

**ASYA KATILIM BANKASI A.Ş.**

**INDEPENDENT AUDITORS'  
REPORT, UNCONSOLIDATED  
FINANCIAL STATEMENTS AND  
NOTES FOR THE YEAR ENDED  
DECEMBER 31, 2012**

*(Convenience Translation of  
Financial Statements  
and Related Disclosures and  
Footnotes Originally Issued in Turkish)*

To the Board of Directors of  
Asya Katılım Bankası A.Ş.  
İstanbul

## **INDEPENDENT AUDITORS' REPORT FOR THE PERIOD JANUARY 1, 2012- DECEMBER 31, 2012**

We have audited the accompanying unconsolidated balance sheet of Asya Katılım Bankası A.Ş. (the "Bank") as at December 31, 2012 and the related statements of income, cash flows and changes in shareholders' equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### **Management's Responsibility for the Financial Statements**

The Board of Directors of the Bank is responsible for the preparation and fair presentation of the financial statements in accordance with the regulation on "Procedures and Principles Regarding Banks' Accounting Practices And Maintaining Documents" published in the Official Gazette dated November 1, 2006 and numbered 26333 and Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards ("TFRS") and other regulations, circulars, communiqués and pronouncements in respect of accounting and financial reporting made by Banking Regulation and Supervision Agency ("BRSA"). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the regulation on "Licensing and Operations of Audit Firms in Banking" published in the Official Gazette No: 26333 on November 1, 2006 and the International Standards on Auditing. We planned and performed our audit to obtain reasonable assurance whether the financial statements are free from material misstatements. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the consideration of the effectiveness of internal control and appropriateness of accounting policies applied relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Independent Auditors' Opinion**

In our opinion, the accompanying unconsolidated financial statements present fairly, in all material respects, the financial position of Asya Katılım Bankası A.Ş. as at December 31, 2012 and the results of its operations and its cash flows for the year then ended in accordance with the prevailing accounting principles and standards set out as per Article 37 of the Banking Act No: 5411 and other regulations, circulars and communiqués in respect of accounting and financial reporting and pronouncements made by Banking Regulation and Supervision Agency ("BRSA").

### **Additional Paragraph for the English Translation**

The effect of the differences between the accounting principles summarized in Section 3 and the 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 and reflected in the accompanying financial statements. The accounting principles used in the preparation of the accompanying unconsolidated financial statements differ materially from IFRS. Accordingly, the accompanying unconsolidated financial statements are not intended to present the Bank's financial position and results of its operations in accordance with accounting principles generally accepted in such countries of users of the financial statements and IFRS.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.  
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Hüseyin Gürer  
Partner

İstanbul, February 22, 2013

**THE UNCONSOLIDATED FINANCIAL REPORT OF ASYA KATILIM BANKASI A.Ş.  
FOR THE YEAR ENDED DECEMBER 31, 2012**

Address of the Headquarter of the Bank	: Saray Mahallesi Dr. Adnan Büyükdeniz Caddesi No:10 34768 Ümraniye/İSTANBUL
Phone and Fax Numbers of the Bank	: 0 216 633 50 00 / 0 216 633 69 89
Website of the Bank	: <a href="http://www.bankasya.com.tr">www.bankasya.com.tr</a>
Electronic Mail Address to Contact	: raporlama@bankasya.com.tr

The unconsolidated year-end financial report prepared in accordance with the Communiqué of Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE CORRESPONDING ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE OF THE BANK
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- INDEPENDENT AUDITORS' REPORT

The unconsolidated financial statements and related disclosures and footnotes that were subject to independent audit, are prepared in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements and guidances and in compliance with the financial records of our Bank and, unless stated otherwise, presented in thousands of Turkish Lira (TL).

Prof. Dr. Erhan BİRGİLİ  
Chairman of the Board  
of Directors

Ahmet BEYAZ  
Member of the Board of  
Directors and General  
Manager

Mahmut YALÇIN  
Assistant General Manager  
Responsible of  
Financial Reporting

Kamil YILMAZ  
Manager in Charge of  
Financial Reporting

Dr. Ercüment GÜLER  
Member of the Board of  
Directors and Member of  
the Audit Committee

Mehmet URUÇ  
Member of the Board of  
Directors and Member of  
the Audit Committee

Responsible personnel for the questions that can be raised on the financial statements:

Name-Surname/Title: Merve Yasemin GÜNEŞ / Assistant Manager in Charge of Budgeting and Financial Controlling

Telephone Number : 0 216 633 54 82

Fax Number : 0 216 633 69 89

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## ASYA KATILIM BANKASI A.Ş.

### NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

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

#### SECTION ONE

#### GENERAL INFORMATION

##### I. History of the Bank, Including Its Incorporation Date, Initial Status and Amendments to the Initial Status

Incorporation of Asya Finans Kurumu A.Ş. is permitted with the decision of the Council of Ministers No: 96/8041 on April 11, 1996 as published in the Official Gazette dated April 25, 1996. The Bank was registered on September 20, 1996 and "the Articles of Association" was published in the Trade Registry Gazette on September 25, 1996. The Decision regarding the change in the title of the Bank was settled in the Extraordinary General Board of Directors' meeting dated December 22, 2005 and the title was changed from Asya Finans Kurumu A.Ş. into Asya Katılım Bankası A.Ş. ("the Bank") and it was published in the Trade Registry Gazette on December 26, 2005.

##### II. Shareholder Structure, Shareholders Having Direct or Indirect, Joint or Individual Control Over the Management and Internal Audit of the Bank, Changes in Shareholder Structure During the Current Period, if any and Information on the Bank's Risk Group

The Bank has no shareholders having more than 10% shareholding direct or indirect, joint or individual control over the management of the Bank. The Bank is not included in any group.

##### III. Explanations Regarding the Shares of the Bank Owned by and Areas of Responsibility of the Chairman and the Members of Board of Directors, Audit Committee Members, Chief Executive Officer, Executive Vice Presidents

<u>Title</u>	<u>Name</u>	<u>Area of Responsibility</u>
Chairman of the Board of Directors	Prof. Dr. Erhan BİRGİLİ	Chairman of the Board of Directors
Member of the Board of Directors	Mustafa Talat KATIRCIOĞLU	Vice Chairman of the Board of Directors
	Ali ÇELİK	Member of the Board of Directors
	Recep KOÇAK	Member of the Board of Directors
	Mehmet GÖZÜTOK	Member of the Board of Directors
	Zafer ERTAN	Member of the Board of Directors
	Mehmet URUÇ	Member of the Board of Directors and the Audit Committees
	Dr. Ercüment GÜLER	Member of the Board of Directors and the Audit Committees
General Manager	Ahmet BEYAZ	Member of the Board of Directors and CEO
Assistant General Managers	Murat DEMİR	Commercial Banking Groups
	Ahmet AKAR	Loan Allocation Groups
	Feyzullah EĞRİBOYUN	Treasury Groups
	Fahrettin SOYLU	Operations Groups
	Mahmut YALÇIN	Financial Affairs Groups
	Talha Salih YAYLA	Risk Monitoring Legal Group and Law Groups
	Hakan Fatih BÜYÜKADALI	Human Resources Groups
	Ali TUĞLU	Information Technologies Groups
Coordinator	Abdurrahman KÖSE	Retail Banking Groups
Group President	Murat AYDOĞAN	Support Services Groups
Auditors	Atıf BİLGİN	Auditor
	İrfan HACIOSMANOĞLU	Auditor
	İzzet AKYAR	Auditor

(\*) Shares of the Bank owned by the above stated the top management are negligible.

