period</b>                                       | <b>503.518</b>   | <b>844.241</b>  | <b>1.400.611</b>                                   |
| Specific provision (-)                                      | (90.738)   | (395.389)   | (1.259.486)  |
| <b>Net balance on balance sheet</b>                         | <b>412.780</b>   | <b>448.852</b>  | <b>141.125</b>                                     |

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

|                                     | III. Group   | IV. Group   | V. Group   |
|-------------------------------------|--|---|--|
|                                     | Loans and other<br>receivables with<br>limited<br>collectability | Loans and other<br>receivables with<br>doubtful<br>collectability | Uncollectible<br>loans<br>and other<br>receivables |
| <b>Current Period</b>               |  |   |  |
| Period end balance                  | 779  | 6.579   | 309.103  |
| Specific provision (-)              | (128)  | (5.770)   | (202.644)  |
| <b>Net balance on-balance sheet</b> | <b>651</b>   | <b>809</b>  | <b>106.459</b>                                     |
| <b>Prior Period</b>                 |  |   |  |
| Period end balance                  | 1.340  | 1.063   | 320.986  |
| Specific provision (-)              | (184)  | (1.019)   | (215.405)  |
| <b>Net balance on-balance sheet</b> | <b>1.156</b>   | <b>44</b>   | <b>105.581</b>                                     |

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (continued)**

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

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

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

|  | III. Group<br>Loans and other<br>receivables with<br>limited<br>collectability | IV. Group<br>Loans and other<br>receivables with<br>doubtful<br>collectability | V. Group<br>Uncollectible<br>loans<br>and other<br>receivables |
|--|--|--|--|
| <b>Current Period (net)</b>                                  | <b>412.780</b>   | <b>448.852</b>   | <b>141.125</b>   |
| Loans granted to real persons and corporate entities (gross) | 503.518  | 844.241  | 1.292.027  |
| Specific provision amount (-)                                | (90.738)   | (395.389)  | (1.150.902)  |
| Loans granted to real persons and corporate entities (net)   | 412.780  | 448.852  | 141.125  |
| 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) <sup>(1)</sup>             | -  | -  | -  |
| <b>Prior Period (net)</b>                                    | <b>458.921</b>   | <b>374.358</b>   | <b>141.525</b>   |
| Loans granted to real persons and corporate entities (gross) | 554.524  | 733.508  | 1.129.289  |
| Specific provision amount (-)                                | (95.603)   | (359.150)  | (987.764)  |
| Loans granted to real persons and corporate entities (net)   | 458.921  | 374.358  | 141.525  |
| 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) <sup>(1)</sup>             | -  | -  | -  |

(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.

11. Explanation on liquidation policy for uncollectible loans and receivables;

This footnote is not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks” for the interim period reports.

12. Explanation on “Write-off” policies:

This footnote is not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks” for the interim period reports.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (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 held-to-maturity investments:**

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

As of March 31, 2013 held-to-maturity investments given as collateral / blocked amount to TL 1.287.152 (December 31, 2012 - TL 1.299.927). The amount of held-to-maturity investments subject to repurchase agreements amounting to TL 2.227.113 (December 31, 2012 - TL 2.986.312).

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

|                       | <b>Current Period</b> | <b>Prior Period</b> |
|-----------------------|-----------------------|---------------------|
| Government bond       | 5.699.431             | 5.686.448           |
| Treasury bill         | -                     | -                   |
| Other debt securities | -                     | -                   |
| <b>Total</b>          | <b>5.699.431</b>      | <b>5.686.448</b>    |

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

|   | <b>Current Period</b> | <b>Prior Period</b> |
|---|-----------------------|---------------------|
| Debt securities                         | 5.794.208             | 5.725.926           |
| Quoted on stock exchange                | 5.794.208             | 5.725.926           |
| Not quoted                              | -                     | -                   |
| Impairment provision (-) <sup>(1)</sup> | (94.777)              | (39.478)            |
| <b>Total</b>                            | <b>5.699.431</b>      | <b>5.686.448</b>    |

- (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:

|  | <b>Current Period</b> | <b>Prior Period</b> |
|--|-----------------------|---------------------|
| <b>Beginning balance</b>                                       | <b>5.686.448</b>      | <b>12.537.425</b>   |
| Foreign currency differences on monetary assets <sup>(1)</sup> | 36.319                | (569.191)           |
| Purchases during year  | -                     | 342                 |
| Disposals through sales and redemptions <sup>(3)</sup>         | (17.238)              | (6.282.128)         |
| Impairment provision (-) <sup>(2)</sup>                        | (6.098)               | -                   |
| <b>Period end balance</b>                                      | <b>5.699.431</b>      | <b>5.686.448</b>    |

- (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.

- (3) As per the legislation on capital adequacy (Basel II) effective starting from 1 July 2012, the risk weight of securities in foreign currencies issued by the Turkish Treasury increased from 0% to 50%. Accordingly, in the prior period in accordance with the requirements of TAS 39, the Bank sold part of its foreign currency securities issued by the Turkish Treasury with a total face value of USD 378,400 thousand and classified to Available for Sale Portfolio with a total face value of USD 2.969.624 thousand from its held-to-maturity portfolio as a result of increase in the risk weights of held-to-maturity investments used for regulatory risk-based capital purposes.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (continued)**

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

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

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

1. General information on unconsolidated investments in associates:

| No | Description   | Address (City/<br>Country) | Bank's share<br>holding<br>percentage if<br>different voting<br>percentage (%) | Bank's risk group<br>share holding<br>percentage(%) |
|----|---|----------------------------|--|---|
| 1. | Banque de Commerce et de Placements S.A. <sup>(1)</sup> | Geneva/Switzerland         | 30,67  | 69,33   |
| 2. | Kredi Kayıt Bürosu <sup>(2)</sup>                       | İstanbul/Turkey            | 18,18  | 18,18   |
| 3. | Bankalararası Kart Merkezi <sup>(2)</sup>               | İstanbul/Turkey            | 9,98   | 9,98  |

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

| No | Total<br>assets | Shareholders'<br>equity | Total<br>fixed<br>assets | Interest<br>income | Income<br>from<br>marketable<br>securities<br>portfolio | Current<br>period<br>profit/loss | Prior<br>period<br>profit/loss | Market<br>value |
|----|-----------------|-------------------------|--------------------------|--------------------|---|----------------------------------|--------------------------------|-----------------|
| 1  | 4.489.727       | 646.605                 | 5.547                    | 20.979             | 4.596   | 12.108                           | 16.897                         | -               |
| 2  | 79.837          | 67.449                  | 45.454                   | 2.015              | -   | 33.183                           | 18.566                         | -               |
| 3  | 32.354          | 19.628                  | 15.161                   | 730                | 128   | 1.444                            | 2.619                          | -               |

(1) Financial statement information disclosed above shows March 31, 2013 results.

(2) Financial statement information disclosed above shows December 31, 2012 results for these non financial investments in associates.

