

Yapı ve Kredi Bankası A.Ş.

Publicly announced unconsolidated financial statements and related disclosures at September 30, 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 1. of Section three)

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

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

We have reviewed the accompanying unconsolidated balance sheet of Yapı ve Kredi Bankası A.Ş. ("the Bank") at September 30, 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.

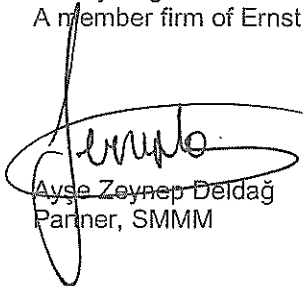
We conducted our review in accordance with the regulations on account and booking system and accounting and independent audit principles set out as per the Banking Act No. 5411. Those principles require that we plan and perform the review to obtain moderate assurance as to whether the financial statements 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 September 30, 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 Deidağ
Partner, SMMM

İstanbul, November 4, 2013

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

E-mail: financialreports@yapikredi.com.tr

**The unconsolidated interim financial report of
Yapı ve Kredi Bankası A.Ş. as of September 30, 2013**

The unconsolidated financial report for the nine 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 nine 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

H. Faik AÇIKALIN
Chief Executive Officer

Marco IANNACCONE
Chief Financial Officer

B. Seda İKİZLER
Head of Financial
Reporting and Accounting

Gianni F.G. PAPA
Chairman of Audit Committee

Francesco GIORDANO
Member of Audit Committee

F. Füsun 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

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Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of September 30, 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 Exchange. As of September 30, 2013, 18,20% of the shares of the Bank are publicly traded (December 31, representatives of these shares, Global Depository Receipts, are quoted at the London Stock 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 September 30, 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:

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

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of September 30, 2013 (continued)

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

General information (continued)

Audit Committee Members:

Name	Responsibility
Gianni F.G. PAPA	Chairman
Adil Giray ÖZTOPRAK	Member
Benedetta NAVARRA	Member
Francesco GIORDANO	Member
Füsun Akkal BOZOK	Member

General Manager and Deputy General Manager:

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

Assistant General Managers:

Name	Responsibility
Akif Cahit ERDOĞAN	Information Technologies and Operation Management
Cemal Aybars SANAL	Legal Activities Management
Feza TAN	Corporate and Commercial Banking Management
Marco IANNACCONE	Financial Planning and Administration Management
Mehmet Erkan ÖZDEMİR	Compliance and Internal Control / Consumer Relations Coordination 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
Zeynep Nazan SOMER ÖZELGİN	Retail Banking Management

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements as of September 30, 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:

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

Koç Finansal Hizmetler A.Ş. is a joint venture of Koç Group, UniCredit Group and Temel Ticaret ve Yatırım A.Ş.

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 September 30, 2013, the Bank has 938 branches operating in Turkey and 1 branch overseas (December 31, 2012 - 927 branches operating in Turkey, 1 branch in overseas). As of September 30, 2013, the Bank has 15.439 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 Group. Allianz Yaşam ve Emeklilik A.Ş., on which the Bank has indirect participations, is also consolidated through "Equity Method" in the consolidated financial statements of the Group. 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 September 30, 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 (Section Five)	Current Period (30/09/2013)			Prior Period (31/12/2012)		
		TL	FC	Total	TL	FC	Total
I. Cash and balances with Central Bank	I-a	1.692.152	15.951.956	17.644.108	1.620.811	9.455.751	11.076.562
II. Financial assets at fair value through profit or (loss) (net)	I-b	1.046.005	102.057	1.148.062	629.323	211.078	840.401
2.1 Trading financial assets		1.046.005	102.057	1.148.062	629.323	211.078	840.401
2.1.1 Government debt securities		8.836	22.080	30.916	341.736	110.557	452.293
2.1.2 Share certificates		-	-	-	-	-	-
2.1.3 Derivative financial assets held for trading	I-c	1.037.169	79.190	1.116.359	287.587	92.640	380.227
2.1.4 Other marketable securities		-	787	787	-	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		-	-	-	-	-	-
III. Banks	I-ç	923.346	1.063.856	1.987.202	297.735	2.423.218	2.720.953
IV. Money markets		1.611.549	130.190	1.741.739	2.618.818	111.234	2.730.052
4.1 Interbank money market placements		-	-	-	330.046	-	330.046
4.2 Receivables from Istanbul Stock Exchange Money Market		629.241	130.190	759.431	1.396.571	111.234	1.507.805
4.3 Receivables from reverse repurchase agreements		982.308	-	982.308	892.201	-	892.201
V. Financial assets available-for-sale (net)	I-d,e	8.229.873	5.880.094	14.109.967	7.742.462	7.119.001	14.861.463
5.1 Share certificates		5.769	215	5.984	5.132	179	5.311
5.2 Government debt securities		6.745.464	5.309.145	12.054.609	6.200.265	6.939.048	13.139.313
5.3 Other marketable securities		1.478.640	570.734	2.049.374	1.537.065	179.774	1.716.839
VI. Loans and receivables	I-f	62.593.379	27.890.431	90.483.810	54.892.258	20.877.058	75.769.316
6.1 Loans and receivables		61.643.579	27.679.031	89.322.610	54.024.235	20.770.277	74.794.512
6.1.1 Loans to bank's risk group		576.853	302.560	879.413	602.690	305.441	908.131
6.1.2 Government debt securities		-	-	-	-	-	-
6.1.3 Other		61.066.726	27.376.471	88.443.197	53.421.545	20.464.836	73.886.381
6.2 Loans under follow-up		3.028.992	500.290	3.529.282	2.202.516	323.389	2.525.905
6.3 Specific provisions (-)		(2.079.192)	(288.890)	(2.368.082)	(1.334.493)	(216.608)	(1.551.101)
VII. Factoring receivables		-	-	-	-	-	-
VIII. Held-to-maturity investments (net)	I-g	3.488.435	2.763.372	6.251.807	3.286.761	2.399.687	5.686.448
8.1 Government debt securities		3.488.435	2.763.372	6.251.807	3.286.761	2.399.687	5.686.448
8.2 Other marketable securities		-	-	-	-	-	-
IX. Investments in associates (net)	I-ğ	4.503	43.404	47.907	4.503	43.404	47.907
9.1 Consolidated based on equity method		-	-	-	-	-	-
9.2 Unconsolidated		4.503	43.404	47.907	4.503	43.404	47.907
9.2.1 Investments in financial associates		-	43.404	43.404	-	43.404	43.404
9.2.2 Investments in non-financial associates		4.503	-	4.503	4.503	-	4.503
X. Subsidiaries (net)	I-h	1.851.869	571.993	2.423.862	3.254.382	565.797	3.820.179
10.1 Unconsolidated financial subsidiaries		1.849.569	571.993	2.421.562	3.252.082	565.797	3.817.879
10.2 Unconsolidated non-financial subsidiaries		2.300	-	2.300	2.300	-	2.300
XI. Joint ventures (net)	I-ı	19.623	-	19.623	19.623	-	19.623
11.1 Accounted based on equity method		-	-	-	-	-	-
11.2 Unconsolidated		19.623	-	19.623	19.623	-	19.623
11.2.1 Financial joint ventures		19.623	-	19.623	19.623	-	19.623
11.2.2 Non-financial joint ventures		-	-	-	-	-	-
XII. Lease receivables	I-ı	-	-	-	-	-	-
12.1 Financial lease receivables		-	-	-	-	-	-
12.2 Operating lease receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned income (-)		-	-	-	-	-	-
XIII. Derivative financial assets held for hedging	I-j	381.371	2.158	383.529	94.166	-	94.166
13.1 Fair value hedge		299.816	-	299.816	93.996	-	93.996
13.2 Cash flow hedge		81.555	2.158	83.713	170	-	170
13.3 Foreign net investment hedge		-	-	-	-	-	-
XIV. Property and equipment (net)	I-k	911.720	-	911.720	984.674	-	984.674
XV. Intangible assets (net)	I-l	1.343.041	-	1.343.041	1.329.944	-	1.329.944
15.1 Goodwill		979.493	-	979.493	979.493	-	979.493
15.2 Other		363.548	-	363.548	350.451	-	350.451
XVI. Investment property (net)	I-m	-	-	-	-	-	-
XVII. Tax asset		63.423	-	63.423	52.535	-	52.535
17.1 Current tax asset		-	-	-	-	-	-
17.2 Deferred tax asset	I-n	63.423	-	63.423	52.535	-	52.535
XVIII. Assets held for resale and related to discontinued operations (net)	I-o	145.781	-	145.781	132.195	-	132.195
18.1 Held for sale purposes		145.781	-	145.781	132.195	-	132.195
18.2 Related to discontinued operations		-	-	-	-	-	-
XIX. Other assets	I-ö	1.100.075	2.900.579	4.000.654	1.006.493	1.007.296	2.013.789
Total assets		85.406.145	57.300.090	142.706.235	77.966.683	44.213.524	122.180.207

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

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

Yapı ve Kredi Bankası A.Ş.

Unconsolidated financial statements as of September 30, 2013 and December 31, 2012

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

I. Balance sheet (Statement of Financial Position)

Liabilities	Note (Section Five)	Current Period			Prior Period		
		(30/09/2013)			(31/12/2012)		
		TL	FC	Total	TL	FC	Total
I. Deposits	II-a	44,528,687	36,119,503	80,648,190	41,440,810	26,603,130	68,043,940
1.1 Deposits of the Bank's risk group		3,677,192	8,607,003	12,284,195	4,838,601	3,907,990	8,746,591
1.2 Other		40,851,495	27,512,500	68,363,995	36,602,209	22,695,140	59,297,349
II. Derivative financial liabilities held for trading	II-b	731,889	73,490	805,379	286,669	84,585	371,254
III. Funds borrowed	II-c	876,119	14,583,378	15,459,497	638,396	11,782,055	12,420,451
IV. Money markets		1,318,392	4,183,254	5,501,646	1,711,008	3,019,074	4,730,082
4.1 Funds from interbank money market		-	-	-	-	-	-
4.2 Funds from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3 Funds provided under repurchase agreements		1,318,392	4,183,254	5,501,646	1,711,008	3,019,074	4,730,082
V. Marketable securities issued (net)	II-ç	1,751,537	2,007,547	3,759,084	1,441,014	885,367	2,326,381
5.1 Bills		1,249,547	-	1,249,547	737,778	-	737,778
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		501,990	2,007,547	2,509,537	703,236	885,367	1,588,603
VI. Funds		-	-	-	-	-	-
6.1 Borrower funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
VII. Miscellaneous payables		5,420,396	1,080,364	6,500,760	4,759,776	617,741	5,377,517
VIII. Other liabilities	II-d	1,799,282	1,324,415	3,123,697	1,605,587	1,027,930	2,633,517
IX. Factoring payables		-	-	-	-	-	-
X. Lease payables (net)	II-e	369	845	1,214	596	6,791	7,387
10.1 Financial lease payables		403	860	1,263	681	6,983	7,664
10.2 Operational lease payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred lease expenses (-)		(34)	(15)	(49)	(85)	(192)	(277)
XI. Derivative financial liabilities held for hedging	II-f	45,730	386,748	432,478	412,001	492,686	904,687
11.1 Fair value hedge		-	-	-	90,233	-	90,233
11.2 Cash flow hedge		45,730	386,748	432,478	321,768	492,686	814,454
11.3 Foreign net investment hedge		-	-	-	-	-	-
XII. Provisions	II-g	2,331,008	493,241	2,824,249	2,438,060	461,105	2,899,165
12.1 General loan loss provision		917,665	447,401	1,365,066	919,039	385,793	1,304,832
12.2 Restructuring provisions		-	-	-	-	-	-
12.3 Reserve for employee rights		218,781	-	218,781	213,610	-	213,610
12.4 Insurance technical provisions (net)		-	-	-	-	-	-
12.5 Other provisions		1,194,562	45,840	1,240,402	1,305,411	75,312	1,380,723
XIII. Tax liability	II-ğ	266,578	-	266,578	408,142	-	408,142
13.1 Current tax liability		266,578	-	266,578	408,142	-	408,142
13.2 Deferred tax liability		-	-	-	-	-	-
XIV. Liabilities for property and equipment held for sale and related to discontinued operations (net)		-	-	-	-	-	-
14.1 Held for sale		-	-	-	-	-	-
14.2 Related to discontinued operations		-	-	-	-	-	-
XV. Subordinated loans	II-h	-	6,172,908	6,172,908	-	5,195,642	5,195,642
XVI. Shareholders' equity	II-i	16,972,348	238,207	17,210,555	15,926,652	935,390	16,862,042
16.1 Paid-in capital		4,347,051	-	4,347,051	4,347,051	-	4,347,051
16.2 Capital reserves		1,319,435	238,207	1,557,642	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		365,408	558,882	924,290	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)		111,532	(320,675)	(209,143)	(118,653)	(442,160)	(560,813)
16.2.9 Value increase in assets held for sale and related to discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		298,614	-	298,614	293,705	-	293,705
16.3 Profit reserves		8,516,651	-	8,516,651	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		1,392	-	1,392	1,096	-	1,096
16.4 Income or (loss)		2,789,211	-	2,789,211	1,913,472	-	1,913,472
16.4.1 Prior years' income or (loss)		-	-	-	-	-	-
16.4.2 Current year income or (loss)		2,789,211	-	2,789,211	1,913,472	-	1,913,472
Total liabilities and shareholders' equity		76,042,335	66,663,900	142,706,235	71,068,711	51,111,496	122,180,207

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

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

Yapı ve Kredi Bankası A.Ş.