(\*\*) Bank Asya Chairman of the Board of Directors, Mr. Behçet AKYAR has resigned from his position as of November 22, 2012. Bank Asya Supervisory Board member Prof. Dr. Erhan BİRGİLİ was appointed as the member and Chairman of the Board of Directors.

(\*\*\*) Bank Asya Board member and President-CEO Mr. Abdullah ÇELİK has announced his resignation, effective on January 18, 2013. Bank Asya's Board Member Mr. Ahmet BEYAZ was appointed as the President & CEO.

(\*\*\*\*) Bank Asya's Executive Vice President Mr. Zafer ERTAN was appointed as the board member, Bank Asya's Board Member Mr. Mustafa Talat KATIRCIOĞLU was appointed as the Vice Chairman of the Board of Directors.

(\*\*\*\*\*) Mr. Murat DEMİR was appointed as Executive Vice President of Commercial - SME Loan Allocations, Mr. Hakan Fatih BÜYÜKADALI was appointed as Executive Vice President of Human Resources, Mr. Mahmut YALÇIN was appointed as Executive Vice President of Financial Affairs shares and Mr. Salih Talha YAYLA was appointed as Executive Risk Monitoring Legal Group and Law Group.

(\*\*\*\*\*) Mr. İzzet AKYAR was appointed as the auditor by the auditors on January 25, 2013.

## ASYA KATILIM BANKASI A.Ş.

### NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

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

#### SECTION ONE (Cont'd)

#### GENERAL INFORMATION (Cont'd)

#### IV. Individuals and Institutions That Have Qualified Shares in the Bank

The Bank's capital, amounting to TRY 900.000.000, consists of qualified shares, amounting to TRY 360.000.000 and the holders of the A Group type shares are considered as qualified. The qualified shareholders are listed below:

<u>Name &amp; Surname / Commercial Title</u>	<u>Share Amount</u>	<u>Share Amount</u>	<u>Paid Shares</u>	<u>Unpaid Shares</u>
ORTADOĞU TEKSTİL TİC. SAN. A.Ş.	44.022	12,23	44.022	-
FORUM İNŞAAT DEKORASYON TURİZM SAN. VE TİC. A.Ş.	34.668	9,63	34.668	-
BJ TEKSTİL TİCARET VE SANAYİ A.Ş.	20.350	5,65	20.350	-
ABDULKADİR KONUKOĞLU	20.088	5,58	20.088	-
SÜRAT BASIM YAYIN REKLAMCILIK VE EĞİTİM ARAÇLARI SAN. TİC. A.Ş.	17.936	4,98	17.936	-
BİRİM BİRLEŞİK İNŞAATÇILIK MÜMESSİLLİK SAN. VE TİC. A.Ş.	17.783	4,94	17.783	-
OSMAN CAN PEHLİVAN	15.300	4,25	15.300	-
SERRA TURİZM LTD. ŞTİ.	15.000	4,17	15.000	-
HASAN SAYIN	13.573	3,77	13.573	-
NEGİŞ GİYİM İMALAT VE İHRACAT A.Ş.	13.142	3,65	13.142	-
OTHER	148.138	41,15	148.138	-
<b>Total</b>	<b>360.000</b>	<b>100,00</b>	<b>360.000</b>	<b>-</b>

#### V. Summary Information on the Bank's Services and Activity Areas

The Bank operates in accordance with the principles of interest-free banking as a participation bank by collecting funds through current accounts and profit sharing accounts, and lending such funds through production support, finance lease and profit/loss sharing partnership and shared investments.

The Bank has two ways of collecting funds; current accounts and profit sharing accounts. The Bank classifies current accounts and profit sharing accounts in accordance with their maturities in its accounting system. Profit sharing accounts are classified into five different maturity groups; up to one month, up to three months (three months included), up to six months (six months included), up to one year (one year included) and one year and more than one year (one month, three months, six months and one year profit share payment).

The Bank could determine the participation rates on profit/loss sharing accounts with respect to the maturity group of TRY and foreign currency accounts, separately under the limitation that the participation rate on loss shall not be less than 50%, for different currency type, amount and maturity groups specifically.

The Bank constitutes specific fund pools allocated to the individually predetermined projects for financing purposes. Profit sharing accounts, which are part of the funds collected for project financing purpose, are distinguished from others with respect to the terms, accounted separately from the others and no transfers can be made from these accounts to any other maturity groups. Specific fund pools are liquidated at the end of the financing period. The Bank has no specific fund pools as of December 31, 2012.

In addition to ordinary banking activities, the Bank operates as an agency on behalf of Işık Sigorta A.Ş. and intervenes stock purchase-sell transactions on behalf of Bizim Menkul Değerler A.Ş. and regulation processes commission on behalf of Asya Emeklilik ve Hayat A.Ş..

#### VI. Current or Likely Actual or Legal Barriers to Immediate Transfer of Equity or Repayment of Debts between Parent Bank and Its Subsidiaries

None.