3. Movement of unconsolidated investments in associates:

|  | Current Period | Prior Period  |
|--|----------------|---------------|
| <b>Balance at the beginning of the period</b>                | <b>47.907</b>  | <b>47.907</b> |
| <b>Movements during the period</b>                           | -              | -             |
| Purchases  | -              | -             |
| Transfers  | -              | -             |
| Free shares obtained profit from current year's share        | -              | -             |
| Profit from current year's income                            | -              | -             |
| Sales  | -              | -             |
| Revaluation (decrease) / increase                            | -              | -             |
| Impairment provision   | -              | -             |
| <b>Balance at the end of the period</b>                      | <b>47.907</b>  | <b>47.907</b> |
| <b>Capital commitments</b>                                   | -              | -             |
| <b>Share holding percentage at the end of the period (%)</b> | -              | -             |

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (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:

|                                    | Current Period | Prior Period  |
|------------------------------------|----------------|---------------|
| Banks                              | 43.404         | 43.404        |
| Insurance companies                | -              | -             |
| Factoring companies                | -              | -             |
| Leasing companies                  | -              | -             |
| Finance companies                  | -              | -             |
| Other financial investments        | -              | -             |
| <b>Total financial investments</b> | <b>43.404</b>  | <b>43.404</b> |

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

**h. Information on shareholders' equity of the significant subsidiaries (net):**

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<br>Yatırım<br>Menkul<br>Değerler A.Ş. | Yapı Kredi<br>Faktoring A.Ş. | Yapı Kredi<br>Finansal<br>Kiralama<br>A.O. | Yapı Kredi<br>Portföy<br>Yönetimi<br>A.Ş. | Yapı Kredi<br>Nederland<br>N.V. |
|---------------------------------------|--|------------------------------|--|---|---------------------------------|
| <b>Core Capital</b>                   |  |                              |  |   |                                 |
| Paid-in capital                       | 98.918   | 45.599                       | 389.928                                    | 5.707                                     | 112.442                         |
| Inflation adjustment to share capital |  |                              |  |   |                                 |
| Share premium                         | -  | -                            | -  | -   | -                               |
| Marketable Securities Valuation       |  |                              |  |   |                                 |
| Differences                           | 17   | -                            | -  | -   | 2.878                           |
| Legal reserves                        | 69.400   | 23.149                       | 79.305                                     | 20.469                                    | -                               |
| Extraordinary reserves                | 13.878   | -                            | 484.964                                    | -   | 331.465                         |
| Other reserves                        | -  | -                            | -  | -   | 121.680                         |
| Profit/loss                           | (29.000)   | 52.491                       | 304.059                                    | 4.962                                     | 10.752                          |
| Current period net profit             | 43.614   | 7.033                        | 31.208                                     | 4.962                                     | 10.752                          |
| Prior period profit                   | (72.614)   | 45.458                       | 272.851                                    | -   | -                               |
| Leasehold improvements (-)            | -  | -                            | -  | -   | -                               |
| Intangible assets (-)                 | 666  | 24                           | 3.319                                      | 263                                       | 121                             |
| <b>Total core capital</b>             | <b>152.547</b>                                   | <b>121.215</b>               | <b>1.254.937</b>                           | <b>30.875</b>                             | <b>579.096</b>                  |
| <b>Supplementary capital</b>          |  | <b>8.168</b>                 | <b>18.370</b>                              |   | <b>130</b>                      |
| <b>Capital</b>                        | <b>152.547</b>                                   | <b>129.383</b>               | <b>1.273.307</b>                           | <b>30.875</b>                             | <b>579.226</b>                  |
| <b>Deductions from the capital</b>    | <b>-</b>   | <b>-</b>                     | <b>-</b>                                   | <b>-</b>                                  | <b>-</b>                        |
| <b>Total shareholders' equity</b>     | <b>152.547</b>                                   | <b>129.383</b>               | <b>1.273.307</b>                           | <b>30.875</b>                             | <b>579.226</b>                  |

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 March 31, 2013.

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

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (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<br>(City/ Country)   | Bank's share<br>holding<br>percentage if<br>different voting<br>percentage<br>(%) | Bank's risk<br>group<br>share holding<br>percentage<br>(%) |
|-----|--|------------------------------|---|--|
| 1.  | Yapı Kredi Holding BV.                               | Amsterdam/Hollanda           | 100,00  | 100,00   |
| 2.  | Yapı Kredi Yatırım Menkul Değerler A.Ş.              | İstanbul/Türkiye             | 99,98   | 99,99  |
| 3.  | Yapı Kredi Faktoring A.Ş.                            | İstanbul/Türkiye             | 99,95   | 100,00   |
| 4.  | Yapı Kredi Moscow                                    | Moskova/Rusya<br>Federasyonu | 99,84   | 100,00   |
| 5.  | Yapı Kredi Finansal Kiralama A.O.                    | İstanbul/Türkiye             | 99,99   | 99,99  |
| 6.  | Yapı Kredi Portföy Yönetimi A.Ş.(Yapı Kredi Portföy) | İstanbul/Türkiye             | 12,65   | 99,99  |
| 7.  | Yapı Kredi Niderland                                 | Amsterdam/Hollanda           | 67,24   | 100,00   |
| 8.  | Yapı Kredi Azerbaycan                                | Bakü/Azerbaycan              | 99,80   | 100,00   |
| 9.  | Enternasyonal Turizm Yatırım A.Ş                     | İstanbul/Türkiye             | 99,96   | 99,99  |
| 10. | Yapı Kredi Kültür Sanat Yayıncılık Tic.ve San.A.Ş.   | İstanbul/Türkiye             | 99,99   | 100,00   |

The Bank bought the shares of Yapı Kredi Finansal Kiralama A.O. with a nominal value of TL 4.454.669 for a share call price of full 5,02 per share in accordance with the ongoing delisting process and Bank's share has increased to 99,99% as a result of this process.

The Bank has signed share transfer agreement with Allianz SE (“Allianz”) on March 26, 2013 for the sale of its 7.548.164.112 shares with a notional amount of full TL 75.481.641,12 representing 74,01% of its shares in Yapı Kredi Sigorta (“YKS”) for full TL 1.410.079.178. As of the date of the reporting, carrying value of YKS investment is classified as “Assets held for resale and related to discontinued operations” in the accompanying financial statements. Shares of YKS are still under the control and ownership of the Bank and after the receipt of Undersecretaries of Turkish Treasury and Competition Board; transfer of shares will be executed.

The Bank has signed an agreement to sell its shares on Yapı Kredi B Tipi Yatırım Ortaklığı A.Ş. (“YKYO”) amounting to full TL 3.485.661 representing 11,09% of total full TL 31.425.000 paid in capital of YKYO in accordance with the Board of Directors decision dated September 28, 2012. Shares of YKYO are still under the control and ownership of the Bank and the application of the share transfer agreement was approved by the Capital Markets Board dated March 26, 2013, bulletin no. 2013/10. As of the date of the reporting, carrying value of YKYO investment is classified as “Assets held for resale and related to discontinued operations” in the accompanying financial statements.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (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: <sup>(1)</sup>

| No | Total assets | Shareholders' equity | Total fixed assets | Interest income | Income from marketable securities portfolio | Current period profit / loss | Prior period profit /loss | Market value <sup>(2)</sup> | Required equity |
|----|--------------|----------------------|--------------------|-----------------|---|------------------------------|---------------------------|-----------------------------|-----------------|
| 1  | 105.387      | 105.301              | -                  | -               | -   | 62                           | (128)                     | 152.610                     | -               |
| 2  | 2.190.505    | 261.303              | 5.473              | 29.244          | 454   | 43.614                       | 46.079                    | 645.279                     | -               |
| 3  | 1.598.896    | 121.239              | 482                | 27.383          | -   | 7.033                        | (7.409)                   | 347.460                     | -               |
| 4  | 329.920      | 125.356              | 10.340             | 5.578           | 1.066                                       | 3.095                        | 3.082                     | 97.572                      | -               |
| 5  | 3.406.823    | 1.041.152            | 4.020              | 63.536          | -   | 31.208                       | 29.879                    | 1.062.597                   | -               |
| 6  | 75.706       | 31.138               | 702                | 1.266           | 5   | 4.962                        | 4.988                     | 30.435                      | -               |
| 7  | 4.052.313    | 579.217              | 1.241              | 46.869          | 2.560                                       | 10.752                       | 11.909                    | 221.940                     | -               |
| 8  | 591.901      | 142.780              | 31.831             | 12.344          | 117   | 1.168                        | 3.966                     | 98.991                      | -               |
| 9  | 37.958       | 24.915               | 3.885              | 312             | -   | 286                          | 281                       | -                           | -               |
| 10 | 17.305       | 13.610               | 810                | 3               | -   | 1.321                        | 839                       | -                           | -               |

(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 March 31, 2013 results.