Unconsolidated financial statements as of September 30, 2013 and December 31, 2012
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

II. Off-balance sheet commitments

	Note (Section Five)	Current Period (30/09/2013)			Prior Period (31/12/2012)		
		TL	FC	Total	TL	FC	Total
A	Off-balance sheet commitments (I+II+III)	99.764.521	147.409.590	247.174.111	113.305.921	113.241.494	226.547.415
I.	Guarantees and warranties	11.970.786	22.987.005	34.937.771	11.376.121	16.986.676	28.362.797
1.1	Letters of guarantee	11.875.742	13.186.450	25.064.192	11.271.953	9.239.705	20.511.658
1.1.1	Guarantees subject to state tender law	498.057	587.642	1.085.699	567.403	522.814	1.090.217
1.1.2	Guarantees given for foreign trade operations	1.189.665	12.600.808	13.790.473	1.131.282	8.716.891	9.848.173
1.1.3	Other letters of guarantee	10.188.020	-	10.188.020	9.573.268	-	9.573.268
1.2	Bank acceptances	-	105.706	105.706	-	121.325	121.325
1.2.1	Import letter of acceptance	-	105.706	105.706	-	121.325	121.325
1.2.2	Other bank acceptances	-	-	-	-	-	-
1.3	Letters of credit	21.398	6.522.028	6.543.426	13.789	5.596.826	5.610.615
1.3.1	Documentary letters of credit	21.398	6.522.028	6.543.426	13.789	5.596.826	5.610.615
1.3.2	Other letters of credit	-	-	-	-	-	-
1.4	Prefinancing given as guarantee	143	2.782	2.925	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	73.483	1.793.255	1.866.738	90.236	1.057.479	1.147.715
1.9	Other warranties	-	1.354.784	1.354.784	-	969.984	969.984
II.	Commitments	36.451.220	16.714.939	53.166.159	75.280.393	28.375.675	103.656.068
2.1	Irrevocable commitments	36.451.220	16.714.939	53.166.159	29.934.837	7.009.518	36.944.355
2.1.1	Asset purchase and sale commitments	1.519.777	16.043.217	17.562.994	35.590	6.661.062	6.696.652
2.1.2	Deposit purchase and sales commitments	547	87.960	88.507	-	-	-
2.1.3	Share capital commitments to associates and subsidiaries	-	-	-	-	-	-
2.1.4	Loan granting commitments	5.559.917	486.157	6.046.074	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	5.365.936	-	5.365.936	5.258.480	-	5.258.480
2.1.8	Tax and fund liabilities from export commitments	40.298	-	40.298	38.106	-	38.106
2.1.9	Commitments for credit card limits	21.307.463	-	21.307.463	17.856.081	-	17.856.081
2.1.10	Commitments for credit cards and banking services promotions	6.224	-	6.224	-	-	-
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	2.651.058	97.605	2.748.663	1.754.294	18.130	1.772.424
2.2	Revocable commitments	-	-	-	45.345.556	21.366.157	66.711.713
2.2.1	Revocable loan granting commitments	-	-	-	45.345.556	21.366.157	66.711.713
2.2.2	Other revocable commitments	-	-	-	-	-	-
III.	Derivative financial instruments	51.342.535	107.727.546	159.070.181	26.649.407	67.879.143	94.528.550
3.1	Derivative financial instruments for hedging purposes	12.164.023	28.515.690	40.679.713	14.124.458	26.657.257	40.781.715
3.1.1	Transactions for fair value hedge	1.282.423	1.679.674	2.962.097	1.772.858	2.048.951	3.821.809
3.1.2	Transactions for cash flow hedge	10.881.600	26.836.016	37.717.616	12.351.600	24.608.306	36.959.906
3.1.3	Transactions for foreign net investment hedge	-	-	-	-	-	-
3.2	Trading transactions	39.178.512	79.211.956	118.390.468	12.524.649	41.221.886	53.746.835
3.2.1	Forward foreign currency buy/sell transactions	4.378.108	7.346.234	11.724.342	3.094.739	5.217.724	8.222.463
3.2.1.1	Forward foreign currency transactions-buy	1.532.822	4.346.504	5.879.726	988.634	3.092.645	4.081.279
3.2.1.2	Forward foreign currency transactions-sell	2.845.286	2.999.730	5.844.616	2.016.105	2.125.079	4.141.184
3.2.2	Swap transactions related to foreign currency and interest rates	25.129.421	66.624.065	91.753.486	5.339.212	24.430.414	29.769.626
3.2.2.1	Foreign currency swap-buy	12.073.531	25.657.093	37.730.614	2.604.049	10.715.333	13.319.382
3.2.2.2	Foreign currency swap-sell	13.055.890	24.256.026	37.311.916	2.735.163	10.500.961	13.236.124
3.2.2.3	Interest rate swap-buy	-	3.355.478	3.355.478	-	1.607.060	1.607.060
3.2.2.4	Interest rate swap-sell	-	3.355.478	3.355.478	-	1.607.060	1.607.060
3.2.3	Foreign currency, interest rate and securities options	8.812.983	14.636.141	23.449.124	3.473.998	10.919.644	14.393.642
3.2.3.1	Foreign currency options-buy	3.302.131	5.450.643	8.752.774	1.246.132	3.539.644	4.785.776
3.2.3.2	Foreign currency options-sell	4.199.096	4.610.673	8.809.769	1.684.220	3.214.377	4.898.597
3.2.3.3	Interest rate options-buy	70.800	2.227.912	2.298.712	70.800	2.117.807	2.188.607
3.2.3.4	Interest rate options-sell	70.800	2.227.912	2.298.712	145.800	2.047.816	2.193.616
3.2.3.5	Securities options-buy	740.559	119.001	859.560	215.704	-	215.704
3.2.3.6	Securities options-sell	429.597	-	429.597	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	858.000	605.516	1.463.516	707.000	654.104	1.361.104
B.	Custody and pledges received (IV+V+VI)	128.293.378	31.351.605	159.644.983	115.496.598	25.192.246	140.688.844
IV.	Items held in custody	54.265.900	5.132.593	59.398.493	51.685.636	4.089.103	55.777.739
4.1	Customer fund and portfolio balances	-	141	141	-	117	117
4.2	Investment securities held in custody	42.728.700	4.459.477	47.188.177	40.031.441	3.492.529	43.523.970
4.3	Checks received for collection	9.447.478	115.313	9.562.791	9.364.237	88.780	9.453.017
4.4	Commercial notes received for collection	2.081.947	529.014	2.610.961	2.282.730	483.701	2.766.431
4.5	Other assets received for collection	-	28.648	28.648	-	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	-	-	-	-	-	-
V.	Pledges received	72.802.510	25.525.672	98.329.182	62.639.447	20.520.383	83.159.830
5.1	Marketable securities	204.153	226	204.379	220.994	193	221.187
5.2	Guarantee notes	720.510	428.373	1.148.883	703.951	365.205	1.069.156
5.3	Commodity	22.935	-	22.935	28.559	-	28.559
5.4	Warrants	-	-	-	-	-	-
5.5	Properties	50.109.815	18.504.373	68.614.188	41.434.412	15.196.331	56.630.743
5.6	Other pledged items	21.745.097	6.589.986	28.335.083	20.251.531	4.955.489	25.207.020
5.7	Pledged items-depository	-	3.714	3.714	-	3.165	3.165
VI.	Accepted independent guarantees and warranties	1.224.768	692.340	1.917.108	1.168.515	582.760	1.751.275
	Total off-balance sheet commitments (A+B)	228.057.659	178.761.195	406.818.854	228.802.519	138.433.740	367.236.259

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

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

Yapı ve Kredi Bankası A.Ş.

Unconsolidated financial statements as of September 30, 2013 and 2012 (Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

III. Income statement

	Note (Section Five)	Current Period 01/01/2013- 30/09/2013	Prior Period 01/01/2012- 30/09/2012
Income and expense items			
I. Interest income	IV-a	6.824.329	6.963.313
1.1 Interest on loans	IV-a-1	5.608.297	5.629.614
1.2 Interest received from reserve deposits		-	-
1.3 Interest received from banks	IV-a-2	21.734	25.962
1.4 Interest received from money market transactions		92.201	103.234
1.5 Interest received from marketable securities portfolio	IV-a-3	1.099.218	1.203.854
1.5.1 Trading financial assets		8.384	13.273
1.5.2 Financial assets at fair value through profit or (loss)		-	-
1.5.3 Available-for-sale financial assets		794.721	447.457
1.5.4 Held to maturity investments		296.113	743.124
1.6 Financial lease income		-	-
1.7 Other interest income		2.879	649
II. Interest expense	IV-b	(3.296.084)	(3.731.866)
2.1 Interest on deposits	IV-b-4	(2.510.176)	(3.048.545)
2.2 Interest on funds borrowed	IV-b-1	(523.605)	(409.589)
2.3 Interest expense on money market transactions		(87.488)	(121.671)
2.4 Interest on securities issued	IV-b-3	(162.228)	(143.726)
2.5 Other interest expenses		(12.587)	(8.335)
III. Net interest income (I + II)		3.528.245	3.231.447
IV. Net fees and commissions income		1.468.122	1.277.231
4.1 Fees and commissions received		1.745.656	1.587.305
4.1.1 Non-cash loans		206.585	197.041
4.1.2 Other	IV-i	1.539.071	1.390.264
4.2 Fees and commissions paid		(277.534)	(310.074)
4.2.1 Non-cash loans		(221)	(370)
4.2.2 Other		(277.313)	(309.704)
V. Dividend income	IV-c	132.787	183.377
VI. Trading gain/(loss) (net)	IV-ç	67.427	(164.477)
6.1 Trading gains/(losses) on securities		339.083	67.039
6.2 Derivative financial transactions gains/(losses)	IV-d	802.742	(939.045)
6.3 Foreign exchange gains/(losses)		(1.074.398)	707.529
VII. Other operating income	IV-e	287.809	179.433
VIII. Total operating income (III+IV+V+VI+VII)		5.484.390	4.707.011
IX. Provision for impairment of loans and other receivables (-)	IV-f	(1.060.170)	(796.962)
X. Other operating expenses (-)	IV-g	(2.399.580)	(2.137.480)
XI. Net operating income/(loss) (VIII-IX-X)		2.024.640	1.772.569
XII. Excess amount recorded as income after merger		-	-
XIII. Income/(loss) from investments accounted based on equity method		-	-
XIV. Income/(loss) on net monetary position		-	-
XV. Profit/loss before taxes from continuing operations (XI+XII+XIII+XIV)	IV-ğ	2.024.640	1.772.569
XVI. Tax provision for continuing operations (±)	IV-h	(417.685)	(371.589)
16.1 Current tax provision		(153.352)	(513.581)
16.2 Deferred tax provision		(264.333)	141.992
XVII. Net profit/loss from continuing operations (XV±XVI)		1.606.955	1.400.980
XVIII. Income from discontinued operations		1.240.715	-
18.1 Income from non-current assets held for resale		-	-
18.2 Profit from sales of associates, subsidiaries and joint ventures		1.240.715	-
18.3 Other income from discontinued operations		-	-
XIX. Expenses from discontinued operations (-)	IV-h	-	-
19.1 Expenses for non-current assets held for resale		-	-
19.2 Loss from sales of associates, subsidiaries and joint ventures		-	-
19.3 Other expenses from discontinued operations		-	-
XX. Profit /losses before taxes from discontinued operations (XVIII-XIX)		1.240.715	-
XXI. Tax provision for discontinued operations (±)		(58.459)	-
21.1 Current tax provision		(58.459)	-
21.2 Deferred tax provision		-	-
XXII. Net profit/loss from discontinued operations (XX±XXI)		1.182.256	-
XXIII. Net profit/loss (XVI+XXII)	IV-ı	2.789.211	1.400.980
Earnings/(loss) per share (full TL)		0,0064	0,0032

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

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

Yapı ve Kredi Bankası A.Ş.