## **SECTION TWO**

### **THE UNCONSOLIDATED FINANCIAL STATEMENTS**



**ASYA KATILIM BANKASI A.Ş. UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)**

ASSETS		Note	THOUSAND TURKISH LIRA					
			CURRENT PERIOD			PRIOR PERIOD		
			Audited (31/12/2012)			Audited (31/12/2011)		
			TRY	FC	Total	TRY	FC	Total
<b>I.</b>	<b>CASH AND BALANCES WITH THE CENTRAL BANK</b>	(1)	<b>363.214</b>	<b>2.326.382</b>	<b>2.689.596</b>	<b>527.427</b>	<b>1.152.225</b>	<b>1.679.652</b>
<b>II.</b>	<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)</b>	(2)	-	<b>7.895</b>	<b>7.895</b>	-	<b>1.250</b>	<b>1.250</b>
2.1	Financial assets held for trading		-	7.895	7.895	-	1.250	1.250
2.1.1	Public sector debt securities		-	-	-	-	-	-
2.1.2	Share certificates		-	-	-	-	-	-
2.1.3	Derivative financial assets held for trading		-	7.895	7.895	-	1.250	1.250
2.1.4	Other marketable securities		-	-	-	-	-	-
2.2	Financial assets at fair value through profit or loss		-	-	-	-	-	-
2.2.1	Public sector debt securities		-	-	-	-	-	-
2.2.2	Share certificates		-	-	-	-	-	-
2.2.3	Loans		-	-	-	-	-	-
2.2.4	Other marketable securities		-	-	-	-	-	-
<b>III.</b>	<b>BANKS</b>	(3)	<b>24.961</b>	<b>380.497</b>	<b>405.458</b>	<b>15.882</b>	<b>343.483</b>	<b>359.365</b>
<b>IV.</b>	<b>MONEY MARKET PLACEMENTS</b>		-	-	-	-	-	-
<b>V.</b>	<b>FINANCIAL ASSETS AVAILABLE FOR SALE (Net)</b>	(4)	<b>792.325</b>	-	<b>792.325</b>	<b>779.637</b>	-	<b>779.637</b>
5.1	Share certificates		93	-	93	93	-	93
5.2	Public sector debt securities		792.232	-	792.232	779.544	-	779.544
5.3	Other marketable securities		-	-	-	-	-	-
<b>VI.</b>	<b>LOANS AND RECEIVABLES</b>	(5)	<b>14.204.785</b>	<b>1.820.735</b>	<b>16.025.520</b>	<b>11.588.089</b>	<b>1.565.682</b>	<b>13.153.771</b>
6.1	Loans and receivables		13.982.568	1.820.730	15.803.298	11.278.387	1.565.242	12.843.629
6.1.1.	Loans to Risk Group of the Bank		383.714	2.022	385.736	304.173	6.283	310.456
6.1.2.	Public sector debt securities		-	-	-	-	-	-
6.1.3.	Other		13.598.854	1.818.708	15.417.562	10.974.214	1.558.959	12.533.173
6.2	Non-performing loans		647.604	1.317	648.921	614.033	1.697	615.730
6.3	Specific provisions (-)		(425.387)	(1.312)	(426.699)	(304.331)	(1.257)	(305.588)
<b>VII.</b>	<b>HELD TO MATURITY INVESTMENTS (Net)</b>	(6)	-	-	-	<b>77.053</b>	-	<b>77.053</b>
<b>VIII.</b>	<b>INVESTMENTS IN ASSOCIATES (Net)</b>	(7)	<b>108.967</b>	-	<b>108.967</b>	<b>96.873</b>	-	<b>96.873</b>
8.1	Accounted for under equity method		-	-	-	-	-	-
8.2	Unconsolidated associates		108.967	-	108.967	96.873	-	96.873
8.2.1	Financial investments		50.619	-	50.619	38.525	-	38.525
8.2.2	Non-financial investments		58.348	-	58.348	58.348	-	58.348
<b>IX.</b>	<b>INVESTMENTS IN SUBSIDIARIES (Net)</b>	(8)	<b>169.473</b>	-	<b>169.473</b>	<b>154.761</b>	-	<b>154.761</b>
9.1	Unconsolidated financial subsidiaries		112.471	-	112.471	97.809	-	97.809
9.2	Unconsolidated non-financial subsidiaries		57.002	-	57.002	56.952	-	56.952
<b>X.</b>	<b>ENTITIES UNDER COMMON CONTROL (JOINT VENT.) (Net)</b>	(9)	-	-	-	-	-	-
10.1	Consolidated under equity method		-	-	-	-	-	-
10.2	Unconsolidated		-	-	-	-	-	-
10.2.1	Financial subsidiaries		-	-	-	-	-	-
10.2.2	Non-financial subsidiaries		-	-	-	-	-	-
<b>XI.</b>	<b>FINANCE LEASE RECEIVABLES</b>	(10)	<b>271.778</b>	<b>10.092</b>	<b>281.870</b>	<b>277.570</b>	<b>20.181</b>	<b>297.751</b>
11.1	Finance lease receivables		367.612	10.727	378.339	370.569	21.860	392.429
11.2	Operating lease receivables		-	-	-	-	-	-
11.3	Other		-	-	-	-	-	-
11.4	Unearned income ( - )		(95.834)	(635)	(96.469)	(92.999)	(1.679)	(94.678)
<b>XII.</b>	<b>DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES</b>	(11)	-	-	-	-	-	-
12.1	Fair value hedge		-	-	-	-	-	-
12.2	Cash flow hedge		-	-	-	-	-	-
12.3	Hedge of net investment risks in foreign operations		-	-	-	-	-	-
<b>XIII.</b>	<b>TANGIBLE ASSETS (Net)</b>	(12)	<b>128.099</b>	-	<b>128.099</b>	<b>112.793</b>	-	<b>112.793</b>
<b>XIV.</b>	<b>INTANGIBLE ASSETS (Net)</b>	(13)	<b>13.779</b>	-	<b>13.779</b>	<b>11.012</b>	-	<b>11.012</b>
14.1	Goodwill		-	-	-	-	-	-
14.2	Other		13.779	-	13.779	11.012	-	11.012
<b>XV.</b>	<b>INVESTMENT PROPERTIES (Net)</b>	(14)	-	-	-	-	-	-
<b>XVI.</b>	<b>TAX ASSET</b>	(15)	<b>16.348</b>	-	<b>16.348</b>	<b>19.398</b>	-	<b>19.398</b>
16.1	Current tax asset		-	-	-	-	-	-
16.2	Deferred tax asset		16.348	-	16.348	19.398	-	19.398
<b>XVII.</b>	<b>ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)</b>	(16)	<b>151.869</b>	-	<b>151.869</b>	<b>8.724</b>	-	<b>8.724</b>
17.1	Held for sale		151.869	-	151.869	8.724	-	8.724
17.2	Discontinued Operations		-	-	-	-	-	-
<b>XVIII.</b>	<b>OTHER ASSETS</b>	(17)	<b>587.938</b>	<b>10.887</b>	<b>598.825</b>	<b>436.920</b>	<b>1.139</b>	<b>438.059</b>
<b>TOTAL ASSETS</b>			<b>16.833.536</b>	<b>4.556.488</b>	<b>21.390.024</b>	<b>14.106.139</b>	<b>3.083.960</b>	<b>17.190.099</b>