4. Movement schedule of subsidiaries:

|   | Current Period     | Prior Period     |
|---|--------------------|------------------|
| <b>Balance at the beginning of the period</b>                       | <b>3.820.179</b>   | <b>3.351.966</b> |
| <b>Movements in period</b>  | <b>(1.160.997)</b> | <b>468.213</b>   |
| Purchases <sup>(1)</sup>  | 128                | 22.236           |
| Free shares obtained profit from current years share <sup>(2)</sup> | -                  | 35.738           |
| Dividends from current year income                                  | -                  | -                |
| Sales   | -                  | -                |
| Transfers <sup>(3)(4)</sup>   | (1.419.108)        | -                |
| Revaluation increase  | 257.983            | 410.239          |
| Impairment provision  | -                  | -                |
| <b>Balance at the end of the period</b>                             | <b>2.659.182</b>   | <b>3.820.179</b> |
| <b>Capital commitments</b>  | -                  | -                |
| <b>Share holding percentage at the end of the period (%)</b>        | -                  | -                |

(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 99.99% 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) The Bank has signed share transfer agreement with Allianz SE (“Allianz”) on March 26, 2013 for the sale of its 7.548.164.112 shares with a notional amount of full TL 75.481.641.12 representing 74,01% of its shares in Yapı Kredi Sigorta (“YKS”) for full TL 1.410.079.178. As of the date of the reporting, carrying value of YKS investment is classified as “Assets held for resale and related to discontinued operations” in the accompanying financial statements. Shares of YKS are still under the control and ownership of the Bank and after the receipt of Undersecretaries of Turkish Treasury and Competition Board, transfer of shares will be executed.

(4) The Bank has signed an agreement to sell its shares on Yapı Kredi B Tipi Yatırım Ortaklığı A.Ş. (“YKYO”) amounting to full TL 3.485.661 representing 11,09% of total full TL 31.425.000 paid in capital of YKYO in accordance with the Board of Directors decision dated September 28, 2012. Shares of YKYO are still under the control and ownership of the Bank and the application of the share transfer agreement was approved by the Capital Markets Board dated March 26, 2013, bulletin no. 2013/10. As of the date of the reporting, carrying value of YKYO investment is classified as “Assets held for resale and related to discontinued operations” in the accompanying 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.**

**Notes to unconsolidated financial statements at March 31, 2013 (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:

| <b>Financial subsidiaries</b>               | <b>Current Period</b> | <b>Prior Period</b> |
|---|-----------------------|---------------------|
| Banks                                       | 418.503               | 421.937             |
| Insurance companies <sup>(1)</sup>          | -                     | 1.223.132           |
| Factoring companies                         | 347.460               | 345.301             |
| Leasing companies                           | 1.062.597             | 1.020.417           |
| Finance companies                           | -                     | -                   |
| Other financial subsidiaries <sup>(1)</sup> | 828.322               | 807.092             |
| <b>Total financial subsidiaries</b>         | <b>2.656.882</b>      | <b>3.817.879</b>    |

(1) As of March 31, 2013, carrying values of YKS and YKYO, are classified as assets held for sale.

6. Subsidiaries quoted to stock exchange:

|  | <b>Current Period</b> | <b>Prior Period</b> |
|--|-----------------------|---------------------|
| Quoted on domestic stock exchanges <sup>(1)</sup>      | -                     | 1.231.950           |
| Quoted on foreign stock exchanges                      | -                     | -                   |
| <b>Total of subsidiaries quoted to stock exchanges</b> | <b>-</b>              | <b>1.231.950</b>    |

(1) As of March 31, 2013, carrying values of YKS and YKYO are classified as assets held for sale.

**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").

| <b>Joint ventures</b>                                 | <b>Bank's share</b> | <b>Group's share</b> | <b>Current assets</b> | <b>Non-current assets</b> | <b>Long term debt</b> | <b>Income</b> | <b>Expense</b>  |
|---|---------------------|----------------------|-----------------------|---------------------------|-----------------------|---------------|-----------------|
| Yapı Kredi - Koray Gayrimenkul Yatırım Ortaklığı A.Ş. | 30,45               | 30,45                | 73.620                | 32.492                    | 135                   | 8.828         | (10.069)        |
| <b>Total</b>  | <b>30,45</b>        | <b>30,45</b>         | <b>73.620</b>         | <b>32.492</b>             | <b>135</b>            | <b>8.828</b>  | <b>(10.069)</b> |

Financial statement information disclosed above shows March 31, 2013 results.

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

None (December 31, 2012 - None).



**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (continued)**

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

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

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

|                                 | Current Period |          | Prior Period  |          |
|---------------------------------|----------------|----------|---------------|----------|
|                                 | TL             | FC       | TL            | FC       |
| Fair value hedge <sup>(1)</sup> | 110.906        | -        | 93.996        | -        |
| Cash flow hedge <sup>(1)</sup>  | 11.832         | -        | 170           | -        |
| Foreign net investment hedge    | -              | -        | -             | -        |
| <b>Total</b>                    | <b>122.738</b> | <b>-</b> | <b>94.166</b> | <b>-</b> |

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

**k. Information on tangible assets:**

This footnote is not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks" for the interim period reports.

**l. Information on intangible assets:**

This footnote is not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks" for the interim period reports.

**m. Information on investment property:**

None (December 31, 2012 - None).

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

This footnote is not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks" for the interim period reports.

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

|   | Current Period   | Prior Period   |
|---|------------------|----------------|
| <b>Net book value at the beginning of the period</b>  | <b>132.195</b>   | <b>100.396</b> |
| Additions   | 12.867           | 68.043         |
| Transfers <sup>(1)</sup>                              | 1.419.108        | -              |
| Disposals (-), net                                    | (8.835)          | (33.226)       |
| Impairment provision reversal                         | 56               | 983            |
| Impairment provision (-)                              | (62)             | (235)          |
| Depreciation (-)                                      | (1.110)          | (3.766)        |
| <b>Net book value at the end of the period</b>        | <b>1.554.219</b> | <b>132.195</b> |
| Cost at the end of the period                         | 1.564.253        | 141.484        |
| Accumulated depreciation at the end of the period (-) | (10.034)         | (9.289)        |
| <b>Net book value at the end of the period</b>        | <b>1.554.219</b> | <b>132.195</b> |

(1) As of March 31, 2013, carrying values of YKS and YKYO are classified as fixed assets held for sale.

As of March 31, 2013, the Bank booked impairment provision on assets held for resale with an amount of TL 9.049 (December 31, 2012 - TL 9.043).