Unconsolidated financial statements as of September 30, 2013 and 2012
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

III. Income statement

	Note (Section Five)	Current Period 01/07- 30/09/2013	Prior Period 01/07- 30/09/2012
Income and expense items			
I. Interest income	IV-a	2.262.231	2.441.291
1.1 Interest on loans	IV-a-1	1.844.153	1.978.982
1.2 Interest received from reserve deposits		-	-
1.3 Interest received from banks	IV-a-2	9.678	8.265
1.4 Interest received from money market transactions		21.700	46.637
1.5 Interest received from marketable securities portfolio	IV-a-3	386.679	407.357
1.5.1 Trading financial assets		1.842	3.898
1.5.2 Financial assets at fair value through profit or (loss)		-	-
1.5.3 Available-for-sale financial assets		280.865	116.368
1.5.4 Held to maturity investments		103.972	287.091
1.6 Financial lease income		-	-
1.7 Other interest income		21	50
II. Interest expense	IV-b	(1.186.020)	(1.237.638)
2.1 Interest on deposits	IV-b-4	(910.480)	(1.013.523)
2.2 Interest on funds borrowed	IV-b-1	(168.357)	(139.648)
2.3 Interest expense on money market transactions		(46.488)	(37.509)
2.4 Interest on securities issued	IV-b-3	(56.830)	(45.119)
2.5 Other interest expenses		(3.865)	(1.839)
III. Net interest income (I + II)		1.076.211	1.203.653
IV. Net fees and commissions income		490.963	476.802
4.1 Fees and commissions received		592.064	578.182
4.1.1 Non-cash loans		73.979	68.984
4.1.2 Other	IV-i	518.085	509.198
4.2 Fees and commissions paid		(101.101)	(101.380)
4.2.1 Non-cash loans		(32)	(123)
4.2.2 Other		(101.069)	(101.257)
V. Dividend income	IV-c	37.310	16.276
VI. Trading gain/(loss) (net)	IV-ç	38.158	(62.705)
6.1 Trading gains/(losses) on securities		78.613	19.245
6.2 Derivative financial transactions gains/(losses)	IV-d	357.197	(133.503)
6.3 Foreign exchange gains/(losses)		(397.552)	51.553
VII. Other operating income	IV-e	89.101	42.519
VIII. Total operating income (III+IV+V+VI+VII)		1.731.743	1.676.545
IX. Provision for impairment of loans and other receivables (-)	IV-f	(374.364)	(310.305)
X. Other operating expenses (-)	IV-g	(786.983)	(682.547)
XI. Net operating income/(loss) (VIII-IX-X)		570.396	683.693
XII. Excess amount recorded as income after merger		-	-
XIII. Income/(loss) from investments accounted based on equity method		-	-
XIV. Income/(loss) on net monetary position		-	-
XV. Profit/loss before taxes from continuing operations (XI+XII+XIII+XIV)	IV-ğ	570.396	683.693
XVI. Tax provision for continuing operations (±)	IV-h	(125.408)	(142.171)
16.1 Current tax provision		(19.500)	(182.717)
16.2 Deferred tax provision		(105.908)	40.546
XVII. Net profit/loss from continuing operations (XV±XVI)		444.988	541.522
XVIII. Income from discontinued operations		1.240.715	-
18.1 Income from non-current assets held for resale		-	-
18.2 Profit from sales of associates, subsidiaries and joint ventures		1.240.715	-
18.3 Other income from discontinued operations		-	-
XIX. Expenses from discontinued operations (-)	IV-h	-	-
19.1 Expenses for non-current assets held for resale		-	-
19.2 Loss from sales of associates, subsidiaries and joint ventures		-	-
19.3 Other expenses from discontinued operations		-	-
XX. Profit /losses before taxes from discontinued operations (XVIII-XIX)		1.240.715	-
XXI. Tax provision for discontinued operations (±)		(58.459)	-
21.1 Current tax provision		(58.459)	-
21.2 Deferred tax provision		-	-
XXII. Net profit/loss from discontinued operations (XX±XXI)		1.182.256	-
XXIII. Net profit/loss (XVII+XXII)	IV-ı	1.627.244	541.522
Earnings/(loss) per share (full TL)		0,0037	0,0012

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

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Yapı ve Kredi Bankası A.Ş.

Unconsolidated financial statements as of September 30, 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

	Current Period (30/09/2013)	Prior Period (30/09/2012)
Income and expense items accounted under shareholders' equity		
I. Transfers to marketable securities valuation differences from financial assets available for sale	(3.067.951)	633.929
II. Property and equipment revaluation differences	-	-
III. Intangible assets revaluation differences	-	-
IV. Currency translation differences for foreign currency transactions	134.759	19.218
V. Profit /loss on cash flow hedges (effective part of the fair value changes)	516.977	(300.265)
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	296	-
IX. Deferred tax on valuation differences	275.221	(32.917)
X. Net profit or loss accounted directly under shareholders' equity (I+II+...+IX)	(2.140.698)	319.965
XI. Current year profit/loss	2.789.211	1.400.980
11.1 Net change in fair value of marketable securities (recycled to profit-loss)	2.016	3.344
11.2 Part of cash flow hedge derivative financial instruments reclassified and presented on the income statement	(178.519)	(124.681)
11.3 Part of foreign net investment hedges reclassified and presented on the income statement	-	-
11.4 Other	2.965.714	1.522.317
XII. Total income/loss accounted for the period (X+XI)	648.513	1.720.945

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

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

Yapı ve Kredi Bankası A.Ş.

Unconsolidated statement of changes in shareholders' equity as of September 30, 2012
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

V. Statement of changes in shareholders' equity

Restated Prior Period	Note (Section five)	Paid- in capital	Adjustment to share capital premium	Share cancellation	Share premium	Share profits reserves	Legal reserves	Status reserves	Extra ord. reserves	Other reserves	Current period net income/(loss)	Prior period income /(loss)	Marketable securities Value increase fund	Property and equipment and intangible assets revaluation fund	Bonus shares from investments	Hedging funds revaluation fund	Assets held for resale/ discontinued operations	Total shareholders' equity
September 30, 2012		4.347.051	-	543.881	-	266.973	-	4.930.128	146.641	1.857.486	-	(83.444)	-	-	-	(308.530)	-	11.700.186
I. Period opening balance																		
II. Changes in accounting policies according to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New balance (+/II)		4.347.051	-	543.881	-	266.973	-	4.930.128	146.641	1.857.486	-	-	-	-	-	(308.530)	-	1.550.743
IV. Changes in the period																		
IV. Increase/decrease due to merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Marketable securities valuation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Hedging transactions (effective portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1 Cash flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2 Foreign net investment hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Property net investment revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Intangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Bonus shares from investments in associates, subsidiaries and joint ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Foreign exchange differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Paid in-capital inflation adjustment difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII. Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX. Current year income or loss		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XX. Profit distribution		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.1 Dividend paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2 Transfers to reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period end balance		4.347.051	-	543.881	-	359.847	-	6.546.849	294.532	1.400.980	-	2.010.156	-	-	-	(531.422)	-	14.971.874
(II+IV+V+.....+XVIII+XIX+XX)																		

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

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

Yapı ve Kredi Bankası A.Ş.

Unconsolidated statement of changes in shareholders' equity as of September 30, 2013
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

V. Statement of changes in shareholders' equity

	Note (Section five)	Paid-in capital	Adjustment to share capital	Share premium	Share cancellation premium	Share profits	Legal reserves	Status reserves	Extra ord. reserves	Other reserves	Current period net income/(loss)	Prior period income/(loss)	Marketable securities value increase	Property and equipment and intangible assets revaluation	Bonus shares from investments	Hedging revaluation funds	Assets held for resale/ discontinued operations	Total shareholders' equity
I.		4.347.051	-	543.881	-	359.847	-	-	6.546.849	294.801	1.913.472	-	3.416.954	-	-	(560.813)	-	16.862.042
II.																		
III.																		
IV.																		
4.1													(2.662.384)					(2.662.384)
4.2																413.583		413.583
V.																413.583		413.583
VI.																		
VII.																		
VIII.																		
IX.													169.720					169.720
X.																(61.913)		(61.913)
XI.																		
XII.																		
12.1																		
12.2																		
XIII.																		
XIV.																		
XV.																		
XVI.										296								296
XVII.											2.789.211							2.789.211
XVIII.							103.939		1.504.624	4.909	(1.913.472)							(300.000)
18.1											(300.000)							(300.000)
18.2							103.939		1.504.624	4.909	(1.613.472)							(300.000)
18.3																		
		4.347.051	-	543.881	-	463.786	-	-	8.051.473	300.006	2.789.211	-	924.290	-	-	(209.143)	-	17.210.555

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KURUM VE
MUTFAK A.Ş.

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

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

Yapı ve Kredi Bankası A.Ş.

Unconsolidated financial statements as of September 30, 2013 and 2012
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

VI. Statement of cash flows

	Notes (Section Five)	Current Period (30/09/2013)	Prior Period (30/09/2012)
A. Cash flows from banking operations			
1.1 Operating profit before changes in operating assets and liabilities		2.972.998	4.113.987
1.1.1 Interest received		7.826.237	6.722.835
1.1.2 Interest paid		(3.070.273)	(3.559.763)
1.1.3 Dividend received		128.457	150.349
1.1.4 Fees and commissions received		1.746.042	1.587.594
1.1.5 Other income		479.074	(670.130)
1.1.6 Collections from previously written-off loans and other receivables		945.553	1.172.383
1.1.7 Payments to personnel and service suppliers		(2.002.251)	(1.737.932)
1.1.8 Taxes paid		(411.653)	(526.558)
1.1.9 Other	VI	(2.668.188)	975.209
1.2 Changes in operating assets and liabilities		(4.051.020)	(5.404.307)
1.2.1 Net (increase)/decrease in trading securities		417.530	(216.724)
1.2.2 Net (increase)/decrease in fair value through profit/loss financial assets		-	-
1.2.3 Net (increase)/decrease in banks		(5.659.100)	(4.940.828)
1.2.4 Net (increase)/decrease in loans		(16.155.136)	(6.584.945)
1.2.5 Net (increase)/decrease in other assets		(1.788.467)	272.218
1.2.6 Net increase /(decrease) in bank deposits		593.024	176.093
1.2.7 Net increase /(decrease) in other deposits		11.975.727	2.886.575
1.2.8 Net increase /(decrease) in funds borrowed		4.038.309	1.616.462
1.2.9 Net increase /(decrease) in payables		-	-
1.2.10 Net increase /(decrease) in other liabilities	VI	2.527.093	1.386.842
I. Net cash flows from banking operations		(1.078.022)	(1.290.320)
B. Cash flows from investing activities			
II. Net cash flows from investing activities		(938.541)	600.177
2.1 Cash paid for acquisition of investments in associates, subsidiaries and joint ventures		(71.126)	(22.120)
2.2 Cash obtained from disposal of investments in associates, subsidiaries and joint ventures		1.247.195	-
2.3 Purchases of property and equipment		(133.724)	(125.285)
2.4 Disposals of property and equipment		50.906	3.732
2.5 Purchase of investments available-for-sale		(7.331.755)	(2.623.343)
2.6 Sale of investments available-for-sale		5.545.047	3.157.735
2.7 Purchase of investment securities		(262.570)	(342)
2.8 Sale of investment securities		17.486	209.800
2.9 Other		-	-
C. Cash flows from financing activities			
III. Net cash flows from financing activities		706.460	554.175
3.1 Cash obtained from funds borrowed and securities issued		5.406.844	4.646.880
3.2 Cash used for repayment of funds borrowed and securities issued		(4.392.151)	(4.051.856)
3.3 Issued capital instruments		-	-
3.4 Dividends paid		(300.000)	-
3.5 Payments for finance leases		(8.233)	(40.849)
3.6 Other		-	-
IV. Effect of change in foreign exchange rates on cash and cash equivalents	VI	496.486	(194.750)
V. Net increase in cash and cash equivalents (I+II+III+IV)		(813.617)	(330.718)
VI. Cash and cash equivalents at beginning of the period	VI	8.309.106	9.780.424
VII. Cash and cash equivalents at end of the period	VI	7.495.489	9.449.706

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2013

(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 ("POA") 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 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 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. TAS/TFRS changes (TFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendment), TAS 1 Presentation of Financial Statements (Amended) – Presentation of Items of Other Comprehensive Income, TAS 19 Employee Benefits (Amended), TAS 27 Separate Financial Statements (Amended), TAS 28 Investments in Associates and Joint Ventures (Amended), TFRS 10 Consolidated Financial Statements, TFRS 11 Joint Arrangements, TFRS 12 Disclosure of Interests in Other Entities, TFRS 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 XXVI below. The changes introduced by TFRS 10 as adopted by the Bank is evaluated and it was concluded the changes have no impact on consolidations of investments and associates 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 September 30, 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 ("TAS 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 September 30, 2012 are summarized below:

September 30, 2012	Published	Adjustments	Restated
Subsidiaries (Net)	3.041.408	556.717	3.598.125
Total Assets	118.217.996	556.717	118.774.713
Marketable Securities Valuation Differences	1.453.439	556.717	2.010.156
Other capital reserves	294.532	(827)	293.705
Other profit reserves	-	827	827
Shareholder's Equity	14.415.157	556.717	14.971.874
Total Liabilities	118.217.996	556.717	118.774.713

December 31, 2011	Published	Adjustments	Restated
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 September 30, 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 on 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 on 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 September 30, 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 September 30, 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 September 30, 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, TAS 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 September 30, 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 on 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 September 30, 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 on 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" according to the Uniform Chart of Accounts ("UCA").