**ASYA KATILIM BANKASI A.Ş. UNCONSOLIDATE BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)**

LIABILITIES AND EQUITY		Note	THOUSAND TURKISH LIRA					
			CURRENT PERIOD			PRIOR PERIOD		
			Audited			Audited		
			(31/12/2012)			(31/12/2011)		
			TRY	FC	Total	TRY	FC	Total
<b>I. FUND COLLECTED</b>		(1)	<b>9.241.391</b>	<b>6.500.467</b>	<b>15.741.858</b>	<b>7.813.463</b>	<b>4.583.580</b>	<b>12.397.043</b>
1.1 Fund from Risk Group of the Bank			205.170	67.627	272.797	177.714	63.720	241.434
1.2 Other			9.036.221	6.432.840	15.469.061	7.635.749	4.519.860	12.155.609
<b>II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING</b>		(2)	-	<b>6.581</b>	<b>6.581</b>	-	<b>11.715</b>	<b>11.715</b>
<b>III. FUNDS BORROWED</b>		(3)	-	<b>1.815.403</b>	<b>1.815.403</b>	-	<b>1.457.830</b>	<b>1.457.830</b>
<b>IV. MONEY MARKET BALANCES</b>			-	-	-	<b>279.207</b>	-	<b>279.207</b>
<b>V. MARKETABLE SECURITIES ISSUED (Net)</b>			-	-	-	-	-	-
<b>VI. SUNDRY CREDITORS</b>			<b>631.557</b>	<b>1.557</b>	<b>633.114</b>	<b>376.682</b>	<b>2.636</b>	<b>379.318</b>
<b>VII. OTHER LIABILITIES</b>		(4)	<b>507.235</b>	<b>25.620</b>	<b>532.855</b>	<b>221.158</b>	<b>62.681</b>	<b>283.839</b>
<b>VIII. FINANCE LEASE PAYABLES</b>		(5)	-	-	-	-	-	-
8.1 Finance lease payables			-	-	-	-	-	-
8.2 Operating lease payables			-	-	-	-	-	-
8.3 Other			-	-	-	-	-	-
8.4 Deferred finance lease expenses (-)			-	-	-	-	-	-
<b>IX. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES</b>		(6)	-	-	-	-	-	-
9.1 Fair value hedge			-	-	-	-	-	-
9.2 Cash flow hedge			-	-	-	-	-	-
9.3 Hedge of net investment in foreign operations			-	-	-	-	-	-
<b>X. PROVISIONS</b>		(7)	<b>177.495</b>	<b>79.631</b>	<b>257.126</b>	<b>165.608</b>	<b>26.630</b>	<b>192.238</b>
10.1 General loan loss provisions			107.700	74.785	182.485	110.319	20.747	131.066
10.2 Restructuring provisions			-	-	-	-	-	-
10.3 Reserve for employee benefits			39.801	-	39.801	28.854	-	28.854
10.4 Insurance technical reserves (Net)			-	-	-	-	-	-
10.5 Other provisions			29.994	4.846	34.840	26.435	5.883	32.318
<b>XI. TAX LIABILITY</b>		(8)	<b>53.812</b>	<b>2</b>	<b>53.814</b>	<b>51.482</b>	<b>1</b>	<b>51.483</b>
11.1 Current tax liability			53.812	2	53.814	51.482	1	51.483
11.2 Deferred tax liability			-	-	-	-	-	-
<b>XII. PAYABLES RELATED TO ASSETS HELD FOR SALE ND DISCONTINUED OPERATIONS (Net)</b>		(9)	-	-	-	-	-	-
12.1 Held for sale			-	-	-	-	-	-
12.2 Discontinued operations			-	-	-	-	-	-
<b>XIII. SUBORDINATED LOANS</b>		(10)	-	-	-	-	-	-
<b>XIV. SHAREHOLDERS' EQUITY</b>		(11)	<b>2.349.273</b>	-	<b>2.349.273</b>	<b>2.137.426</b>	-	<b>2.137.426</b>
14.1 Paid-in capital			900.000	-	900.000	900.000	-	900.000
14.2 Supplementary Capital			19.240	-	19.240	(6.017)	-	(6.017)
14.2.1 Share premium			3.307	-	3.307	3.307	-	3.307
14.2.2 Share cancellation profits			-	-	-	-	-	-
14.2.3 Marketable securities valuation differences			7.853	-	7.853	(13.599)	-	(13.599)
14.2.4 Tangible assets revaluation differences			8.080	-	8.080	4.275	-	4.275
14.2.5 Intangible assets revaluation differences			-	-	-	-	-	-
14.2.6 Investment property revaluation reserve			-	-	-	-	-	-
14.2.7 Bonus shares obtained from associates, subsidiaries and jointly controlled entities (Joint Vent.)			-	-	-	-	-	-
14.2.8 Hedging funds (Effective portion)			-	-	-	-	-	-
14.2.9 Accumulated valuation differences from assets held for sale and from discontinued operations			-	-	-	-	-	-
14.2.10 Other capital reserves			-	-	-	-	-	-
14.3 Profit reserves			1.239.641	-	1.239.641	1.027.353	-	1.027.353
14.3.1 Legal reserves			76.753	-	76.753	65.948	-	65.948
14.3.2 Status reserves			-	-	-	-	-	-
14.3.3 Extraordinary reserves			1.162.885	-	1.162.885	961.405	-	961.405
14.3.4 Other profit reserves			3	-	3	-	-	-
14.4 Profit or loss			190.392	-	190.392	216.090	-	216.090
14.4.1 Prior year income / (losses)			-	-	-	-	-	-
14.4.2 Current year income / (losses)			190.392	-	190.392	216.090	-	216.090
14.5 Minority shares			-	-	-	-	-	-
<b>TOTAL LIABILITIES AND EQUITY</b>			<b>12.960.763</b>	<b>8.429.261</b>	<b>21.390.024</b>	<b>11.045.026</b>	<b>6.145.073</b>	<b>17.190.099</b>

The accompanying notes are an integral part of these financial statements.