**ö. Information on other assets:**

As of March 31, 2013, other assets do not exceed 10% of the total assets.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (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). Current Period:

|                             | Demand            | Up to<br>1 month | 1-3 months        | 3-6 months       | 6 months-<br>1 year | 1 year and<br>over | Total             |
|-----------------------------|-------------------|------------------|-------------------|------------------|---------------------|--------------------|-------------------|
| Saving deposits             | 2.219.470         | 987.305          | 19.077.276        | 1.213.587        | 234.591             | 223.962            | 23.956.191        |
| Foreign currency deposits   | 4.096.406         | 3.672.021        | 12.835.341        | 1.742.631        | 488.169             | 1.125.657          | 23.960.225        |
| Residents in Turkey         | 3.933.014         | 3.584.209        | 12.567.297        | 683.045          | 479.318             | 695.833            | 21.942.716        |
| Residents abroad            | 163.392           | 87.812           | 268.044           | 1.059.586        | 8.851               | 429.824            | 2.017.509         |
| Public sector deposits      | 271.625           | 1.528            | 28.742            | 2.001            | 1.157.386           | 33                 | 1.461.315         |
| Commercial deposits         | 3.388.373         | 2.110.696        | 8.330.201         | 1.247.825        | 939.434             | 98.584             | 16.115.113        |
| Other institutions deposits | 37.305            | 19.395           | 1.123.754         | 101.223          | 1.688.464           | 566                | 2.970.707         |
| Precious metals vault       | 881.152           | 5.726            | 178.560           | 79.011           | 84.277              | 153.168            | 1.381.894         |
| Bank deposits               | 671.788           | 399.644          | 111.210           | 120.732          | 41.425              | 842                | 1.345.641         |
| The CBRT                    | -                 | -                | -                 | -                | -                   | -                  | -                 |
| Domestic banks              | 2.558             | 396.955          | 111.210           | 120.732          | 41.238              | 842                | 673.535           |
| Foreign banks               | 553.829           | 2.689            | -                 | -                | 187                 | -                  | 556.705           |
| Participation banks         | 115.401           | -                | -                 | -                | -                   | -                  | 115.401           |
| Other                       | -                 | -                | -                 | -                | -                   | -                  | -                 |
| <b>Total</b>                | <b>11.566.119</b> | <b>7.196.315</b> | <b>41.685.084</b> | <b>4.507.010</b> | <b>4.633.746</b>    | <b>1.602.812</b>   | <b>71.191.086</b> |

1 (ii). Prior Period:

|                             | Demand            | Up to<br>1 month | 1-3 months        | 3-6 months       | 6 months-<br>1 year | 1 year and<br>over | Total             |
|-----------------------------|-------------------|------------------|-------------------|------------------|---------------------|--------------------|-------------------|
| Saving deposits             | 1.989.153         | 1.449.252        | 18.956.316        | 1.122.181        | 119.581             | 406.577            | 24.043.060        |
| Foreign currency deposits   | 4.129.993         | 3.872.345        | 13.542.703        | 1.870.383        | 239.044             | 1.425.775          | 25.080.243        |
| Residents in Turkey         | 3.921.261         | 3.830.154        | 12.192.951        | 1.036.990        | 229.304             | 854.304            | 22.064.964        |
| Residents abroad            | 208.732           | 42.191           | 1.349.752         | 833.393          | 9.740               | 571.471            | 3.015.279         |
| Public sector deposits      | 598.082           | 130.389          | 19.479            | 132.524          | 407                 | 32                 | 880.913           |
| Commercial deposits         | 3.141.122         | 2.234.583        | 6.487.144         | 2.067.758        | 200.984             | 191.268            | 14.322.859        |
| Other institutions deposits | 31.789            | 25.529           | 783.989           | 865.862          | 298                 | 598                | 1.708.065         |
| Precious metals vault       | 856.210           | -                | 158.010           | 75.288           | 79.255              | 144.228            | 1.312.991         |
| Bank deposits               | 313.856           | 58.414           | 200.158           | 65.190           | 51.355              | 6.836              | 695.809           |
| The CBRT                    | -                 | -                | -                 | -                | -                   | -                  | -                 |
| Domestic banks              | 1.774             | 55.008           | 155.268           | 65.190           | 51.170              | 6.836              | 335.246           |
| Foreign banks               | 208.135           | 3.406            | 44.890            | -                | 185                 | -                  | 256.616           |
| Participation banks         | 103.947           | -                | -                 | -                | -                   | -                  | 103.947           |
| Other                       | -                 | -                | -                 | -                | -                   | -                  | -                 |
| <b>Total</b>                | <b>11.060.205</b> | <b>7.770.512</b> | <b>40.147.799</b> | <b>6.199.186</b> | <b>690.924</b>      | <b>2.175.314</b>   | <b>68.043.940</b> |

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (continued)**

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

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

2. Information on saving deposits insurance:

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

| Saving deposits  | Under the guarantee of deposit insurance |              | Exceeding limit of the deposit insurance |              |
|--|--|--------------|--|--------------|
|  | Current Period                           | Prior Period | Current Period                           | Prior Period |
| Saving deposits <sup>(1)</sup>   | 11.979.639                               | 9.004.712    | 11.976.556                               | 15.038.237   |
| Foreign currency savings deposit   | 3.025.709                                | 2.215.005    | 8.038.699                                | 8.917.028    |
| Other deposits in the form of savings deposits                           | 706.695                                  | 527.019      | 545.864                                  | 663.011      |
| Foreign branches' deposits under foreign authorities' insurance          | -  | -            | -  | -            |
| Off-shore banking regions' deposits under foreign authorities' insurance | -  | -            | -  | -            |

(1) As per the decision published in the Official Gazette no. 28560 dated 15 February 2013, the deposit insurance limit has been increased from TL 50.000 to TL 100,000.

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

|   | Current Period | Prior Period |
|---|----------------|--------------|
| Foreign branches' deposits and other accounts   | 5.836          | 6.128        |
| 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 | 54.087         | 43.584       |
| 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  | -              | -            |

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

|                                  | Current Period |               | Prior Period   |               |
|----------------------------------|----------------|---------------|----------------|---------------|
|                                  | TL             | FC            | TL             | FC            |
| Forward transactions             | 65.883         | -             | 94.242         | -             |
| Swap transactions <sup>(1)</sup> | 168.868        | 58.833        | 173.880        | 59.555        |
| Futures transactions             | -              | -             | -              | -             |
| Options                          | 22.581         | 19.621        | 18.547         | 25.030        |
| Other                            | -              | -             | -              | -             |
| <b>Total</b>                     | <b>257.332</b> | <b>78.454</b> | <b>286.669</b> | <b>84.585</b> |

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

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (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:

|  | Current Period |                   | Prior Period   |                   |
|--|----------------|-------------------|----------------|-------------------|
|  | TL             | FC                | TL             | FC                |
| The CBRT borrowings                        | -              | -                 | -              | -                 |
| From domestic banks and institutions       | 158.753        | 267.512           | 218.279        | 259.396           |
| From foreign banks, institutions and funds | 340.581        | 12.002.150        | 420.117        | 11.522.659        |
| <b>Total</b>                               | <b>499.334</b> | <b>12.269.662</b> | <b>638.396</b> | <b>11.782.055</b> |

2. Information on maturity structure of borrowings:

|                      | Current Period |                   | Prior Period   |                   |
|----------------------|----------------|-------------------|----------------|-------------------|
|                      | TL             | FC                | TL             | FC                |
| Short-term           | 175.109        | 6.931.516         | 216.477        | 6.564.928         |
| Medium and long-term | 324.225        | 5.338.146         | 421.919        | 5.217.127         |
| <b>Total</b>         | <b>499.334</b> | <b>12.269.662</b> | <b>638.396</b> | <b>11.782.055</b> |

3. Information on securitization borrowings:

The Bank has a securitization borrowing deal from Standard Chartered Bank and Unicredit Markets and Investment Banking amounting USD 229 million and EUR 122 million, the equivalent of TL 697.559 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 2013 a total of TL 100.576 is paid (2012 – TL 396.868).

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 884.165 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.

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

|                                  | Current Period   |                  | Prior Period     |                |
|----------------------------------|------------------|------------------|------------------|----------------|
|                                  | TL               | FC               | TL               | FC             |
| Bills                            | 938.340          | -                | 737.778          | -              |
| Bonds                            | 693.177          | 1.793.123        | 703.236          | 885.367        |
| <i>Collateralized securities</i> | 458.337          | -                | 462.720          | -              |
| <b>Total</b>                     | <b>1.631.517</b> | <b>1.793.123</b> | <b>1.441.014</b> | <b>885.367</b> |

On January 22, 2013, the Bank issued bonds for non Turkish residents; real person and corporate entities amounting to USD 500 million nominal value with a semi annual coupon at an interest rate of 4% with a maturity of January 22, 2020.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (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 other liabilities:**

As of March 31, 2013, other liabilities do not exceed 10% of the total balance sheet commitments.