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 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 September 30, 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").

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Notes to unconsolidated financial statements at September 30, 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 September 30, 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 September 30, 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 TAS 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 3 May, 2013.

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Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 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:

Within the scope of TAS 19, the Bank measures the expected costs of accumulated paid leaves as expected payments it will make due to unused leave rights as at the end of the reporting date.

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.

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Notes to unconsolidated financial statements at September 30, 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, 2007/26704, 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.

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2013 (continued)

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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 balance sheet date, the Bank received government grant from TÜBİTAK amounting to TL 1.101 (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.

	Current Period	Prior Period
Net Income/(loss) from continuing operations to be appropriated to ordinary shareholders	1.606.955	1.400.980
Weighted average number of issued ordinary shares(thousand)	434.705.128	434.705.128
Earnings per share from continued operations (full TL)	0,0037	0,0032

	Current Period	Prior Period
Net Income/(loss) from discontinued operations to be appropriated to ordinary shareholders	1.182.256	-
Weighted average number of issued ordinary shares(thousand)	434.705.128	-
Earnings per share from discontinued operations (full TL)	0,0027	-

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Notes to unconsolidated financial statements at September 30, 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 September 30, 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 September 30, 2012 as detailed in Note I of Section III.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 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 16,43% (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)

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Notes to unconsolidated financial statements at September 30, 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%	
Amounts subject to credit risk	28.375.096	5.098.412	22.765.419	38.521.141	58.690.521	4.690.950	4.885.853	163.027.392
Risk classifications:								
Conditional and unconditional receivables from central governments or central banks	26.437.908	-	5.364.511	-	-	-	-	31.802.419
Conditional and unconditional receivables from regional or local governments	-	139	-	-	-	-	-	139
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	814	-	-	814
Conditional and unconditional receivables from multilateral development banks	3.252	-	-	-	-	-	-	3.252
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	5.090.585	7.149.383	-	1.656.101	-	-	13.896.069
Conditional and unconditional receivables from corporates	-	-	-	-	51.643.912	-	-	51.643.912
Conditional and unconditional retail receivables	-	-	-	38.521.141	-	-	-	38.521.141
Conditional and unconditional receivables secured by mortgages	-	-	10.251.525	-	-	-	-	10.251.525
Past due receivables	-	-	-	-	723.782	443.099	-	1.166.881
Receivables defined as high risk category by the Regulator	-	-	-	-	-	4.247.851	4.885.853	9.133.704
Secured by mortgages	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-	-	-
Other receivables	1.933.936	7.688	-	-	4.665.912	-	-	6.607.536
Credit Risk Weighted Amounts	-	1.019.682	11.382.710	28.890.856	58.690.521	7.036.425	9.771.706	116.791.900

Summary information about capital adequacy ratio:

	Current Period	Prior Period
Capital Requirement for Credit Risk (Value at Credit Risk*0.08) (CRCR)	9.343.352	8.639.259
Capital requirement for market risk (MRCR)	142.195	134.553
Capital requirement for operational risk (ORCR)	802.350	746.900
Shareholders' equity	21.123.602	19.397.778
Shareholders' Equity/((CRCR+MRCR+ORCR) * 12.5) * 100	16,43	16,30

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

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Notes to unconsolidated financial statements at September 30, 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
Core Capital		
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	8.516.651	6.907.792
Adjustment to legal reserves	-	-
Profit	2.789.211	1.913.472
Net current period profit	2.789.211	1.913.472
Prior period profit	-	-
Provisions for possible losses up to 25% of core capital	179.813	229.247
Income on sale of equity shares and real estates ⁽¹⁾	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 (-)	57.436	77.850
Intangible assets (-)	1.343.041	1.329.944
Deferred-assets for tax which exceeds 10% of core capital (-)	-	-
Excess amount expressed in the Law (Article 56, 3rd paragraph) (-)	-	-
Total core capital	15.274.744	12.827.354

	Current Period	Prior Period
Supplementary capital		
General reserves	1.365.066	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 ⁽²⁾	4.295.722	3.990.969
45% of value increase fund of financial assets available for sale and associates and subsidiaries	415.931	1.537.629
Adjustment to paid-in capital, profit reserves and previous years losses(except adjustment to legal reserves)	-	-
Total supplementary capital	6.076.719	6.833.430

Capital	21.351.463	19.660.784
Deductions from the capital	227.861	263.006
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	5.027	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	5.917	6.844
Securitization positions that is deducted -preferably- from the shareholders' equity	-	-
Other	153.890	189.945
Total shareholders' equity	21.123.602	19.397.778

(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.

Yapı ve Kredi Bankası A.Ş.

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

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 financial statements.

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 September 30, 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:

	Current Period	Prior Period
(I) Capital requirement against general market risk - standard method	46.403	24.099
(II) Capital requirement against specific risks - standard method	27.145	22.162
Capital requirement against specific risks of securitization positions- standard method	-	-
(III) Capital requirement against currency exchange risk - standard method	12.513	65.876
(IV) Capital requirement against commodity risks - standard method	711	3.024
(V) Capital requirement against exchange risks - standard method	-	-
(VI) Capital requirement against market risks of options - standard method	1.132	1.277
(VII) Capital requirement against counterparty credit risks - standard method	54.291	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) (i+ii+iii+iv+v+vi+vii+viii))	142.195	134.553
(IX) Value-at-market risk ((12.5*viii) or (12.5*ix))	1.777.438	1.681.913

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

Yapı ve Kredi Bankası A.Ş.

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

(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 financial statements.

(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 financial statements.

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 financial statements.

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 work days prior to that date are as follows:

(Exchange rates presented as full TL)

	USD	EUR
Balance sheet evaluation rate	TL 2,03420	TL 2,74840
First day current bid rate	TL 2,01230	TL 2,71710
Second day current bid rate	TL 2,00340	TL 2,70490
Third day current bid rate	TL 1,99460	TL 2,69100
Fourth day current bid rate	TL 1,98560	TL 2,68350
Fifth day current bid rate	TL 1,97200	TL 2,66890
Arithmetic average of the last 30 days:	TL 2,01937	TL 2,69400
Balance sheet evaluation rate as of Prior Period:	TL 1,73800	TL 2,29290

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2013 (continued)

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

Information related to financial position of the Bank (continued)

	EUR	USD	OTHER FC ⁽⁴⁾	Total
Current Period				
Assets				
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	6.093.924	6.926.986	2.931.046	15.951.956
Banks	346.704	457.055	260.097	1.063.856
Financial assets at fair value through profit or loss	12.633	89.085	339	102.057
Money market placements	-	130.190	-	130.190
Available-for-sale financial assets	349.361	5.520.783	9.950	5.880.094
Loans ⁽¹⁾	9.020.095	18.763.901	4.182.447	31.966.443
Investments in associates, subsidiaries and joint ventures	357.753	214.240	43.404	615.397
Held-to-maturity investments	139.407	2.623.965	-	2.763.372
Hedging derivative financial assets	-	2.158	-	2.158
Tangible assets	-	-	-	-
Intangible assets	-	-	-	-
Other assets ⁽²⁾	884.374	1.826.916	143.202	2.854.492
Total assets	17.204.251	36.555.279	7.570.485	61.330.015
Liabilities				
Bank deposits	193.828	270.165	10.008	474.001
Foreign currency deposits	15.974.936	17.886.715	1.783.851	35.645.502
Funds from money market	-	4.183.254	-	4.183.254
Funds borrowed from other financial institutions	6.840.501	7.630.849	112.028	14.583.378
Marketable securities issued	-	2.007.547	-	2.007.547
Miscellaneous payables	672.969	387.669	19.726	1.080.364
Hedging derivative financial liabilities	93.931	292.817	-	386.748
Other liabilities ⁽³⁾	3.739.499	3.874.897	3.102	7.617.498
Total liabilities	27.515.664	36.533.913	1.928.715	65.978.292
Net on-balance sheet position⁽⁴⁾	(10.311.413)	21.366	5.641.770	(4.648.277)
Net off-balance sheet position	9.329.271	(2.226.702)	(2.017.307)	5.085.262
Financial derivative assets	17.877.515	20.720.208	2.088.181	40.685.904
Financial derivative liabilities	8.548.244	22.946.910	4.105.488	35.600.642
Non-cash loans	9.042.826	12.190.814	1.733.365	22.967.005
Prior Period				
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
Net on-balance sheet position	(5.960.909)	2.668.917	903.136	(2.388.856)
Net off-balance sheet position	5.895.947	(1.553.974)	(1.111.471)	3.230.502
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
Non-cash loans	6.592.226	10.094.529	299.921	16.986.676

- (1) Includes FX indexed loans amounting to TL 4.076.012 (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 46.087 (December 31, 2012 - TL 33.840).
- (3) Does not include foreign currency denominated general provisions for foreign currencies, hedged funds and marketable securities valuation differences under equity.
- (4) Other FC column also includes gold balance.
- (5) Forward transactions classified as commitments are also included.

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 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:

Current Period	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Non interest bearing	Total
Assets							
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	-	-	-	-	-	17.644.108	17.644.108
Banks	-	-	182.357	-	-	1.804.845	1.987.202
Financial assets at fair value through profit/loss	336.183	288.547	433.744	75.632	13.956	-	1.148.062
Money market placements	1.724.280	17.459	-	-	-	-	1.741.739
Available-for-sale financial assets	808.460	1.349.998	3.307.392	3.363.756	5.142.333	138.028	14.109.967
Loans	17.683.869	25.970.576	22.209.183	16.552.299	5.333.151	2.734.732	90.483.810
Held-to-maturity investments	1.443.743	-	2.044.691	-	2.763.373	-	6.251.807
Other assets	76.362	58.645	248.522	-	-	8.956.011	9.339.540
Total assets	22.072.897	27.685.225	28.425.889	19.991.687	13.252.813	31.277.724	142.706.235
Liabilities							
Bank deposits	227.643	384.472	195.845	918	-	479.215	1.288.093
Other deposits	49.530.586	12.586.473	3.899.784	24.207	-	13.319.047	79.360.097
Funds from money market	2.315.364	1.496.938	1.518.286	171.058	-	-	5.501.646
Miscellaneous payables	-	-	226.586	-	-	6.274.174	6.500.760
Marketable securities issued	430.828	1.142.449	178.258	1.004.911	1.002.638	-	3.759.084
Funds borrowed from other financial institutions	2.921.956	7.117.265	2.779.289	1.874.310	766.677	-	15.459.497
Other liabilities and shareholders' equity	1.426.440	4.293.955	1.646.777	40.767	4.040	23.425.079	30.837.058
Total liabilities	56.852.817	27.021.552	10.444.825	3.116.171	1.773.355	43.497.515	142.706.235
Balance sheet long position	-	663.673	17.981.064	16.875.516	11.479.458	-	46.999.711
Balance sheet short position	(34.779.920)	-	-	-	-	(12.219.791)	(46.999.711)
Off-balance sheet long position	6.721.245	11.669.470	-	-	-	-	18.390.715
Off-balance sheet short position	-	-	(3.214.522)	(13.742.454)	(1.220.431)	-	(18.177.407)
Total position	(28.058.675)	12.333.143	14.766.542	3.133.062	10.259.027	(12.219.791)	213.308