**ASYA KATILIM BANKASI A.Ş. UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS**

		Note	THOUSAND TURKISH LIRA					
			CURRENT PERIOD			PRIOR PERIOD		
			Audited (31/12/2012)			Audited (31/12/2011)		
			TRY	FC	Total	TRY	FC	Total
<b>A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)</b>			<b>8.217.435</b>	<b>7.670.579</b>	<b>15.888.014</b>	<b>7.698.020</b>	<b>7.183.246</b>	<b>14.881.266</b>
<b>I. GUARANTEES</b>	(1), (2)		<b>3.769.272</b>	<b>4.207.580</b>	<b>7.976.852</b>	<b>4.047.507</b>	<b>5.301.252</b>	<b>9.348.759</b>
1.1. Letters of guarantees			3.698.594	2.853.243	6.551.837	3.996.113	3.560.462	7.556.575
1.1.1. Guarantees subject to State Tender Law			-	-	-	-	-	-
1.1.2. Guarantees given for foreign trade operations			-	-	-	-	-	-
1.1.3. Other letters of guarantee			3.698.594	2.853.243	6.551.837	3.996.113	3.560.462	7.556.575
1.2. Bank loans			20.590	328.613	349.203	27.386	296.584	323.970
1.2.1. Import letter of acceptance			20.590	328.613	349.203	27.386	296.584	323.970
1.2.2. Other bank acceptances			-	-	-	-	-	-
1.3. Letters of credit			2.099	920.926	923.025	2.898	1.331.621	1.334.519
1.3.1. Documentary letters of credit			-	-	-	-	-	-
1.3.2. Other letters of credit			2.099	920.926	923.025	2.898	1.331.621	1.334.519
1.4. Prefinancing given as guarantee			-	-	-	-	-	-
1.5. Endorsements			-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey			-	-	-	-	-	-
1.5.2. Other endorsements			-	-	-	-	-	-
1.6. Other guarantees			47.989	104.798	152.787	21.110	112.585	133.695
1.7. Other collaterals			-	-	-	-	-	-
<b>II. COMMITMENTS</b>	(1)		<b>3.789.987</b>	<b>878.379</b>	<b>4.668.366</b>	<b>3.628.894</b>	<b>587.140</b>	<b>4.216.034</b>
2.1. Irrevocable commitments			3.789.987	878.379	4.668.366	3.628.894	587.140	4.216.034
2.1.1. Forward asset purchase commitments			213.268	878.379	1.091.647	498.695	587.140	1.085.835
2.1.2. Share capital commitment to associates and subsidiaries			7.500	-	7.500	10.798	-	10.798
2.1.3. Loan granting commitments			32.415	-	32.415	353.633	-	353.633
2.1.4. Securities underwriting commitments			-	-	-	-	-	-
2.1.5. Commitments for reserve deposit requirements			-	-	-	-	-	-
2.1.6. Payment commitment for checks			815.875	-	815.875	650.723	-	650.723
2.1.7. Tax and fund liabilities from export commitments			1.657	-	1.657	1.883	-	1.883
2.1.8. Commitments for credit card expenditure limits			2.640.066	-	2.640.066	2.066.016	-	2.066.016
2.1.9. Commitments for promotions related with credit cards and banking activities			9.021	-	9.021	7.236	-	7.236
2.1.10. Receivables from short sale commitments			-	-	-	-	-	-
2.1.11. Payables for short sale commitments			-	-	-	-	-	-
2.1.12. Other irrevocable commitments			70.185	-	70.185	39.910	-	39.910
2.2. Revocable commitments			-	-	-	-	-	-
2.2.1. Revocable loan granting commitments			-	-	-	-	-	-
2.2.2. Other revocable commitments			-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>	(4)		<b>658.176</b>	<b>2.584.620</b>	<b>3.242.796</b>	<b>21.619</b>	<b>1.294.854</b>	<b>1.316.473</b>
3.1. Derivative financial instruments for hedging purposes			-	-	-	-	-	-
3.1.1. Fair value hedge			-	-	-	-	-	-
3.1.2. Cash flow hedge			-	-	-	-	-	-
3.1.3. Hedge of net investment in foreign operations			-	-	-	-	-	-
3.2. Held for trading transactions			658.176	2.584.620	3.242.796	21.619	1.294.854	1.316.473
3.2.1. Forward foreign currency buy/sell transactions			182.740	181.718	364.458	-	-	-
3.2.1.1. Forward foreign currency transactions-buy			87.239	94.948	182.187	-	-	-
3.2.1.2. Forward foreign currency transactions-sell			95.501	86.770	182.271	-	-	-
3.2.2. Other Forward buy/sell transactions			475.436	2.402.902	2.878.338	21.619	1.294.854	1.316.473
3.3. Other			-	-	-	-	-	-
<b>B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>			<b>105.644.718</b>	<b>43.709.015</b>	<b>149.353.733</b>	<b>78.809.965</b>	<b>44.242.640</b>	<b>123.052.605</b>
<b>IV. ITEMS HELD IN CUSTODY</b>			<b>1.076.443</b>	<b>859.592</b>	<b>1.936.035</b>	<b>996.242</b>	<b>821.158</b>	<b>1.817.400</b>
4.1. Assets under management			-	-	-	-	-	-
4.2. Investment securities held in custody			2.885	-	2.885	2.885	-	2.885
4.3. Checks received for collection			789.908	302.562	1.092.470	736.005	316.160	1.052.165
4.4. Commercial notes received for collection			283.639	33.576	317.215	257.343	20.756	278.099
4.5. Other assets received for collection			-	153.446	153.446	-	126.829	126.829
4.6. Assets received for public offering			-	-	-	-	-	-
4.7. Other items under custody			7	-	7	5	-	5
4.8. Custodians			4	370.008	370.012	4	357.413	357.417
<b>V. PLEDGED ITEMS</b>			<b>104.568.275</b>	<b>42.849.423</b>	<b>147.417.698</b>	<b>77.813.723</b>	<b>43.421.482</b>	<b>121.235.205</b>
5.1. Marketable securities			937.322	53.808	991.130	820.957	370.522	1.191.479
5.2. Guarantee notes			62.265.947	38.517.707	100.783.654	49.893.921	38.782.884	88.676.805
5.3. Commodity			3.634.267	748.925	4.383.192	2.643.502	759.906	3.403.408
5.4. Warranty			-	-	-	-	-	-
5.5. Properties			27.127.268	2.925.296	30.052.564	18.800.856	2.744.840	21.545.696
5.6. Other pledged items			10.603.471	603.687	11.207.158	5.654.487	763.330	6.417.817
5.7. Pledged items-depository			-	-	-	-	-	-
<b>VI. ACCEPTED AVALIZED DRAFTS AND SURETYSHIPS</b>			-	-	-	-	-	-
<b>TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)</b>			<b>113.862.153</b>	<b>51.379.594</b>	<b>165.241.747</b>	<b>86.507.985</b>	<b>51.425.886</b>	<b>137.933.871</b>

**ASYA KATILIM BANKASI A.Ş. UNCONSOLIDATED STATEMENT OF INCOME**

STATEMENT OF INCOME	Note	THOUSAND TURKISH LIRA	
		CURRENT PERIOD	PRIOR PERIOD
		Audited (01/01/2012-31/12/2012)	Audited (01/01/2011-31/12/2011)
<b>I. PROFIT SHARE INCOME</b>	(1)	<b>1.672.257</b>	<b>1.278.154</b>
1.1 Profit share on loans		1.586.477	1.201.460
1.2 Profit share from reserve deposits		-	-
1.3 Profit share from banks		1.514	1.892
1.4 Profit share from money market placements		-	-
1.5 Profit share from marketable securities portfolio		56.657	58.116
1.5.1 Held-for-trading financial assets		-	-
1.5.2 Financial assets at fair value through profit and loss		-	-
1.5.3 Available-for-sale financial assets		55.300	49.234
1.5.4 Investment-held for maturity		1.357	8.882
1.6 Finance lease income		27.609	16.686
1.7 Other profit share income		-	-
<b>II. PROFIT SHARE EXPENSE</b>	(2)	<b>(791.932)</b>	<b>(646.930)</b>
2.1 Expense on profit sharing accounts		(730.856)	(593.829)
2.2 Profit share expense on funds borrowed		(57.709)	(38.562)
2.3 Profit share expense on money market borrowings		(3.347)	(14.340)
2.4 Expense on securities issued		-	-
2.5 Other profit share expense		(20)	(199)
<b>III. NET PROFIT SHARE INCOME (I - II)</b>		<b>880.325</b>	<b>631.224</b>
<b>IV. NET FEES AND COMMISSIONS INCOME/EXPENSE</b>		<b>287.256</b>	<b>259.808</b>
4.1 Fees and commissions received		359.866	319.881
4.1.1 Non-cash loans		122.779	133.643
4.1.2 Other	(12)	237.087	186.238
4.2 Fees and commissions paid		(72.610)	(60.073)
4.2.1 Non-cash loans		(15)	(12)
4.2.2 Other	(12)	(72.595)	(60.061)
<b>V. DIVIDEND INCOME</b>	(3)	<b>3.376</b>	-
<b>VI. NET TRADING INCOME</b>	(4)	<b>25.808</b>	<b>39.120</b>
6.1 Securities trading gains / (losses)		-	-
6.2 Gains / (losses) from derivative financial instruments		130.082	64.210
6.3 Foreign exchange gains / (losses)		(104.274)	(25.090)
<b>VII. OTHER OPERATING INCOME</b>	(5)	<b>136.030</b>	<b>130.545</b>
<b>VIII. NET OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>1.332.795</b>	<b>1.060.697</b>
<b>IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)</b>	(6)	<b>(413.776)</b>	<b>(228.198)</b>
<b>X. OTHER OPERATING EXPENSES (-)</b>	(7)	<b>(673.578)</b>	<b>(563.367)</b>
<b>XI. NET OPERATING PROFIT/(LOSS) (VIII-IX-X)</b>		<b>245.441</b>	<b>269.132</b>
<b>XII. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER</b>		-	-
<b>XIII. GAIN/(LOSS) ON EQUITY METHOD</b>		-	-
<b>XIV. GAIN/(LOSS) ON NET MONETARY POSITION</b>		-	-
<b>XV. PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)</b>	(8)	<b>245.441</b>	<b>269.132</b>
<b>XVI. TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>	(9)	<b>(55.049)</b>	<b>(53.042)</b>
16.1 Current income tax (charge)/benefit		(57.361)	(57.546)
16.2 Deferred tax (charge)/benefit		2.312	4.504
<b>XVII. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)</b>	(10)	<b>190.392</b>	<b>216.090</b>
<b>XVIII. INCOME ON DISCONTINUED OPERATIONS</b>		-	-
18.1 Income on assets held for sale		-	-
18.2 Income on sale of associates, subsidiaries and jointly controlled entities (Joint Vent.)		-	-
18.3 Income on other discontinued operations		-	-
<b>XIX. LOSS FROM DISCONTINUED OPERATIONS (-)</b>		-	-
19.1 Loss from assets held for sale		-	-
19.2 Loss on sale of associates, subsidiaries and jointly controlled entities (Joint vent.)		-	-
19.3 Loss from other discontinued operations		-	-
<b>XX. PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)</b>		-	-
<b>XXI. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>		-	-
21.1 Current income tax charge		-	-
21.2 Deferred tax charge/ (benefit)		-	-
<b>XXII. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)</b>		-	-
<b>XXIII. NET PROFIT/LOSS (XVII+XXII)</b>	(11)	<b>190.392</b>	<b>216.090</b>
23.1 Group's profit/loss		190.392	216.090
23.2 Minority shares		-	-
Earnings per share		0,21	0,24