**e. Information on lease payables:**

1. Information on financial leasing agreements:

|                   | Current Period |              | Prior Period |              |
|-------------------|----------------|--------------|--------------|--------------|
|                   | Gross          | Net          | Gross        | Net          |
| Less than 1 year  | -              | -            | -            | -            |
| Between 1-4 years | 4.012          | 3.871        | 7.664        | 7.387        |
| More than 4 years | -              | -            | -            | -            |
| <b>Total</b>      | <b>4.012</b>   | <b>3.871</b> | <b>7.664</b> | <b>7.387</b> |

2. Information on operational leasing agreements:

The Bank enters into operational leasing agreements annually for some of its branches and ATMs. The leases are prepaid and accounted as prepaid expenses under "Other Assets".

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

|                                 | Current Period |                | Prior Period   |                |
|---------------------------------|----------------|----------------|----------------|----------------|
|                                 | TL             | FC             | TL             | FC             |
| Fair value hedge <sup>(1)</sup> | 46.088         | -              | 90.233         | -              |
| Cash flow hedge <sup>(1)</sup>  | 205.306        | 460.821        | 321.768        | 492.686        |
| Foreign net investment hedge    | -              | -              | -              | -              |
| <b>Total</b>                    | <b>251.394</b> | <b>460.821</b> | <b>412.001</b> | <b>492.686</b> |

(1) Explained in Note XIII of Section IV.

**g. Information on provisions:**

1. Information on general provisions:

|   | Current Period   | Prior Period     |
|---|------------------|------------------|
| Provisions for first group loans and receivables                            | 953.458          | 944.130          |
| <i>of which, Provision for Loans and Receivables with Extended Maturity</i> | <i>91.825</i>    | <i>149.855</i>   |
| Provisions for second group loans and receivables                           | 104.736          | 119.251          |
| <i>of which, Provision for Loans and Receivables with Extended Maturity</i> | <i>4.684</i>     | <i>15.593</i>    |
| Provisions for non cash loans   | 78.398           | 72.986           |
| Others  | 198.877          | 168.465          |
| <b>Total</b>  | <b>1.335.469</b> | <b>1.304.832</b> |

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (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:

|  | <b>Current Period</b> | <b>Prior Period</b> |
|--|-----------------------|---------------------|
| Discount rate (%)                                | 3,86                  | 3,86                |
| 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 3.129,25 effective from January 1, 2013 (January 1, 2012: full TL 2.805,04) has been taken into consideration in calculating the reserve for employment termination benefits.

Movement of employment termination benefits liability in the balance sheet:

|   | <b>Current Period</b> | <b>Prior Period</b> |
|---|-----------------------|---------------------|
| <b>Prior period ending balance</b>      | <b>119.086</b>        | <b>99.080</b>       |
| Changes during the period               | 7.396                 | 49.330              |
| Paid during the period                  | (9.625)               | (29.324)            |
| <b>Balance at the end of the period</b> | <b>116.857</b>        | <b>119.086</b>      |

In addition, the Bank has accounted for unused vacation rights provision amounting to TL 101.065 as of March 31, 2013 (December 31, 2012 - TL 94.524).

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (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 March 31, 2013, the provision related to the foreign currency difference of foreign currency indexed loans amounts to TL 10.612 (December 31, 2012 - TL 65.231). 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:

|  | <b>Current Period</b> | <b>Prior Period</b> |
|--|-----------------------|---------------------|
| Pension fund provision   | 827.177               | 827.177             |
| Provisions on not indemnified non cash loans                                   | 114.332               | 125.749             |
| Provisions on credit cards and promotion campaigns related to banking services | 38.311                | 36.708              |
| Provision on export commitment tax and funds liability                         | 39.126                | 38.106              |
| Other  | 156.041               | 123.736             |
| <b>Total</b>   | <b>1.174.987</b>      | <b>1.151.476</b>    |

- (ii) General reserves for possible losses:

|                                      | <b>Current Period</b> | <b>Prior Period</b> |
|--------------------------------------|-----------------------|---------------------|
| General reserves for possible losses | 180.831               | 229.247             |
| <b>Total</b>                         | <b>180.831</b>        | <b>229.247</b>      |

**ğ. Information on taxes payable:**

- (i) Information on taxes payable:

|  | <b>Current Period</b> | <b>Prior Period</b> |
|--|-----------------------|---------------------|
| Corporate Tax Payable                      | 91.596                | 221.167             |
| Taxation of Marketable Securities          | 91.551                | 80.738              |
| Property Tax                               | 1.914                 | 1.705               |
| Banking Insurance Transaction Tax ("BITT") | 47.820                | 56.025              |
| Foreign Exchange Transaction Tax           | -                     | -                   |
| Value Added Tax Payable                    | 2.649                 | 6.188               |
| Other                                      | 38.969                | 22.130              |
| <b>Total</b>                               | <b>274.499</b>        | <b>387.953</b>      |

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (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:

|  | Current Period |          | Prior Period  |          |
|--|----------------|----------|---------------|----------|
|  | TL             | FC       | TL            | FC       |
| Social security premiums – employee            | -              | -        | -             | -        |
| Social security premiums – employer            | -              | -        | -             | -        |
| Bank pension fund premiums – employee          | 10.643         | -        | 8.946         | -        |
| Bank pension fund premiums – employer          | 11.069         | -        | 9.327         | -        |
| Pension fund deposit and provisions – employee | -              | -        | -             | -        |
| Pension fund deposit and provisions – employer | -              | -        | -             | -        |
| Unemployment insurance – employee              | 759            | -        | 638           | -        |
| Unemployment insurance – employer              | 1.518          | -        | 1.278         | -        |
| Other  | -              | -        | -             | -        |
| <b>Total</b>                                   | <b>23.989</b>  | <b>-</b> | <b>20.189</b> | <b>-</b> |

(iii) Information on deferred tax liability:

None (December 31, 2012 - None).

**h. Information on subordinated loans:**

|                                  | Current Period |                  | Prior Period |                  |
|----------------------------------|----------------|------------------|--------------|------------------|
|                                  | TL             | FC               | TL           | FC               |
| From domestic banks              | -              | -                | -            | -                |
| From other domestic institutions | -              | -                | -            | -                |
| From foreign banks               | -              | 5.361.303        | -            | 5.195.642        |
| From other foreign institutions  | -              | -                | -            | -                |
| <b>Total</b>                     | <b>-</b>       | <b>5.361.303</b> | <b>-</b>     | <b>5.195.642</b> |

At March 31, 2006, the Bank 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 and EURIBOR+3% for the remaining 5 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 and EURIBOR+3.25% for the remaining 5 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 and EURIBOR+2.78% for the remaining 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 March 31, 2013 (continued)**

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

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

Subordinated borrowing through bond issuance amounting to USD 1 billion with an interest rate of 5.50% and maturity of 10 years was finalized on December 6, 2012 and considered as supplementary capital in accordance with the "Regulation on Own Fund of Banks".

The Bank had early repaid its borrowing for USD 585 million which was received from Unicredit Bank Austria AG on February 22, 2012 with an interest rate of 3 months Libor + 8.30% and received another subordinated borrowing from the same counterparty for USD 585 million with 10 years of maturity (payable after 5 years) and 5,5% of fixed interest rate. The Bank incurred an early payment fee for TL 57 million with respect to early closing of this subordinated loan. As per the approval of BRSA dated December 31, 2012 this loan is accepted as subordinated loan and is approved to be considered as additional capital as stated in the "Regulation on Own Funds of Banks" in accordance with the BRSA approval on December 31, 2012.