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

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Notes to unconsolidated financial statements at September 30, 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 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Non interest bearing	Total
Assets							
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	-	-	-	-	-	11.076.562	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
Total assets	22.414.161	21.989.177	23.027.482	18.175.652	13.596.396	22.977.339	122.180.207
Liabilities							
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
Total liabilities	46.113.688	22.048.820	10.070.466	2.337.290	2.369.355	39.240.588	122.180.207
Balance sheet long position	-	-	12.957.016	15.838.362	11.227.041	-	40.022.419
Balance sheet short position	(23.699.527)	(59.643)	-	-	-	(16.263.249)	(40.022.419)
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)
Total position	(18.908.655)	13.541.979	11.448.109	(295.052)	9.870.058	(16.263.249)	(606.810)

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	EUR	USD	Yen	TL
	%	%	%	%
Assets				
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	-	-	-	-
Banks	0,36	0,60	-	7,96
Financial assets at fair value through profit/loss	2,40	4,47	-	8,04
Money market placements	-	0,40	-	8,55
Available-for-sale financial assets	5,40	6,94	-	9,30
Loans	4,93	4,98	4,93	13,25
Held-to-maturity investments	5,20	5,51	-	8,12
Liabilities ⁽¹⁾				
Bank deposits	0,97	2,02	-	7,62
Other deposits	3,04	3,19	2,70	9,25
Funds from money market	-	0,90	-	6,18
Miscellaneous payables	-	-	-	-
Marketable securities issued	-	5,45	-	7,22
Funds borrowed from other financial institutions	2,31	3,30	2,99	9,13

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 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	EUR	USD	Yen	TL
	%	%	%	%
Assets				
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	-	-	-	-
Banks	0,30	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
Liabilities ⁽¹⁾				
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 September 30, 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)

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Notes to unconsolidated financial statements at September 30, 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 (+/- x basis points)*	Gains/Losses	Gains/SE- Losses/SE
TRY	(+)500 bp	(1.701.098)	%(8,05)
TRY	(-)400 bp	1.655.461	%7,84
EURO	(+)200 bp	(7.228)	%(0,03)
EURO	(-)200 bp	26.088	%0,12
USD	(+)200 bp	(298.636)	%(1,41)
USD	(-)200 bp	470.332	%2,23
Total (For negative shocks)		2.151.880	%10,19
Total (For positive shocks)		(2.006.962)	%(9,50)

VII. Explanation on share certificates position risk from 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 Market Value
Investments for quoted securities - Group B			
Quoted on a stock exchange	80.313	80.313	80.313

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, after 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 gains (losses) in the current period	Revaluation Surpluses		Unrealized gains and losses	
		Total	Amount under supplementary capital	Total	Amount under core capital core supplementar y capital
1. Equity Shares Investments	1.247.195	654.078	294.335	-	-
2. Quoted Equity Shares	-	3.754	1.689	-	-
3. Other Equity Shares	-	-	-	-	-
Total	1.247.195	657.832	296.024	-	-

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

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Notes to unconsolidated financial statements at September 30, 2013 (continued)

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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)

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Notes to unconsolidated financial statements at September 30, 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 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Unclassified (1,2)	Total
Current Period								
Assets								
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	4.199.718	13.444.390	-	-	-	-	-	17.644.108
Banks	1.804.845	-	-	182.357	-	-	-	1.987.202
Financial assets at fair value through profit or loss	-	293.655	234.387	404.970	164.240	50.810	-	1.148.062
Money market placements	-	1.724.280	17.459	-	-	-	-	1.741.739
Available-for-sale financial assets	132.044	-	127	717.974	5.162.418	8.091.420	5.984	14.109.967
Loans	-	12.864.383	10.286.273	20.566.253	27.167.513	18.438.188	1.161.200	90.483.810
Held-to-maturity investments	-	-	-	2.198.601	1.026.211	3.026.995	-	6.251.807
Other assets ⁽¹⁾	1.208.305	2.938.129	-	85.495	245.819	52.216	4.809.576	9.339.540
Total assets	7.344.912	31.264.837	10.538.246	24.155.650	33.766.201	29.659.629	5.976.760	142.706.235
Liabilities								
Bank deposits	479.215	227.643	384.472	195.845	918	-	-	1.288.093
Other deposits	13.319.047	49.248.455	12.586.473	4.044.115	162.007	-	-	79.360.097
Funds borrowed from other financial institutions	-	2.678.933	738.054	5.324.228	4.837.415	1.880.867	-	15.459.497
Funds from money market	-	2.315.364	1.496.938	1.518.286	171.058	-	-	5.501.646
Marketable securities issued	-	430.828	670.844	147.874	1.506.902	1.002.636	-	3.759.084
Miscellaneous payables	1.120.826	5.379.934	-	-	-	-	-	6.500.760
Other liabilities ⁽²⁾	320.464	473.995	344.298	680.384	4.586.664	3.750.791	20.680.462	30.837.058
Total liabilities	15.239.552	60.755.152	16.221.079	11.910.732	11.264.964	6.634.294	20.680.462	142.706.235
Net liquidity gap	(7.894.640)	(29.490.315)	(5.682.833)	12.244.918	22.501.237	23.025.335	(14.703.702)	-
Prior Period								
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
Net liquidity gap	(5.944.594)	(23.521.125)	(6.383.005)	8.316.349	19.925.698	20.487.430	(12.880.753)	-

(1) Assets that are necessary for continuance of 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.

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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'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 guarantees according to risk classifications:

Current Period	Amount ⁽¹⁾	Financial guarantees ⁽²⁾	Other / Physical guarantees ⁽²⁾	Guarantees and credit derivatives ⁽²⁾
Conditional and unconditional receivables from central governments or central banks	36.559.909	4.179.626	-	-
Conditional and unconditional receivables from regional or local governments	715	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	13.060	-	-	-
Conditional and unconditional receivables from multilateral development banks	162.736	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	30.001.206	12.279	-	-
Conditional and unconditional receivables from corporates	155.476.134	1.721.491	-	96.907
Conditional and unconditional retail receivables	117.319.107	459.593	-	33.166
Conditional and unconditional receivables secured by mortgages	10.527.510	-	-	-
Past due receivables	1.166.882	-	-	-
Receivables defined in high risk category by the Regulator	9.133.704	-	-	-
Securities collateralized by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-
Other Receivables	6.607.537	-	-	-
Total	366.968.500	6.372.989	-	130.073

(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.

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

XIII. Explanations on hedge accounting:

The Bank applies the following hedge accounting models as of September 30, 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 September 30, 2013 and December 31, 2012 of these hedging instruments are presented in the table below:

	Current Period			Prior Period		
	Notional ⁽¹⁾	Asset	Liability	Notional ⁽¹⁾	Asset	Liability
Hedging instrument						
Interest rate swap	18.858.808	83.713	432.478	18.479.953	170	814.454
Cross currency interest rate swap	1.282.423	299.816	-	1.772.858	93.996	90.233
Total	20.141.231	383.529	432.478	20.252.811	94.166	904.687

(1) Only the "sell" legs of the related derivatives are presented with the addition of the "buy" legs of these derivatives amounting to TL 20.538.482 (December 31, 2012 – TL 20.528.904) the total notional of derivative financial assets amounting to TL 40.679.713 (December 31, 2012 – TL 40.781.715) is accounted for in off-balance sheet under "Hedging Derivative Financial Instruments" line item.

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

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Notes to unconsolidated financial statements at September 30, 2013 (continued)

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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 ⁽¹⁾	Net fair value of the hedging instrument ⁽²⁾		Net gain/(loss) recognised in the income statement (Derivative financial transactions gains/losses) ⁽³⁾
				Asset	Liability	
Cross currency interest rate swaps	Fixed interest TL mortgage and car loan portfolios and foreign currency funds	Fixed interest and changes in foreign exchange rate risk	24.656	299.816	-	(123.979)

(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 6.748

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

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Notes to unconsolidated financial statements at September 30, 2013 (continued)

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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 ⁽¹⁾	Net gain/(loss) reclassified to equity ⁽²⁾⁽³⁾
			Asset	Liability		
Interest rate swaps	Customer deposits, borrowings and repos	Cash flow risk due to the changes in the interest rates	83.713	432.478	(209.143)	351.670

(1) Includes deferred tax impact.

(2) Includes tax and foreign exchange differences.

(3) The ineffective portion of the mentioned hedging transaction is TL 286.

The Bank has replaced part of its hedged instruments with the new hedged instruments. As a result of this replacement the hedging relationship is discontinued.

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 ⁽¹⁾	Net gain/(loss) reclassified to equity ⁽²⁾⁽³⁾
			Asset	Liability		
Interest rate swaps	Customer deposits and repos	Cash flow risk due to the changes in the interest rates	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. When the hedged forecasted transactions are no longer expected to occur, the net cumulative gain or loss is reclassified from other comprehensive income to profit and loss.

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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.

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Information related to financial position of the Bank (continued)

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

Current Period	Retail banking	Corporate and commercial banking	Private banking and wealth management	Treasury, asset-liability management and other	Total operations of the Bank
Operating revenue continuing	2.345.280	1.254.524	115.483	1.636.316	5.351.603
Operating expenses continuing	(1.856.141)	(338.486)	(53.077)	(1.212.046)	(3.459.750)
Net operating income continuing	489.139	916.038	62.406	424.270	1.891.853
Dividend income ⁽¹⁾	-	-	-	132.787	132.787
Profit before tax	489.139	916.038	62.406	557.057	2.024.640
Tax provision expense ⁽¹⁾	-	-	-	(417.685)	(417.685)
Net period income from continuing operations	489.139	916.038	62.406	139.372	1.606.955
Net period income from discontinued operations	-	-	-	1.182.256	1.182.256
Net profit	489.139	916.038	62.406	1.321.628	2.789.211
Segment assets ⁽³⁾	45.609.187	37.579.486	177.526	56.848.644	140.214.843
Investments in associates, subsidiaries and joint ventures	-	-	-	2.491.392	2.491.392
Total assets	45.609.187	37.579.486	177.526	59.340.036	142.706.235
Segment liabilities ⁽³⁾	32.592.883	31.586.232	17.631.604	43.684.961	125.495.680
Shareholders' equity	-	-	-	17.210.555	17.210.555
Total liabilities	32.592.883	31.586.232	17.631.604	60.895.516	142.706.235

Prior Period	Retail banking	Corporate and commercial banking	Private banking and wealth management	Treasury, asset-liability management and other	Total operations of the Bank
Operating revenue continuing	2.141.984	1.184.841	92.222	1.104.587	4.523.634
Operating expenses continuing	(1.526.741)	(218.782)	(43.365)	(1.145.554)	(2.934.442)
Net operating income continuing	615.243	966.059	48.857	(40.967)	1.589.192
Dividend income ⁽¹⁾	-	-	-	183.377	183.377
Profit before tax	615.243	966.059	48.857	142.410	1.772.569
Tax provision expense ⁽¹⁾	-	-	-	(371.589)	(371.589)
Net period income from continuing operations	615.243	966.059	48.857	(229.179)	1.400.980
Net period income from discontinued operations	-	-	-	-	-
Net profit	615.243	966.059	48.857	(229.179)	1.400.980
Segment assets ⁽³⁾	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
Total assets	38.170.950	31.191.828	169.225	52.648.204	122.180.207
Segment liabilities ⁽³⁾	30.189.733	25.936.583	17.125.662	32.066.187	105.318.165
Shareholders' equity	-	-	-	16.862.042	16.862.042
Total liabilities	30.189.733	25.936.583	17.125.662	48.928.229	122.180.207

(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 9 months period ended September 30, 2012.

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

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Notes to unconsolidated financial statements at September 30, 2013 (continued)
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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	1.419.684	378.564	1.206.771	308.515
The CBRT ⁽¹⁾	272.468	15.573.008	414.040	9.147.081
Other	-	384	-	155
Total	1.692.152	15.951.956	1.620.811	9.455.751

(1) The balance of gold amounting to TL 2.897.463 is accounted for under the Central Bank foreign currency account (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 ⁽¹⁾	272.468	2.128.618	414.040	1.316.533
Time unrestricted amount	-	-	-	-
Reserve requirement ⁽²⁾	-	13.444.390	-	7.830.548
Total	272.468	15.573.008	414.040	9.147.081

(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".