The accompanying notes are an integral part of these financial statements.

ASYA KATILIM BANKASI A.Ş. STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY		
STATEMENT OF PROFIT AND LOSS ITEMS ACCOUNTED UNDER EQUITY	THOUSAND TURKISH LIRA	
	CURRENT PERIOD Audited (01/01/2012-31/12/2012)	PRIOR PERIOD Audited (01/01/2011-31/12/2011)
<b>I. Additions to marketable securities revaluation differences from financial assets available for sale</b>	<b>26.814</b>	<b>(25.414)</b>
<b>II. Tangible assets revaluation differences</b>	-	-
<b>III. Intangible assets revaluation differences</b>	-	-
<b>IV. Foreign exchange differences for foreign currency transactions</b>	3	-
<b>V. Profit/Loss from derivative financial instruments for cash flow hedge purposes (Effective portion of fair value differences)</b>	-	-
<b>VI. Profit/Loss from derivative financial instruments for hedge of net investment in foreign operations (Effective portion of fair value differences)</b>	-	-
<b>VII. The effect of corrections of errors and changes in accounting policies</b>	-	-
<b>VIII. Other profit loss items accounted for under equity due to TAS</b>	-	-
<b>IX. Deferred tax of valuation differences</b>	(5.362)	5.083
<b>X. Total Net Profit/Loss accounted for under equity (I+II+...+IX)</b>	<b>21.455</b>	<b>(20.331)</b>
<b>XI. Profit/Loss</b>	-	-
11.1 Change in fair value of marketable securities (Transfer to Profit/Loss)	-	-
11.2 Reclassification and transfer of derivatives accounted for cash flow hedge purposes to Income Statement	-	-
11.3 Transfer of hedge of net investments in foreign operations to Income Statement	-	-
11.4 Other	-	-
<b>XII. Total Profit/Loss accounted for the period (X±XI)</b>	<b>21.455</b>	<b>(20.331)</b>

The accompanying notes are an integral part of these financial statements.

ASYA KATILIM BANKASI A.Ş. UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY																			
THOUSAND TURKISH LIRA																			
	Note																		
STATEMENT OF CHANGES OF SHAREHOLDER'S EQUITY		Paid-in Capital	Inflation Adjustment to Paid-in Capital	Share Premium	Share Certificate Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserve	Other Reserve	Current Period Net Income / (Expense)	Prior Period Net Income / (Expense)	Marketable Securities Revaluation Reserve	Tangible and Intangible Assets Revaluation Differences	Bonus Shares Obtained from Subsidiaries	Hedging Funds	Valuation Diff. from Assets Held for Sale and	Total Equity Excluding Non-controlling Interest	Non-controlling Interest	Total Equity
PRIOR PERIOD Audited (01/01-31/12/2011)																			
I. Prior Period Balance - 31.12.2010		900.000	-	3.307	-	52.950	-	714.441	-	-	259.962	6.732	4.275	-	-	-	1.941.667	-	1.941.667
II. Corrections according to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1. The effect of corrections of errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2. The effects of changes in accounting policy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New Balance (I+II)		900.000	-	3.307	-	52.950	-	714.441	-	-	259.962	6.732	4.275	-	-	-	1.941.667	-	1.941.667
Changes in period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Increase/decrease related to merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Marketable securities valuation differences		-	-	-	-	-	-	-	-	-	-	(20.331)	-	-	-	-	(20.331)	-	(20.331)
VI. Hedging funds (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1 Cash-flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2 Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Tangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Intangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Bonus shares obtained from associates, subsidiaries and jointly controlled entities (Joint vent.)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Foreign exchange differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. The disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. The reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. The effect of change in associate's equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Capital increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2 Internal sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Share premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Inflation adjustment to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII. Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX. Period net income/(loss)		-	-	-	-	-	-	-	-	216.090	-	-	-	-	-	-	216.090	-	216.090
XX. Profit distribution																			