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

1. Presentation of paid-in capital:

|                 | <b>Current Period</b> | <b>Prior Period</b> |
|-----------------|-----------------------|---------------------|
| 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, 2012 - 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.

(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 March 31, 2013 (continued)**

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

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

8. Information on value increase fund of marketable securities:

|   | Current Period   |                  | Prior Period     |                  |
|---|------------------|------------------|------------------|------------------|
|   | TL               | FC               | TL               | FC               |
| <b>From investments in associates, subsidiaries, and joint ventures</b> | <b>826.507</b>   | <b>143.228</b>   | <b>1.769.966</b> | <b>137.911</b>   |
| Valuation difference  | 826.507          | 143.228          | 1.769.966        | 137.911          |
| Foreign currency difference <sup>(1)</sup>                              | -                | -                | -                | -                |
| <b>From fixed assets held for sale</b>                                  | <b>1.186.767</b> | -                | -                | -                |
| Valuation difference  | 1.186.767        | -                | -                | -                |
| Foreign currency difference <sup>(1)</sup>                              | -                | -                | -                | -                |
| <b>Available for sale securities</b>                                    | <b>227.469</b>   | <b>1.004.701</b> | <b>269.438</b>   | <b>1.239.639</b> |
| Valuation differences   | 227.469          | 965.093          | 269.438          | 1.241.631        |
| Foreign currency differences <sup>(1)</sup>                             | -                | 39.608           | -                | (1.992)          |
| <b>Total</b>  | <b>2.240.743</b> | <b>1.147.929</b> | <b>2.039.404</b> | <b>1.377.550</b> |

(1) includes current period foreign currency differences.

9. Other:

As per the Ordinary General Assembly meeting dated March 29, 2013, it has been decided that 2012 unconsolidated net profit of TL 1.913.472 will be distributed as follows: TL 300.000 is to be paid as dividend to shareholders, TL 103.939 is to be transferred to legal reserves, TL 4.909 is to be transferred to other capital reserve in accordance with the 5th article 1/e section of the Corporate Tax Law numbered 5520 as 75% of the profit from the sale of real estate and the remaining TL 1.504.624 is to be transferred to extraordinary reserves.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (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:

|                                   | <b>Current Period</b> | <b>Prior Period</b> |
|-----------------------------------|-----------------------|---------------------|
| Commitments on credit card limits | 18.482.516            | 17.856.081          |
| Loan granting commitments         | 5.446.910             | 5.322.612           |
| Commitments for cheques           | 5.474.008             | 5.258.480           |
| Other irrevocable commitments     | 16.119.697            | 8.489.052           |
| <b>Total</b>                      | <b>45.523.131</b>     | <b>36.926.225</b>   |

2. Type and amount of 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 set aside general provision for its non-cash loans amounting to TL 78.398 (December 31, 2012 - TL 72.986) and specific provision for TL 284.142 (December 31, 2012 - TL 258.609) for non-cash loans which are not indemnified yet for TL 114.332 (December 31, 2012 - TL 125.749).

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

|                                  | <b>Current Period</b> | <b>Prior Period</b> |
|----------------------------------|-----------------------|---------------------|
| Bank acceptance loans            | 115.896               | 121.325             |
| Letter of credits                | 5.051.328             | 5.610.615           |
| Other guarantees and collaterals | 1.967.031             | 2.119.199           |
| <b>Total</b>                     | <b>7.134.255</b>      | <b>7.851.139</b>    |

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

|                                       | <b>Current Period</b> | <b>Prior Period</b> |
|---------------------------------------|-----------------------|---------------------|
| Temporary letter of guarantees        | 1.537.255             | 1.572.512           |
| Definite letter of guarantees         | 15.083.696            | 14.471.452          |
| Advance letter of guarantees          | 3.348.356             | 2.677.145           |
| Letter of guarantees given to customs | 1.007.294             | 1.032.686           |
| Other letter of guarantees            | 884.155               | 757.863             |
| <b>Total</b>                          | <b>21.860.756</b>     | <b>20.511.658</b>   |

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

|  | <b>Current Period</b> | <b>Prior Period</b> |
|--|-----------------------|---------------------|
| Non-cash loans given against cash loans              | 702.871               | 583.744             |
| With original maturity of 1 year or less than 1 year | 67.785                | 72.182              |
| With original maturity of more than 1 year           | 635.086               | 511.562             |
| Other non-cash loans                                 | 28.292.140            | 27.779.053          |
| <b>Total</b>   | <b>28.995.011</b>     | <b>28.362.797</b>   |

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (continued)**

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

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

3(ii) Information on sectoral concentration of non-cash loans:

This footnote is not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks” for the interim period reports.

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

This footnote is not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks” for the interim period reports.

**b. Information on derivative financial instruments:**

This footnote is not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks” for the interim period reports.

**c. Information on credit derivatives and risk exposures:**

This footnote is not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks” for the interim period reports.

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

The Bank has recorded a provision of TL 38.325 (December 31, 2012 - TL 34.091) 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 the investigation of the Turkish Competition Board initiated on some banks including the Bank to determine whether there is a violation of the 4th article of the Protection of Competition Law No. 4054, an administrative fine amounting to TL 149.961 was imposed against the Bank in accordance with the decision of Competition Board numbered 13-13/198-100 dated March 8, 2013.

In accordance with the Article 17 of the Law on Crime no. 5326, it is possible to pay only 75% of such administrative fine amounting to TL 112.471 in thirty days following the notification of the decision. The reasoned decision of the Turkish Competition Board has not been notified as of the date of this report and the Bank has provided the necessary provisions in the accompanying financial statements.

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

This footnote is not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks” for the interim period reports.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (continued)**

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

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

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

**a. Information on interest income:**

1. Information on interest income on loans:

|  | Current Period   |                | Prior Period     |                |
|--|------------------|----------------|------------------|----------------|
|  | TL               | FC             | TL               | FC             |
| Short-term loans <sup>(1)</sup>                          | 887.848          | 36.086         | 807.663          | 40.676         |
| Medium/long-term loans <sup>(1)</sup>                    | 716.586          | 242.409        | 640.880          | 242.084        |
| Interest on loans under follow-up                        | 24.365           | 746            | 20.948           | 3              |
| Premiums received from resource utilization support fund | -                | -              | -                | -              |
| <b>Total</b>   | <b>1.628.799</b> | <b>279.241</b> | <b>1.469.491</b> | <b>282.763</b> |

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

2. Information on interest income on banks:

|                                  | Current Period |              | Prior Period |              |
|----------------------------------|----------------|--------------|--------------|--------------|
|                                  | TL             | FC           | TL           | FC           |
| From the CBRT                    | -              | -            | -            | -            |
| From domestic banks              | 4.644          | 219          | 3.079        | 314          |
| From foreign banks               | 1.087          | 1.844        | 708          | 2.610        |
| Headquarters and branches abroad | -              | -            | -            | -            |
| <b>Total</b>                     | <b>5.731</b>   | <b>2.063</b> | <b>3.787</b> | <b>2.924</b> |

3. Information on interest income on marketable securities:

|  | Current Period |                | Prior Period   |                |
|--|----------------|----------------|----------------|----------------|
|  | TL             | FC             | TL             | FC             |
| From trading financial assets                              | 3.753          | 1.546          | 4.754          | 385            |
| From financial assets at fair value through profit or loss | -              | -              | -              | -              |
| From available-for-sale financial assets                   | 166.602        | 101.839        | 147.071        | 12.339         |
| From held-to-maturity investments                          | 64.751         | 28.226         | 90.723         | 173.443        |
| <b>Total</b>   | <b>235.106</b> | <b>131.611</b> | <b>242.548</b> | <b>186.167</b> |