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

1. 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	129.197	-	52.215	-
Swap transactions ⁽¹⁾	783.093	63.798	226.076	70.326
Futures transactions	-	-	-	-
Options	124.879	15.392	9.296	22.314
Other	-	-	-	-
Total	1.037.169	79.190	287.587	92.640

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 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	906.324	352.800	297.634	372.828
Foreign ⁽¹⁾	17.022	711.056	101	2.050.390
Head quarters and branches abroad	-	-	-	-
Total	923.346	1.063.856	297.735	2.423.218

(1) The balance of foreign currency account in foreign banks includes the balance of gold amounting to TL 190.254 (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 communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks" for the interim period financial statements.

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:

Available-for-sale financial assets given as collateral/blocked amounts to TL 1.046.378 (December 31, 2012 - TL 1.118.165) and available-for-sale financial assets subject to repo transactions amounts to TL 3.305.810 (December 31, 2012 – TL 2.570.408).

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

	Current Period	Prior Period
Debt securities	14.245.787	14.928.018
Quoted on stock exchange	12.335.314	13.303.177
Not quoted ⁽¹⁾	1.910.473	1.624.841
Share certificates	51.285	50.611
Quoted on stock exchange	-	-
Not quoted	51.285	50.611
Impairment provision (-) ⁽²⁾	(322.891)	(198.106)
Other ⁽³⁾	135.786	80.940
Total	14.109.967	14.861.463

(1) Includes credit linked notes amounting to TL 992.657 (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) Other available-for-sale financial assets include mutual funds amounting to TL 135.786 (December 31, 2012 - TL 80.940).

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 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
Direct loans granted to shareholders	-	-	-	-
Corporate shareholders	-	-	-	-
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	72.156	334.066	5.390	403.915
Loans granted to employees	120.926	253	104.256	68
Total	193.082	334.319	109.646	403.983

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
Non-specialized loans	86.973.321	1.344.315	-	2.349.289	325.099	15.363
Loans given to enterprises	34.555.189	-	-	378.492	-	4.541
Export loans	4.041.678	106.621	-	51.426	8.970	-
Import loans	-	-	-	-	-	-
Loans given to financial sector	1.803.820	-	-	-	-	-
Consumer loans	16.677.223	730.270	-	911.001	70.376	5.591
Credit cards	18.143.968	-	-	238.200	-	4.726
Other ⁽¹⁾	11.751.443	507.424	-	770.170	245.753	505
Specialized loans	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-
Total	86.973.321	1.344.315	-	2.349.289	325.099	15.363

(1) As explained in the Note XIII of Section IV, TL 24.656 of fair value difference of hedged items is classified under other loans.

	Standard loans and other receivables	Loans and other receivables under close monitoring
Number of modifications made to extend payment plan⁽¹⁾		
Extended by 1 or 2 times	1.272.640	320.604
Extended by 3,4 or 5 times	29.310	2.774
Extended by more than 5 times	42.365	1.721
Total	1.344.315	325.099

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2013 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

	Standard loans and other receivables	Loans and other receivables under close monitoring
Extended period of time		
0 - 6 Months	212.538	12.091
6 - 12 Months	179.262	22.463
1 - 2 Years	223.929	163.170
2 - 5 Years	660.090	124.341
5 Years and over	68.496	3.034
Total	1.344.315	325.099

- (1) There is only one loan restructured twice in accordance with the temporary article 5 subsections 2 of the amendment of Provisioning Regulation dated April 9, 2011 with a maturity between 6 months to 1 year.
- (2) There are seven loans restructured in accordance with temporary article 6 subsection 2 of the amendment of Provisioning Regulation dated December 30, 2011 with maturities between 1 to 5 years. One of them was restructured three times, one was twice and rest of the five are restructured once.
- (3) There is no loan which is subject to the temporary article 7 of the amendment of Provisioning Regulation dated on September 21.

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 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 September 30, 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
Consumer loans-TL	169.270	16.899.112	17.068.382
Real estate loans	4.455	8.629.139	8.633.594
Automotive loans	8.771	1.064.840	1.073.611
Consumer loans	2.281	55.180	57.461
Other	153.763	7.149.953	7.303.716
Consumer loans-FC indexed	-	104.712	104.712
Real estate loans	-	103.964	103.964
Automotive loans	-	-	-
Consumer loans	-	748	748
Other	-	-	-
Individual credit cards-TL	14.231.089	826.121	15.057.210
With installments	9.873.463	822.394	10.695.857
Without installments	4.357.626	3.727	4.361.353
Personnel loans-TL	4.729	46.866	51.595
Real estate loans	-	761	761
Automotive loans	29	859	888
Consumer loans	-	-	-
Other	4.700	45.246	49.946
Personnel loans-FC indexed	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel credit cards-TL	67.479	789	68.268
With installments	39.318	789	40.107
Without installments	28.161	-	28.161
Credit deposit account-TL (real person)⁽¹⁾	363.535	-	363.535
Credit deposit account-FC (real person)	-	-	-
Total	14.836.102	17.877.600	32.713.702

(1) TL 1.063 of the credit deposit account belongs to the loans used by personnel.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 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
Commercial installments loans-TL	575.628	5.596.497	6.171.630
Business loans	741	376.009	376.750
Automotive loans	31.890	1.843.417	1.875.307
Consumer loans	-	17	17
Other	542.997	3.377.054	3.919.556
Commercial installments loans-FC indexed	24.987	306.429	331.416
Business loans	-	22.206	22.206
Automotive loans	680	76.516	77.196
Consumer loans	-	-	-
Other	24.307	207.707	232.014
Corporate credit cards-TL	3.247.455	9.235	3.256.690
With installment	2.525.315	9.210	2.534.525
Without installment	722.140	25	722.165
Credit deposit account-TL (legal person)	767.464	-	767.464
Credit deposit account-FC (legal person)	-	-	-
Total	4.615.534	5.912.161	10.527.200

6. Loans according to types of borrowers:

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 financial statements.

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	88.107.969	73.717.769
Foreign loans	1.214.641	1.076.743
Total	89.322.610	74.794.512

8. Loans granted to associates and subsidiaries:

	Current Period	Prior Period
Direct loans granted to associates and subsidiaries	121.541	203.903
Indirect loans granted to associates and subsidiaries	-	-
Total	121.541	203.903

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 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:

	Current Period	Prior Period
Loans and other receivables with limited collectibility	107.225	95.603
Loans and other receivables with doubtful collectibility	449.333	359.150
Uncollectible loans and other receivables	1.811.524	1.096.348
Total	2.368.082	1.551.101

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

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

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectibility	Loans and other receivables with doubtful collectibility	Uncollectible loans and other receivables
Current Period			
(Gross amounts before specific reserves)	6.208	32.719	155.666
Restructured loans and other receivables	6.208	32.719	155.666
Rescheduled loans and other receivables	-	-	-
Prior Period			
(Gross amounts before specific reserves)	21.912	40.169	102.289
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 September 30, 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 receivables with limited collectibility	Loans and other receivables with doubtful collectibility	Uncollectible loans and other receivables
Prior Period	554.524	733.508	1.237.873
Additions (+)	1.664.797	134.583	149.550
Transfers from other categories of non-performing loans (+)	-	1.178.989	893.647
Transfer to other categories of non-performing loans (-)	(1.178.989)	(893.647)	-
Collections (-)	(461.836)	(178.602)	(305.115)
Write-offs(-)	-	-	-
Corporate and commercial loans	-	-	-
Consumer loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Current Period	578.496	974.831	1.975.955
Specific provision (-)	(107.225)	(449.333)	(1.811.524)
Net balance on balance sheet	471.271	525.498	164.431

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

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectibility	Loans and other receivables with doubtful collectibility	Uncollectible loans and other receivables
Current Period			
Period end balance	118.390	6.606	375.294
Specific provision (-)	(23.653)	(6.154)	(259.083)
Net balance on-balance sheet	94.737	452	116.211
Prior Period			
Period end balance	1.340	1.063	320.986
Specific provision (-)	(184)	(1.019)	(215.405)
Net balance on-balance sheet	1.156	44	105.581

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

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Notes to unconsolidated financial statements at September 30, 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	IV. Group	V. Group
	Loans and other receivables with limited collectibility	Loans and other receivables with doubtful collectibility	Uncollectible loans and other receivables
Current Period (net)	471.271	525.498	164.431
Loans granted to real persons and corporate entities (gross)	578.496	974.831	1.867.377
Specific provision amount (-)	(107.225)	(449.333)	(1.702.946)
Loans granted to real persons and corporate entities (net)	471.271	525.498	164.431
Banks (gross)	-	-	24.582
Specific provision amount (-)	-	-	(24.582)
Banks (net)	-	-	-
Other loans and receivables (gross)	-	-	83.996
Specific provision amount (-)	-	-	(83.996)
Other loans and receivables (net) ⁽¹⁾	-	-	-
Prior Period (net)	458.921	374.358	141.525
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) ⁽¹⁾	-	-	-

(1) The figure represents the total loans and receivables of Agrosan Kimya Sanayi Ticaret A.Ş., Tümteks Tekstil Sanayi Ticaret A.Ş. and balances from Boyasan Tekstil Sanayi ve Ticaret A.Ş. 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 financial statements.

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 financial statements.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 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:

Held-to-maturity investments given as collateral / blocked amounts to TL 1.193.300 (December 31, 2012 - TL 1.299.927). The amount of held-to-maturity investments subject to repurchase agreements amounting to TL 3.404.419 (December 31, 2012 - TL 2.986.312).

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

	Current Period	Prior Period
Government bond	6.251.807	5.686.448
Treasury bill	-	-
Other debt securities	-	-
Total	6.251.807	5.686.448

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

	Current Period	Prior Period
Debt securities	6.370.023	5.725.926
Quoted on stock exchange	6.370.023	5.725.926
Not quoted	-	-
Impairment provision (-) ⁽¹⁾	(118.216)	(39.478)
Total	6.251.807	5.686.448

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

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

	Current Period	Prior Period
Beginning balance	5.686.448	12.537.425
Foreign currency differences on monetary assets ⁽¹⁾	399.013	(569.191)
Purchases during the year	262.570	342
Disposals through sales and redemptions ⁽³⁾	(17.486)	(6.282.128)
Impairment provision (-) ⁽²⁾	(78.738)	-
Period end balance	6.251.807	5.686.448

- (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 July 1, 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. As of the date of these financial statements, sales have been realized from the portfolio classified.

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

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Notes to unconsolidated financial statements at September 30, 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/ Country)	Bank's share holding percentage if different voting percentage (%)	Bank's risk group share holding percentage(%)
1.	Banque de Commerce et de Placements S.A. ⁽¹⁾	Geneva/Switzerland	30,67	69,33
2.	Kredi Kayıt Bürosu ⁽²⁾	İstanbul/Turkey	18,18	18,18
3.	Bankalararası Kart Merkezi ⁽²⁾	İstanbul/Turkey	9,98	9,98

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

No	Total assets	Shareholders' equity	Total fixed assets	Interest income	Income from marketable securities portfolio	Current period profit/loss	Prior period profit/loss	Fair value
1.	4.818.921	773.091	5.840	70.519	15.484	26.162	45.530	-
2.	85.008	71.010	48.040	917	-	20.234	16.175	-
3.	27.657	20.724	16.916	239	-	1.116	1.998	-

(1) Financial statement information disclosed above shows September 30, 2013 results.

(2) Financial statement information disclosed above shows June 30, 2013 results for these non financial investments in associates.

3. Movement of unconsolidated investments in associates:

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

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

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Notes to unconsolidated financial statements at September 30, 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	-	-
Total financial investments	43.404	43.404

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

h. Information on shareholders' equity of the significant subsidiaries (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 Yatırım Menkul Değerler A.Ş.	Yapı Kredi Faktoring A.Ş.	Yapı Kredi Finansal Kiralama A.O.	Yapı Kredi Portföy Yönetimi A.Ş.	Yapı Kredi Nederland N.V.
Core Capital					
Paid-in capital	98.918	45.599	389.928	5.707	112.442
Inflation adjustment to share capital	-	-	-	-	-
Share premium	-	-	-	-	-
Marketable Securities Valuation	-	-	-	-	-
Differences	12.037	-	-	-	(9.672)
Legal reserves	69.400	23.149	79.305	20.469	-
Extraordinary reserves	13.878	-	484.964	-	331.465
Other reserves	-	-	-	-	229.229
Profit/loss	193.168	183.707	372.273	16.440	34.727
Current period net profit	265.782	138.249	99.422	16.440	34.727
Prior period profit	(72.614)	45.458	272.851	-	-
Leasehold improvements (-)	-	-	-	-	-
Intangible assets (-)	807	18	3.410	207	107
Total core capital	386.594	252.437	1.323.060	42.409	698.084
Supplementary capital	-	8.738	18.247	-	154
Capital	386.594	261.175	1.341.307	42.409	698.238
Deductions from the capital	-	-	-	-	-
Total shareholders' equity	386.594	261.175	1.341.307	42.409	698.238

The above information is based on the information extracted from the individual financial statements of subsidiaries, used for consolidated financial statements of the Bank as of September 30, 2013.