**ASYA KATILIM BANKASI A.Ş. UNCONSOLIDATED STATEMENT OF CASH FLOWS**

	THOUSAND TURKISH LIRA		
	Note	CURRENT PERIOD Audited (01/01-31/12/2012)	PRIOR PERIOD Audited (01/01-31/12/2011)
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1 Operating profit before changes in operating assets and liabilities:</b>		<b>691.653</b>	<b>165.005</b>
1.1.1 Profit share income received		1.720.288	1.217.032
1.1.2 Profit share expense paid		(790.598)	(645.930)
1.1.3 Dividend received		3.376	-
1.1.4 Fees and commissions received		358.736	308.236
1.1.5 Other income		180.321	91.062
1.1.6 Collections from previously written off loans		14.127	14.509
1.1.7 Payments to personnel and service suppliers		(317.086)	(264.766)
1.1.8 Taxes paid		(70.858)	(81.339)
1.1.9 Others		(406.653)	(473.799)
<b>1.2 Changes in operating assets and liabilities</b>		<b>(333.300)</b>	<b>472.664</b>
1.2.1 Net (increase) decrease in financial assets		-	-
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss		-	-
1.2.3 Net (increase) decrease in due from banks and other financial institutions		(803.670)	538.259
1.2.4 Net (increase) decrease in loans		(3.944.961)	(2.193.795)
1.2.5 Net (increase) decrease in other assets		92.273	66.499
1.2.6 Net increase (decrease) in bank deposits		(21.759)	101.005
1.2.7 Net increase (decrease) in other deposits		3.607.239	903.693
1.2.8 Net increase (decrease) in funds borrowed		530.598	672.030
1.2.9 Net increase (decrease) in due payables		-	-
1.2.10 Net increase (decrease) in other liabilities		206.980	384.973
<b>I. Net cash provided from banking operation:</b>		<b>358.353</b>	<b>637.669</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net cash provided from investing activities</b>		<b>16.149</b>	<b>(427.870)</b>
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries (Joint Vent.)	(I.7-I.8)	(26.806)	(20.065)
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries (Joint Vent.)	(I.7-I.8)	-	-
2.3 Fixed assets purchases	(I.12)	(61.533)	(35.159)
2.4 Fixed assets sales	(I.12)	24.740	31.598
2.5 Cash paid for purchase of financial assets available for sale		(365.319)	(400.000)
2.6 Cash obtained from sale of financial assets available for sale		375.000	-
2.7 Cash paid for purchase of investment securities		-	-
2.8 Cash obtained from sale of investment securities		77.000	-
2.9 Other	(I.13)	(6.933)	(4.244)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net cash provided from financing activities</b>		<b>-</b>	<b>-</b>
3.1 Cash obtained from funds borrowed and securities issued		-	-
3.2 Cash used for repayment of funds borrowed and securities issued		-	-
3.3 Capital increase		-	-
3.4 Dividends paid		-	-
3.5 Payments for finance leases		-	-
3.6 Other		-	-
<b>IV. Effect of change in foreign exchange rate on cash and cash equivalent:</b>		<b>(108.330)</b>	<b>18.609</b>
<b>V. Net increase in cash and cash equivalents</b>		<b>266.172</b>	<b>228.408</b>
<b>VI. Cash and cash equivalents at the beginning of the year</b>		<b>669.083</b>	<b>440.675</b>
<b>VII. Cash and cash equivalents at the end of the year</b>		<b>935.255</b>	<b>669.083</b>

The accompanying notes are an integral part of these financial statements.

ASYA KATILIM BANKASI A.Ş. PROFIT DISTRIBUTION TABLE	THOUSAND TURKISH LIRA	
	CURRENT PERIOD Audited (01/01-31/12/2012)	PRIOR PERIOD Audited (01/01-31/12/2011)
<b>I. DISTRIBUTION OF CURRENT YEAR PROFIT (**)</b>		
1.1 CURRENT YEAR PROFIT	245.441	269.132
1.2 TAXES AND DUTIES PAYABLE (-)	(55.049)	(53.042)
1.2.1 Corporate Tax (Income Tax)	(57.361)	(57.546)
1.2.2 Income Withholding Tax	-	-
1.2.3 Other taxes and duties (*)	2.312	4.504
<b>A. NET INCOME FOR THE YEAR (1.1-1.2)</b>	<b>190.392</b>	<b>216.090</b>
1.3 PRIOR YEAR'S LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	10.805
1.5 OTHER STATUTORY RESERVES (-)	-	3.805
<b>B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5)]</b>	<b>190.392</b>	<b>201.480</b>
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1 To Owners of Ordinary Shares	-	-
1.6.2 To Owners of Preferred Shares	-	-
1.6.3 To Owners of Preferred Shares (Preemptive Rights)	-	-
1.6.4 To Profit Sharing Bonds	-	-
1.6.5 To Owners of the profit and loss Sharing Certificates	-	-
1.7 DIVIDEND TO PERSONNEL (-)	-	-
1.8 DIVIDEND TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To Owners of Ordinary Shares	-	-
1.9.2 To Owners of Preferred Shares	-	-
1.9.3 To Owners of Preferred Shares (Preemptive Rights)	-	-
1.9.4 To Profit Sharing Bonds	-	-
1.9.5 To Owners of the profit /loss Sharing Certificates	-	-
1.10 SECOND LEGAL RESERVE (-)	-	-
1.11 STATUTORY RESERVES (-)	-	-
1.12 EXTRAORDINARY RESERVES	-	201.480
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
<b>II. DISTRIBUTION OF RESERVES</b>		
2.1 DISTRIBUTED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To Owners of Ordinary Shares	-	-
2.3.2 To Owners of Preferred Shares	-	-
2.3.3 To Owners of Preferred Shares (Preemptive Rights)	-	-
2.3.4 To Profit Sharing Bonds	-	-
2.3.5 To Holders of the profit /loss Sharing Certificates	-	-
2.4 DIVIDENDS TO PERSONNEL (-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
<b>III. EARNINGS PER SHARE</b>		
3.1 TO OWNERS OF ORDINARY SHARES	0,21	0,24
3.2 TO OWNERS OF ORDINARY SHARES ( % )	21	24
3.3 TO OWNERS OF PREFERRED STOCKS	-	-
3.4 TO OWNERS OF PREFERRED STOCKS ( % )	-	-
<b>IV. DIVIDEND PER SHARE</b>		
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES ( % )	-	-
4.3 TO OWNERS OF PREFERRED STOCKS	-	-
4.4 TO OWNERS OF PREFERRED STOCKS ( % )	-	-

(\*) Deferred tax benefit is presented in "other tax and duties" line.

(\*\*) Profit distribution is agreed on the General Assembly Meeting and as of the reporting date, the General Assembly meeting has not been held, yet.



**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

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

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**SECTION THREE**

**ACCOUNTING PRINCIPLES**

**I. Explanations on Basis of Presentation**

**1. Presentation of Financial Statements**

The Bank prepares its financial statements and notes in accordance with the Communiqué on Banks' Accounting Practice and Maintaining Documents published in the Official Gazette No: 26333 dated November 1, 2006, Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards ("TFRS"), other communiqués, pronouncements and explanations about accounting and financial reporting issued by the Banking Regulation and Supervision Agency ("BRSA"), Turkish Commercial Code and the Tax Legislation.

The prior period financial statements are presented in line with the principles of TAS No:1 "Fundamentals of Preparing and Presenting Financial Statements" published in the Official Gazette on January 16, 2005 with No:25702, and in accordance with TAS and TFRS; and other principles, methods and explanations about accounting and financial reporting issued by the BRSA. Certain reclassifications have been made to the prior period financial statements to comply with the current period presentation.

Bank followed the general loan agreements in custody and pledged items as of the year ended December 31, 2011. In the current period, the Bank started to follow general loan agreements in monitoring accounts. The unconsolidated statement of off-balance sheet contingencies and commitments has been restated by classifying the amount of TRY 124.867.159 Thousand from in custody and pledge items to monitoring accounts according to the comparability principles during the preparation of December 31, 2012 statement of off-balance sheet contingencies and commitments.