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

|  | Current Period | Prior Period |
|--|----------------|--------------|
| Interest received from associates and subsidiaries | 6.388          | 4.093        |

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (continued)**

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

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

**b. Information on interest expense:**

1. Information on interest expense on borrowings:

|                                  | Current Period |                | Prior Period  |                |
|----------------------------------|----------------|----------------|---------------|----------------|
|                                  | TL             | FC             | TL            | FC             |
| Banks                            | 15.299         | 195.829        | 16.518        | 114.940        |
| The CBRT                         | -              | -              | -             | -              |
| Domestic banks                   | 3.594          | 1.953          | 3.629         | 1.601          |
| Foreign banks                    | 11.705         | 193.876        | 12.889        | 113.339        |
| Headquarters and branches abroad | -              | -              | -             | -              |
| Other institutions               | -              | -              | -             | -              |
| <b>Total <sup>(1)</sup></b>      | <b>15.299</b>  | <b>195.829</b> | <b>16.518</b> | <b>114.940</b> |

(1) Includes fees and commissions related to borrowings.

2. Information on interest expense to associates and subsidiaries:

|  | Current Period | Prior Period |
|--|----------------|--------------|
| Interest paid to associates and subsidiaries | 14.739         | 18.002       |

3. Information on interest expense to marketable securities issued:

|  | Current Period |               | Prior Period  |              |
|--|----------------|---------------|---------------|--------------|
|  | TL             | FC            | TL            | FC           |
| Interest expense to marketable securities issued | 26.678         | 21.377        | 33.833        | 8.820        |
| <b>Total</b>                                     | <b>26.678</b>  | <b>21.377</b> | <b>33.833</b> | <b>8.820</b> |

4. Maturity structure of the interest expense on deposits:

| Account name                      | Demand deposit | Time deposit   |                |                |               |                  | Accumulating deposit | Total          | Prior Period     |
|-----------------------------------|----------------|----------------|----------------|----------------|---------------|------------------|----------------------|----------------|------------------|
|                                   |                | Up to 1 month  | Up to 3 months | Up to 6 months | Up to 1 year  | More than 1 year |                      |                |                  |
| <b>TL</b>                         |                |                |                |                |               |                  |                      |                |                  |
| Bank deposits                     | 74             | 641            | 312            | 339            | 116           | 2                | -                    | 1.484          | 2.281            |
| Saving deposits                   | -              | 17.790         | 345.719        | 22.463         | 3.568         | 7.560            | -                    | 397.100        | 511.140          |
| Public sector deposits            | -              | 9              | 465            | 29             | 6             | 1                | -                    | 510            | 61               |
| Commercial deposits               | 4              | 62.274         | 149.850        | 25.547         | 11.174        | 3.050            | -                    | 251.899        | 250.443          |
| Other deposits                    | -              | 789            | 21.089         | 5.393          | 36.731        | 8                | -                    | 64.010         | 29.071           |
| Deposits with 7 days notification | -              | -              | -              | -              | -             | -                | -                    | -              | -                |
| <b>Total</b>                      | <b>78</b>      | <b>81.503</b>  | <b>517.435</b> | <b>53.771</b>  | <b>51.595</b> | <b>10.621</b>    | <b>-</b>             | <b>715.003</b> | <b>792.996</b>   |
| <b>FC</b>                         |                |                |                |                |               |                  |                      |                |                  |
| Foreign currency deposits         | 26             | 35.900         | 78.097         | 6.378          | 3.037         | 9.370            | -                    | 132.808        | 225.214          |
| Bank deposits                     | 16             | 169            | -              | -              | -             | -                | -                    | 185            | 353              |
| Deposits with 7 days notification | -              | -              | -              | -              | -             | -                | -                    | -              | -                |
| Precious metal vault              | -              | 339            | 288            | 70             | 35            | 11               | -                    | 743            | 648              |
| <b>Total</b>                      | <b>42</b>      | <b>36.408</b>  | <b>78.385</b>  | <b>6.448</b>   | <b>3.072</b>  | <b>9.381</b>     | <b>-</b>             | <b>133.736</b> | <b>226.215</b>   |
| <b>Grand total</b>                | <b>120</b>     | <b>117.911</b> | <b>595.820</b> | <b>60.219</b>  | <b>54.667</b> | <b>20.002</b>    | <b>-</b>             | <b>848.739</b> | <b>1.019.211</b> |

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (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 dividend income:**

This footnote is not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks" for the interim period reports.

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

|   | <b>Current Period</b> | <b>Prior Period</b> |
|---|-----------------------|---------------------|
| <b>Gain</b>                             | <b>13.802.077</b>     | <b>10.802.605</b>   |
| Gain from capital market transactions   | 36.117                | 22.741              |
| Derivative financial transaction gains  | 4.294.137             | 4.381.473           |
| Foreign exchange gains                  | 9.471.823             | 6.398.391           |
| <b>Loss(-)</b>                          | <b>(13.910.146)</b>   | <b>(10.834.414)</b> |
| Loss from capital market transactions   | (16.829)              | (5.170)             |
| Derivative financial transaction losses | (4.412.722)           | (4.725.480)         |
| Foreign exchange loss                   | (9.480.595)           | (6.103.764)         |
| <b>Net gain/loss</b>                    | <b>(108.069)</b>      | <b>(31.809)</b>     |

**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 16.887 loss (December 31, 2012 – TL 251.441 loss).

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

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

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (continued)**

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

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

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

|   | <b>Current Period</b> | <b>Prior Period</b> |
|---|-----------------------|---------------------|
| Specific provisions for loans and other receivables                                   | 230.026               | 130.283             |
| III. Group loans and receivables  | -                     | 7.653               |
| IV. Group loans and receivables   | 40.294                | 38.710              |
| V. Group loans and receivables  | 189.732               | 83.920              |
| General provision expenses  | 57.264                | 46.802              |
| Provision expense for possible risks  | 11.583                | 8.691               |
| Marketable securities impairment expenses <sup>(1)</sup>                              | 12.763                | 92                  |
| Financial assets at fair value through profit or loss                                 | 654                   | 92                  |
| Available-for-sale financial assets   | 12.109                | -                   |
| Impairment of investments in associates, subsidiaries and held-to-maturity securities | 6.098                 | 43.147              |
| Investments in associates   | -                     | -                   |
| Subsidiaries  | -                     | -                   |
| Joint ventures  | -                     | -                   |
| Held-to-maturity investments <sup>(1)</sup>   | 6.098                 | 43.147              |
| Other   | 35.461                | 505                 |
| <b>Total</b>  | <b>353.195</b>        | <b>229.520</b>      |

(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:**

|   | <b>Current Period</b> | <b>Prior Period</b> |
|---|-----------------------|---------------------|
| Personnel expenses  | 319.868               | 291.155             |
| Reserve for employee termination benefits   | -                     | -                   |
| Provision expense for pension fund  | -                     | -                   |
| Impairment expenses of property and equipment   | -                     | -                   |
| Depreciation expenses of property and equipment   | 39.189                | 38.099              |
| Impairment expenses of intangible assets  | -                     | -                   |
| Goodwill impairment expenses  | -                     | -                   |
| Amortisation expenses of intangible assets  | 17.052                | 15.443              |
| Impairment expenses of equity participations for which equity method applied                    | -                     | -                   |
| Impairment expenses of assets held for resale   | 62                    | 43                  |
| Depreciation expenses of assets held for resale   | 1.110                 | 850                 |
| Impairment expenses of fixed assets held for sale and assets related to discontinued operations | -                     | -                   |
| Other operating expenses  | 246.992               | 218.611             |
| Operational lease expenses  | 39.376                | 35.521              |
| Repair and maintenance expenses   | 11.018                | 6.015               |
| Advertising expenses  | 23.390                | 17.018              |
| Other expense   | 173.208               | 160.057             |
| Loss on sales of assets   | 16                    | -                   |
| Other   | 142.458               | 163.547             |
| <b>Total</b>  | <b>766.747</b>        | <b>727.748</b>      |



**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (continued)**

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

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

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

This footnote is not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks" for the interim period reports.