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

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.

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Notes to unconsolidated financial statements at September 30, 2013 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

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

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

2. Information on subsidiaries:

No	Description	Address (City/ Country)	Bank's share holding percentage if different voting percentage (%)	Bank's risk group share holding percentage (%)
1.	Yapı Kredi Holding BV.	Amsterdam/Hollanda	100,00	100,00
2.	Yapı Kredi Yatırım Menkul Değerler A.Ş.	İstanbul/Türkiye	99,98	100,00
3.	Yapı Kredi Faktoring A.Ş.	İstanbul/Türkiye	99,95	100,00
4.	Yapı Kredi Moscow	Moskova/Rusya		
		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 Netherland	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
11.	Yapı Kredi B Tipi Yatırım Ortaklığı A.Ş.	İstanbul/Türkiye	95,36	95,36

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.

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

No	Total assets	Shareholders' equity	Total fixed assets	Interest income	Income from marketable securities portfolio	Current period profit / loss	Prior period profit /loss	Market value ⁽²⁾	Require d equity
1.	124.714	124.582	-	-	-	(131)	(58)	326.386	-
2.	2.950.319	483.492	5.417	85.293	1.688	265.782	63.038	480.361	-
3.	2.096.971	252.455	495	78.455	-	138.249	13.534	286.358	-
4.	675.592	144.202	11.070	17.566	2.075	12.045	9.411	95.803	-
5.	4.246.535	1.109.366	4.217	203.251	-	99.422	97.491	977.985	-
6.	50.751	42.616	593	2.716	33	16.440	15.961	196.812	-
7.	4.393.496	698.193	1.333	133.622	9.049	34.727	36.887	320.491	-
8.	765.972	156.860	35.166	42.802	358	667	8.721	118.825	-
9.	38.187	25.342	3.860	884	-	713	892	-	-
10.	18.316	13.812	881	4	-	1.523	1.167	-	-
11.	47.678	45.981	21	4.229	(1.779)	1.154	6.676	84.219	-

(1) The above financial information 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 on organized markets or based on the amounts determined through valuation models.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2013 (continued)
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Explanations and notes related to unconsolidated financial statements (continued)

Financial statement information disclosed above shows September 30, 2013 results.

4. Movement schedule of subsidiaries:

	Current Period	Prior Period
Balance at the beginning of the period	3.817.879	3.349.666
Movements in period	(1.396.317)	468.213
Purchases ⁽¹⁾	71.126	22.236
Free shares obtained profit from current years share ⁽²⁾	-	35.738
Dividends from current year income	-	-
Sales	-	-
Transfers ⁽³⁾	(1.410.080)	-
Revaluation increase/decrease	(57.363)	410.239
Impairment provision	-	-
Balance at the end of the period	2.421.562	3.817.879
Capital commitments	-	-
Share holding percentage at the end of the period (%)	-	-

- (1) Yapı Kredi Finansal Kiralama A.O. has voluntarily decided to delist its shares traded in capital markets upon the completion of the necessary legal procedures and the Bank's share rose to 99,99% purchasing the shares of Yapı Kredi Finansal Kiralama A.O. through calling of these shares. The Bank has decided to cancel the signed agreement to sell its shares on Yapı Kredi B Tipi Yatırım Ortaklığı A.Ş. ("YKYO") (previously decided in accordance with the Board of Directors decision dated September 28, 2012) in accordance with the Board of Directors decision dated June 7, 2013. With the same decision, the Bank also decided to liquidate the company and within this context to enable to start the liquidation process it has been decided to buy the remaining shares of YKYO through a call in accordance with CMB decree series IV numbered 44. As of the date of these unconsolidated financial statements, total shareholding of the Bank increased to 95,36%
- (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 sold 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 to Allianz SE. ("Allianz").

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

Financial subsidiaries	Current Period	Prior Period
Banks	429.748	421.937
Insurance companies	-	1.223.132
Factoring companies	286.221	345.301
Leasing companies	977.881	1.020.417
Finance companies	-	-
Other financial subsidiaries	727.712	807.092
Total financial subsidiaries	2.421.562	3.817.879

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2013 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

6. Subsidiaries quoted on stock exchange:

	Current Period	Prior Period
Quoted on domestic stock exchanges	80.313	1.231.950
Quoted on foreign stock exchanges	-	-
Total of subsidiaries quoted to stock exchanges	80.313	1.231.950

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" ("TAS 39").

Joint ventures	Bank's share	Group's share	Current assets	Non-current assets	Long term debt	Income	Expense
Yapı Kredi - Koray Gayrimenkul Yatırım Ortaklığı A.Ş.	30,45	30,45	82.608	28.952	39.140	27.880	(53.881)
Total			82.608	28.952	39.140	27.880	(53.881)

The above figures are extracted from the financial statements on at September 30, 2013.

i. Information on lease receivables (net):

None (December 31, 2012 - None).

j. Information on hedging derivative financial assets:

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair value hedge ⁽¹⁾	299.816	-	93.996	-
Cash flow hedge ⁽¹⁾	81.555	2.158	170	-
Foreign net investment hedge	-	-	-	-
Total	381.371	2.158	94.166	-

(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 financial statements.

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 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 September 30, 2013 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

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 financial statements.

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

	Current Period	Prior Period
Net book value at the beginning of the period	132.195	100.396
Additions	47.509	68.043
Transfers ⁽¹⁾	1.410.080	-
Disposals (-), net ⁽¹⁾	(1.441.313)	(33.226)
Impairment provision reversal	868	983
Impairment provision (-)	(177)	(235)
Depreciation (-)	(3.381)	(3.766)
Net book value at the end of the period	145.781	132.195
Cost at the end of the period	157.078	141.484
Accumulated depreciation at the end of the period (-)	(11.297)	(9.289)
Net book value at the end of the period	145.781	132.195

(1) As of July 12, 2013, the transfer of YKS's shares is completed. During 2013, YKS was classified as "Assets held for resale and related to discontinued operations".

As of September 30, 2013, the Bank booked impairment provision on assets held for resale with an amount of TL 8.352 (December 31, 2012 - TL 9.043).

ö. Information on other assets:

As of September 30, 2013, other assets do not exceed 10% of the total assets.

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 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 1 month	1-3 months	3-6 months	6 months- 1 year	1 year and over	Total
Saving deposits	2.590.213	679.126	18.939.965	893.338	342.668	228.626	23.673.936
Foreign currency deposits	4.237.497	2.891.211	22.315.332	2.642.553	680.174	1.587.390	34.354.157
Residents in Turkey	4.122.114	2.867.409	22.015.316	854.201	483.532	795.161	31.137.733
Residents abroad	115.383	23.802	300.016	1.788.352	196.642	792.229	3.216.424
Public sector deposits	1.866.574	31	254.619	1.737	1.752.232	29	3.875.222
Commercial deposits	3.740.926	2.452.266	6.484.420	377.201	239.792	112.746	13.407.351
Other institutions deposits	74.864	52.569	2.221.779	10.777	394.499	3.598	2.758.086
Precious metals vault	808.973	46.974	105.742	69.883	94.111	165.662	1.291.345
Bank deposits	479.215	241.057	240.206	254.261	72.714	640	1.288.093
The CBRT	-	-	-	-	-	-	-
Domestic banks	4.486	98.037	157.594	193.028	72.714	640	526.499
Foreign banks	192.997	143.020	82.612	61.233	-	-	479.862
Participation banks	281.732	-	-	-	-	-	281.732
Other	-	-	-	-	-	-	-
Total	13.798.262	6.363.234	50.562.063	4.249.750	3.576.190	2.098.691	80.648.190

1 (ii). Prior Period:

	Demand	Up to 1 month	1-3 months	3-6 months	6 months- 1 year	1 year and 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	-	-	-	-	-	-	-
Total	11.060.205	7.770.512	40.147.799	6.199.186	690.924	2.175.314	68.043.940

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 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 ⁽¹⁾	12.291.368	9.004.712	11.382.500	15.038.237
Foreign currency savings deposit	3.148.381	2.215.005	10.499.803	8.917.028
Other deposits in the form of savings deposits	660.438	527.019	504.416	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 February 15, 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	6.192	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	74.407	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	56.926	-	94.242	-
Swap transactions ⁽¹⁾	572.751	51.676	173.880	59.555
Futures transactions	-	-	-	-
Options	102.212	21.814	18.547	25.030
Other	-	-	-	-
Total	731.889	73.490	286.669	84.585

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

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 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 Central Bank of the Republic of Turkey borrowings	-	-	-	-
From domestic banks and institutions	266.712	324.593	218.279	259.396
From foreign banks, institutions and funds	609.407	14.258.785	420.117	11.522.659
Total	876.119	14.583.378	638.396	11.782.055

2. Information on maturity structure of borrowings:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term	458.563	8.145.775	216.477	6.564.928
Medium and long-term	417.556	6.437.603	421.919	5.217.127
Total	876.119	14.583.378	638.396	11.782.055

3. Information on securitization borrowings:

	Current Period		Prior Period	
	TL	FC	TL	FC
From foreign banks	-	2.622.987	-	1.638.858
From foreign institutions	-	-	-	-
From foreign funds	-	-	-	-
Total	-	2.622.987	-	1.638.858

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 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 marketable securities issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Bills	1.249.547	-	737.778	-
Bonds	501.990	2.007.547	703.236	885.367
<i>Collateralized securities</i>	471.606	-	462.720	-
Total	1.751.537	2.007.547	1.441.014	885.367

d. Information on other liabilities:

As of September 30, 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	1.259	1.214	7.664	7.387
More than 4 years	4	-	-	-
Total	1.263	1.214	7.664	7.387

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 ⁽¹⁾	-	-	90.233	-
Cash flow hedge ⁽¹⁾	45.730	386.748	321.768	492.686
Foreign net investment hedge	-	-	-	-
Total	45.730	386.748	412.001	492.686

(1) Explained in Note XIII of Section IV.

(Convenience translation of publicly announced unconsolidated financial statements originally issued in Turkish, See note 1. of Section three)

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 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 provisions:

1. Information on general provisions:

	Current Period	Prior Period
Provisions for first group loans and receivables	1.077.118	944.130
<i>of which, Provision for Loans and Receivables with Extended Maturity</i>	79.473	149.855
Provisions for second group loans and receivables	75.458	119.251
<i>of which, Provision for Loans and Receivables with Extended Maturity</i>	12.196	15.593
Provisions for non cash loans	70.212	72.986
Others	142.278	168.465
Total	1.365.066	1.304.832

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:

	Current Period	Prior Period
Discount rate (%)	3,86	3,86
Possibility of being eligible for retirement (%)	94,92	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 3.254,44 effective from July 1, 2013 (July 1, 2012 full TL 3.033,98) has been taken into consideration in calculating the reserve for employment termination benefits.

Movement of employment termination benefits liability in the balance sheet:

	Current Period	Prior Period
Prior period ending balance	119.086	99.080
Changes during the period	28.719	49.330
Paid during the period	(28.576)	(29.324)
Balance at the end of the period	119.229	119.086

In addition, the Bank has accounted for unused vacation rights provision amounting to TL 99.552 as of September 30, 2013 (December 31, 2012 - TL 94.524).

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 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 September 30, 2013, the provision related to the foreign currency difference of foreign currency indexed loans amounts to TL 1.366 (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:

	Current Period	Prior Period
Pension fund provision	852.062	827.177
Provisions on unindemnified non cash loans	69.733	125.749
Provisions on credit cards and promotion campaigns related to banking services	26.876	36.708
Provision on export commitment tax and funds liability	40.298	38.106
Other	71.620	123.736
Total	1.060.589	1.151.476

- (ii) General reserves for possible losses:

	Current Period	Prior Period
General reserves for possible losses	179.813	229.247
Total	179.813	229.247

ğ. Information on taxes payable:

- (i) Information on taxes payable:

	Current Period	Prior Period
Corporate Tax Payable	77.310	221.167
Taxation of Marketable Securities	84.183	80.738
Property Tax	2.042	1.705
Banking Insurance Transaction Tax ("BITT")	56.680	56.025
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	3.614	6.188
Other	21.453	22.130
Total	245.282	387.953

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 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	9.441	-	8.946	-
Bank pension fund premiums – employer	9.833	-	9.327	-
Pension fund deposit and provisions – employee	-	-	-	-
Pension fund deposit and provisions – employer	-	-	-	-
Unemployment insurance – employee	673	-	638	-
Unemployment insurance – employer	1.349	-	1.278	-
Other	-	-	-	-
Total	21.296	-	20.189	-

(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	-	6.172.908	-	5.195.642
From other foreign institutions	-	-	-	-
Total	-	6.172.908	-	5.195.642

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.