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

As of March 31, 2013, the Bank has current tax expense amounting to TL 94.807 (March 31, 2012 – TL 136.815) and deferred tax expense amounting to TL 16.808 (March 31, 2012 – TL 33.843 revenue).

**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.

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

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

**V. Explanations and notes related to statement of changes in shareholders' equity**

This footnote is not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks" for the interim period reports.

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

This footnote is not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks" for the interim period reports.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (continued)**

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

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

**VII. 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. Current Period:

| Bank’s risk group <sup>(1), (2)</sup>          | Associates, subsidiaries and joint ventures |            | Direct and indirect shareholders of the Bank |            | Other real and legal persons that have been included in the risk group |              |
|--|---|------------|--|------------|--|--------------|
|  | Cash  | Non-cash   | Cash   | Non-cash   | Cash   | Non-cash     |
| Loans and other receivables                    |   |            |  |            |  |              |
| Balance at the beginning of the period         | 203.903                                     | 151.354    | 15.430                                       | 403.915    | 706.576  | 936.967      |
| Balance at the end of the period               | 93.943                                      | 233.204    | 6.700  | 210.507    | 614.014  | 705.380      |
| <b>Interest and commission income received</b> | <b>6.388</b>                                | <b>526</b> | <b>1.270</b>                                 | <b>502</b> | <b>14.559</b>  | <b>2.747</b> |

(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.

Prior Period:

| Bank’s risk group <sup>(1), (2)</sup>                        | Associates, subsidiaries and joint ventures |            | Direct and indirect shareholders of the Bank |            | Other real and legal persons that have been included in the risk group |              |
|--|---|------------|--|------------|--|--------------|
|  | Cash  | Non-cash   | Cash   | Non-cash   | Cash   | Non-cash     |
| Loans and other receivables                                  |   |            |  |            |  |              |
| Balance at the beginning of the period                       | 701.047                                     | 291.713    | 8.292  | 230.061    | 673.086  | 722.958      |
| Balance at the end of the period                             | 203.903                                     | 151.354    | 15.430                                       | 403.915    | 706.576  | 936.967      |
| <b>Interest and commission income received<sup>(3)</sup></b> | <b>4.093</b>                                | <b>465</b> | <b>1.172</b>                                 | <b>525</b> | <b>17.303</b>  | <b>1.054</b> |

(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) Represent profit / loss figures for the 3 months period ended March 31, 2012.

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

| Bank’s risk group <sup>(1), (2)</sup>             | Associates, subsidiaries and joint ventures |               | Direct and indirect shareholders of the Bank |               | Other real and legal persons that have been included in the risk group |               |
|---|---|---------------|--|---------------|--|---------------|
|   | Current Period                              | Prior Period  | Current Period                               | Prior Period  | Current Period   | Prior Period  |
| <b>Deposit</b>                                    |   |               |  |               |  |               |
| Beginning of the period                           | 770.943                                     | 1.239.623     | 5.838.878                                    | 5.160.138     | 8.016.750  | 4.414.388     |
| End of the period                                 | 1.271.529                                   | 770.943       | 6.332.115                                    | 5.838.878     | 7.138.924  | 8.016.750     |
| <b>Interest expense on deposits<sup>(3)</sup></b> | <b>14.739</b>                               | <b>18.002</b> | <b>90.690</b>                                | <b>71.171</b> | <b>95.480</b>  | <b>41.578</b> |

(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) Prior period columns represent profit / loss figures for the 3 months period ended March 31, 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 March 31, 2013 (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 <sup>(1)</sup>                                       | Associates, subsidiaries and joint ventures |                 | Direct and indirect shareholders of the Bank |              | Other real and legal persons that have been included in the risk group |              |
|--|---|-----------------|--|--------------|--|--------------|
|  | Current Period                              | Prior Period    | Current Period                               | Prior Period | Current Period   | Prior Period |
| <b>Transactions at fair value through profit or loss<sup>(2)</sup></b> |   |                 |  |              |  |              |
| Beginning of the period <sup>(3)</sup>                                 | 1.403.949                                   | 2.044.472       | 300.627                                      | 216.174      | 273.177  | 97.206       |
| End of the period <sup>(3)</sup>                                       | 1.658.664                                   | 1.403.949       | 116.732                                      | 300.627      | 205.919  | 273.177      |
| <b>Total profit / (loss)<sup>(4)</sup></b>                             | <b>17.194</b>                               | <b>(27.027)</b> | <b>(740)</b>                                 | <b>1.431</b> | <b>(1.594)</b>   | <b>2.771</b> |
| <b>Transactions for hedging purposes<sup>(2)</sup></b>                 |   |                 |  |              |  |              |
| Beginning of the period <sup>(3)</sup>                                 | -   | -               | -  | -            | -  | -            |
| End of the period <sup>(3)</sup>                                       | -   | -               | -  | -            | -  | -            |
| <b>Total profit / (loss)<sup>(1)</sup></b>                             | <b>-</b>                                    | <b>-</b>        | <b>-</b>                                     | <b>-</b>     | <b>-</b>   | <b>-</b>     |

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

(2) The Bank’s derivative instruments are classified as “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) Prior period columns represent profit / loss figures for the 3 months period ended March 31, 2012.

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

Salaries and benefits paid to the Bank’s top management amount to TL 15.798 as of March 31, 2013 (March 31, 2012 – TL 12.790).

**VIII. Explanations and notes related to the domestic, foreign, off-shore branches or associates and foreign representatives of the Bank:**

This footnote is not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks” for the interim period reports.

**Yapı ve Kredi Bankası A.Ş.**

**Notes to unconsolidated financial statements at March 31, 2013 (continued)**

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

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

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

- 1) The Bank obtained a syndicated loan from participation of 52 international banks from 20 different countries, consisting of 2 credit tranches with 1 year maturity; one tranche amounting to USD 437 million with total cost of Libor+1,00% and the other tranche amounting to EUR 759,5 million with total cost of Euribor+1,00%. The agreement was signed on April 30, 2013.
- 2) The Bank has signed a share purchase agreement with YKS for the purchase (by either the Bank or any of the consolidated subsidiary of the Bank) of 115.574.715 shares with a nominal value of TL full 11.557.471.5 which represents 19,93% shares of Yapı Kredi Emeklilik A.Ş. (YKE) for TL full 188.107.812. Based on this agreement; it was decided to purchase these shares through Yapı Kredi Finansal Kiralama A.O., a consolidated subsidiary of the Bank.

In accordance with the above decision, Board of Directors of Yapı Kredi Finansal Kiralama A.O. has decided on May 3, 2013 to purchase 115.574.715 shares with a nominal value of TL full 11.557.471.5 which represents 19,93% shares of Yapı Kredi Emeklilik A.Ş. (YKE) for TL full 188.107.812 upon the receipt of the relevant approvals from Undersecretaries of Turkish Treasury.

- 3) On May 2, 2013, Moody's Investor Services announced that the outlook on the D+ standalone bank financial strength rating (BFSR) was changed to negative from stable.

(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 March 31, 2013 (continued)**

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

## **Section Six**

### **Explanations on independent report**

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

The unconsolidated financial statements for the period ended March 31, 2013 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 report dated May 7, 2013 is presented preceding the unconsolidated financial statements.

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

None.