In addition, the Bank obtained a subordinated loan on June 25, 2007 amounting to EUR 200 million, with 10 years maturity and a repayment option at the end of 5 years. The interest rate is determined as EURIBOR+1,85% for the first 5 years 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. The Bank has not exercised the early repayment option related to these three loans which was available as of the date of these financial statements.

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2013 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

With the written approvals of the BRSA dated April 3, 2006, May 2, 2006 and June 19, 2007, the loans have been approved as subordinated loans and can be taken into consideration as supplementary capital within the limits of the 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 40% since the remaining maturity of these loans is less than 3 years. Subordinated loans obtained from Citibank, N.A. London Branch is considered in the supplementary capital calculation at the rate of 60% since the remaining maturity of this loan is less than 4 years.

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 on January 9, 2013 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.

i. Information on shareholders' equity:

1. Presentation of paid-in capital:

	Current Period	Prior Period
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.

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2013 (continued)

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

Explanations and notes related to unconsolidated financial statements (continued)

7. Privileges on the corporate stock: None.

8. Information on value increase fund of marketable securities:

	Current Period		Prior Period	
	TL	FC	TL	FC
From investments in associates, subsidiaries, and joint ventures	513.724	144.108	1.769.966	137.911
Valuation difference	513.724	144.108	1.769.966	137.911
Foreign currency difference ⁽¹⁾	-	-	-	-
From fixed assets held for sale	-	-	-	-
Valuation difference	-	-	-	-
Foreign currency difference ⁽¹⁾	-	-	-	-
Available for sale securities	(148.316)	414.774	269.438	1.239.639
Valuation differences ⁽²⁾	(148.316)	245.054	269.438	1.241.631
Foreign currency differences ⁽¹⁾	-	169.720	-	(1.992)
Total	365.408	558.882	2.039.404	1.377.550

(1) Includes current period foreign currency differences.

(2) Includes tax effect related to foreign currency valuation differences.

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Notes to unconsolidated financial statements at September 30, 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:

	Current Period	Prior Period
Commitments on credit card limits	21.307.463	17.856.081
Loan granting commitments	6.046.074	5.322.612
Commitments for cheques	5.365.936	5.258.480
Other irrevocable commitments	20.446.686	8.507.182
Total	53.166.159	36.944.355

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 70.212 (December 31, 2012 - TL 72.986) and specific provision amounting to TL 303.371 (December 31, 2012 - TL 258.609) for non-cash loans which are not indemnified yet amounting to TL 69.733 (December 31, 2012 - TL125.749).

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

	Current Period	Prior Period
Bank acceptance loans	105.706	121.325
Letter of credits	6.543.426	5.610.615
Other guarantees and collaterals	3.224.447	2.119.199
Total	9.873.579	7.851.139

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

	Current Period	Prior Period
Temporary letter of guarantees	1.127.133	1.572.512
Definite letter of guarantees	17.579.837	14.471.452
Advance letter of guarantees	4.148.942	2.677.145
Letter of guarantees given to customs	1.031.144	1.032.686
Other letter of guarantees	1.177.136	757.863
Total	25.064.192	20.511.658

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

	Current Period	Prior Period
Non-cash loans given against cash loans	946.484	583.744
With original maturity of 1 year or less than 1 year	90.437	72.182
With original maturity of more than 1 year	856.047	511.562
Other non-cash loans	33.991.287	27.779.053
Total	34.937.771	28.362.797

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 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 communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks" for the interim period financial statements.

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

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b. Information on derivative financial instruments:

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 financial statements.

c. Information on credit derivatives and risk exposures:

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 financial statements.

ç. Information on contingent liabilities and assets:

The Bank has recorded a provision of TL 38.951 (December 31, 2012 - TL 34.091) for litigation and has accounted for it in the accompanying financial statements under the "Other Provisions" account. Except for the claims where provisions are recorded, management considers as remote the probability of a negative result in ongoing litigations and therefore does not foresee cash outflow for such claims.

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

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 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 September 30, 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 ⁽¹⁾	2.444.454	107.647	2.651.275	126.544
Medium/long-term loans ⁽¹⁾	2.151.780	826.456	2.016.105	746.224
Interest on loans under follow-up	75.590	2.370	89.447	19
Premiums received from resource utilization support fund	-	-	-	-
Total	4.671.824	936.473	4.756.827	872.787

(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	13.711	416	16.586	984
From foreign banks	2.586	5.021	1.748	6.644
Headquarters and branches abroad	-	-	-	-
Total	16.297	5.437	18.334	7.628

3. Information on interest income on marketable securities:

	Current Period		Prior Period	
	TL	FC	TL	FC
From trading financial assets	5.929	2.455	12.099	1.174
From financial assets at fair value through profit or loss	-	-	-	-
From available-for-sale financial assets	503.209	291.512	419.474	27.983
From held-to-maturity investments	186.157	109.956	270.350	472.774
Total	695.295	403.923	701.923	501.931

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest received from associates and subsidiaries		14.303		12.243

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 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	45.527	478.078	51.214	358.375
The CBRT	-	-	-	-
Domestic banks	9.516	7.331	13.352	5.502
Foreign banks	36.011	470.747	37.862	352.873
Headquarters and branches abroad	-	-	-	-
Other institutions	-	-	-	-
Total ⁽¹⁾	45.527	478.078	51.214	358.375

(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	50.510	50.677

3. Information on interest expense to marketable securities issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest expense to marketable securities issued	85.990	76.238	104.280	39.446
Total	85.990	76.238	104.280	39.446

4. Maturity structure of the interest expense on deposits:

Account name	Demand deposit	Time deposit					Cumulative deposit	Total	Prior period
		Up to 1 month	Up to 3 months	Up to 6 months	Up to 1 year	More than 1 year			
TL									
Bank deposits	219	824	1.306	1.600	603	5	-	4.557	6.675
Saving deposits	1	40.673	995.413	63.255	17.396	16.894	-	1.133.632	1.594.068
Public sector deposits	-	11	637	85	22	2	-	757	202
Commercial deposits	17	135.971	430.323	46.974	35.090	7.594	-	655.969	731.943
Other deposits	-	3.425	88.639	9.770	148.860	69	-	250.763	111.091
Deposits with 7 days notification	-	-	-	-	-	-	-	-	-
Total	237	180.904	1.516.318	121.684	201.971	24.564	-	2.045.678	2.443.979
FC									
Foreign currency deposits	77	90.376	316.570	15.874	10.948	27.621	-	461.466	601.251
Bank deposits	51	482	281	208	1	-	-	1.023	1.252
Deposits with 7 days notification	-	-	-	-	-	-	-	-	-
Precious metal vault	-	527	1.180	150	123	29	-	2.009	2.063
Total	128	91.385	318.031	16.232	11.072	27.650	-	464.498	604.566
Grand total	365	272.289	1.834.349	137.916	213.043	52.214	-	2.510.176	3.048.545

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

Yapı ve Kredi Bankası A.Ş.

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

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

	Current Period	Prior Period
Gain	23.706.064	34.354.330
Gain from capital market transactions	385.613	76.385
Derivative financial transaction gains	8.035.137	14.198.146
Foreign exchange gains	15.285.314	20.079.799
Loss(-)	(23.638.637)	(34.518.807)
Loss from capital market transactions	(46.530)	(9.346)
Derivative financial transaction losses	(7.232.395)	(15.137.191)
Foreign exchange loss	(16.359.712)	(19.372.270)
Net gain/loss	67.427	(164.477)

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 1.200.264 income (September 30, 2012 – TL 548.748 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.

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 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:

	Current Period	Prior Period
Specific provisions for loans and other receivables	849.763	473.965
III. Group loans and receivables	17.789	29.790
IV. Group loans and receivables	90.205	148.510
V. Group loans and receivables	741.769	295.665
General provision expenses	119.207	217.239
Provision expense for possible risks	27.907	19.020
Marketable securities impairment expenses ⁽¹⁾	31.042	13.692
Financial assets at fair value through profit or loss	1.344	240
Available-for-sale financial assets	29.698	13.452
Impairment of investments in associates, subsidiaries and held-to-maturity securities	23.033	72.381
Investments in associates	-	-
Subsidiaries	-	-
Joint ventures	-	-
Held-to-maturity investments ⁽¹⁾	23.033	72.381
Other	9.218	665
Total	1.060.170	796.962

(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:

	Current Period	Prior Period
Personnel expenses	989.512	917.828
Reserve for employee termination benefits	434	5.898
Provision expense for pension fund	24.885	21.700
Impairment expenses of property and equipment	-	-
Depreciation expenses of property and equipment	118.341	114.509
Impairment expenses of intangible assets	-	-
Goodwill impairment expenses	-	-
Amortisation expenses of intangible assets	55.777	47.528
Impairment expenses of equity participations for which equity method applied	-	-
Impairment expenses of assets held for resale	177	150
Depreciation expenses of assets held for resale	3.381	2.825
Impairment expenses of fixed assets held for sale and assets related to discontinued operations	-	-
Other operating expenses	805.313	668.098
Operational lease expenses	124.125	109.504
Repair and maintenance expenses	38.778	36.029
Advertising expenses	69.247	55.576
Other expense	573.163	466.989
Loss on sales of assets	207	23
Other	401.553	358.921
Total	2.399.580	2.137.480

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 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 profit/loss before taxes from continuing operations and discontinued 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 financial statements.

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

As of September 30, 2013, the Bank has TL 153.352 (September 30, 2012 – 513.581 TL) tax expense from continued operations, TL 58.459 from discontinued operations (September 30, 2012 – None) and deferred tax expense from continued operations amounting to TL 264.333 (September 30, 2012 – TL 141.992 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 communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks" for the interim period financial statements.

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 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 September 30, 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 ^{(1), (2)}	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at the beginning of the period	203.903	151.354	15.430	403.915	706.576	936.967
Balance at the end of the period	121.541	360.112	82.947	334.066	732.913	1.197.822
Interest and commission income received	14.303	1.682	2.833	1.690	44.332	9.261

(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 ^{(1), (2)}	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at the beginning of the period	701.047	291.713	8.292	230.061	673.086	722.958
Balance at the end of the period	203.903	151.354	15.430	403.915	706.576	936.967
Interest and commission income received ⁽³⁾	12.243	1.115	2.417	1.546	50.173	12.307

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

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

(3) Represent profit / loss figures for the 9 months period ended September 30, 2012.

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

Bank's risk group ^{(1), (2)}	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposit						
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	2.411.639	770.943	7.637.281	5.838.878	6.157.336	8.016.750
Interest expense on deposits ⁽³⁾	50.510	50.677	272.581	204.451	211.560	155.279

(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 9 months period ended September 30, 2012.

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 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 ⁽¹⁾	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions at fair value through profit or loss⁽²⁾						
Beginning of the period ⁽³⁾	1.403.949	2.044.472	300.627	216.174	273.177	97.206
End of the period ⁽³⁾	4.951.028	1.403.949	108.620	300.627	205.665	273.177
Total profit / (loss)⁽⁴⁾	78.996	3.362	3.010	(3.513)	4.378	8.900
Transactions for hedging purposes⁽²⁾						
Beginning of the period ⁽³⁾	-	-	-	-	-	-
End of the period ⁽³⁾	-	-	-	-	-	-
Total profit / (loss)⁽¹⁾	-	-	-	-	-	-

(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 9 months period ended September 30, 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 28.800 as of September 30, 2013 (September 30, 2012 – TL 22.876).

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 communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks" for the interim period financial statements.

IX. Explanations and notes related to subsequent events:

None

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

Yapı ve Kredi Bankası A.Ş.

Notes to unconsolidated financial statements at September 30, 2013 (continued)
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Section Six

Explanations on independent review report

I. Explanations on independent auditor's review report

The unconsolidated financial statements for the period ended September 30, 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 review report dated November 4, 2013 is presented preceding the unconsolidated financial statements.

II. Explanations and notes prepared by independent auditor

None.