Bank followed the assets to be disposed off in tangible assets as of the year ended December 31, 2011. In the current period, the Bank started to follow assets to be disposed off in other assets. The unconsolidated balance sheet has been restated by classifying the amount of TRY 340.899 Thousand from tangible assets to other assets according to the comparability principles during the preparation of December 31, 2012 balance sheet.

The accompanying financial statements are prepared in accordance with historical cost basis except for financial assets at fair value through profit or loss, financial assets available for sale and revaluation of fixed assets that are presented on fair value basis.

**2. Basis of Accounting**

The accompanying financial statements are based on the Bank's legal records. The Bank has recorded the adjustments of inflation accounting to its legal records beginning from June 30, 2004 to December 31, 2004 in accordance with Act No: 5024 of the Tax Procedural Code. As of December 31, 2003, the financial statements are prepared in accordance with the legal books and historical cost principle except for the revaluation of fixed assets and includes adjustments and reclassifications, including restatement for the changes in the general purchasing power of the Turkish Lira in accordance with International Accounting Standard No: 29 "Financial Reporting in Hyperinflationary Economies" ("TAS 29") prior to December 31, 2004 for the purpose of fair presentation.

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

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

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**SECTION THREE (Cont'd)**

**ACCOUNTING PRINCIPLES (Cont'd)**

**II. Explanations on Strategy for Use of Financial Instruments and Foreign Currency Transactions**

The Bank manages its financial instrument strategies depending on the financing sources. The sources mainly constitute of the current and profit sharing accounts. As of the balance sheet date, the Bank's assets and equity structure are sufficient to cover its liabilities. The Bank allocates 22% of its profit sharing accounts to liquid instruments (December 31, 2011: 20%).

The Bank does not carry a significant foreign currency position risk due to the existing floating exchange rate regime. The investment decisions are made by taking into consideration the maturity structure of the balance sheet items. The allocations of asset items are designated, and yield analysis are made based on this designation.

In the statutory records of the Bank, the transactions recorded in foreign currencies (all other currencies except Turkish Lira) are translated into the Turkish Lira at the exchange rates prevailing at the transaction dates. Monetary asset and liabilities denominated in foreign currencies are translated into the Turkish Lira at the balance sheet date of the Bank. Foreign exchange gains or losses arising from the translation of monetary items and foreign currency denominated collections or disbursements are recognized in the statement of income.

**III. Explanations on Forward and Option Contracts and Derivative Instruments**

In determination of fair value of forward and swap transactions, forward rates discounted to the balance sheet date by prevailing rates are compared with the expected discounted forward rates at maturity calculated based on the prevailing profit shares as of the balance sheet date and arising foreign exchange differences are recognized in the statement of income. Although some of the derivative transactions provide economic hedging in accordance with TAS 39 "Financial Instruments: Recognition and Measurement" since all necessary conditions for hedge accounting have not been met yet, the Bank classifies these transactions as "held for trading" therefore changes in the fair value of derivative financial instruments are recognized in profit or loss as they arise.

**IV. Explanations on Profit Share Income and Expenses**

Profit share income and expenses are recognized in the statement of income on an accrual basis.

Realized and unrealized profit share accruals of the non-performing loans are reversed and profit share income in connection with these loans is recorded as profit share income only when they are collected.

**V. Explanations on Fees and Commission Income and Expenses**

Banking service revenues are recognized as income only when they are collected while only the current portion of the prepaid commission income obtained from loans is recorded as income based on the periodicity principle.

Fees and commissions for funds borrowed paid to other financial institutions, as part of the transaction costs, are recorded as prepaid expenses and are recognized as expense on the relevant periods.

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

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

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**SECTION THREE (Cont'd)**

**ACCOUNTING PRINCIPLES (Cont'd)**

**VI. Explanations on Financial Assets**

Financial instruments comprise of financial assets, financial liabilities and derivative instruments. Financial assets and financial liabilities are recognized on the Bank's balance sheet when the Bank becomes a party to the contractual provisions of the instrument.

Basically, financial assets form majority of the commercial activities and operations of the Bank. Financial instruments expose, change or reduce the liquidity and credit risks of the Bank's financial statements.

Fair value is the amount for which an asset could be exchanged or a liability settled, between knowledgeable willing parties in an arm length transaction. Fair value is best evidenced by a market price, being the amount obtainable from the sale or payable on the acquisition, of a financial instrument in an active market, if one exists.

Estimated fair values of financial assets are determined by the Bank by using the information about the market and relevant valuation methods. However, interpretation of market information is necessary to determine fair value. Therefore, estimated fair values presented in this report may not be necessarily equivalent of the disposal values of such assets derived from current market conditions. Some carrying values of the financial instruments (which are same with their cost values) are assumed to be equal to their fair values because of their short term nature.

The methods and assumptions used in determining the reasonable estimated values of all financial instruments are mentioned below:

Cash, Banks, and Other Financial Institutions:

Cash and cash equivalents comprise of cash on hand, demand deposits, and highly liquid short-term investments not bearing risk of significant value change, and that are readily convertible to a known amount of cash. The book value of these financial assets approximate to their fair value.

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

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

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**SECTION THREE (Cont'd)**

**ACCOUNTING PRINCIPLES (Cont'd)**

**VI. Explanations on Financial Assets (Cont'd)**

Financial Assets at Fair Value through Profit or Loss:

Marketable securities at fair value through profit or loss are classified in two categories, i) marketable securities classified as trading securities: acquired or incurred principally for the purpose of selling or repurchasing it in the near term in order to benefit from short-term profit opportunities, ii) marketable securities classified as marketable securities at fair value through profit or loss at initial recognition. The Bank uses the above-mentioned classification when permitted, or for the purposes of providing a more appropriate presentation.

In this group, trading securities are initially recognized at cost and measured at fair value on the financial statements. Fair value of debt securities traded in an active market is determined based on the quoted prices or current market prices.

The difference between initial cost and fair value of financial assets at fair value through profit or loss is reflected to profit share income or diminution in value of marketable securities accounts. Profit share income from financial assets at fair value through profit or loss is reflected in profit share income.

As of December 31, 2012, the Bank has TRY 7.895 Thousand of derivative financial assets held for trading at fair value through profit or loss (December 31, 2011: TRY 1.250 Thousand).

Held to Maturity Investments:

Held to maturity investments include securities with fixed or determinable payments and fixed maturity when there is an intention of holding till maturity and the relevant conditions for fulfillment of such intention, including the funding ability. This portfolio excludes loans and receivables. Subsequent to initial recognition, held to maturity investments are measured at amortized cost by using the effective interest rate less impairment losses, if any. The Bank has no financial assets acquired and classified as held to maturity investments that cannot be subject to such classification for two years because of the non-performance of tainting rules.

The profit share income received from held to maturity investments is recorded as profit share income in the statement of income.

As of December 31, 2012, the Bank does not have any held to maturity investments (December 31, 2011: TRY 77.053 Thousand).

Financial Assets Available for Sale:

Financial assets available for sale are initially recognized at cost including the transaction costs. After initial recognition, bonds classified available for sale are measured at fair value and unrealized gains/losses originating from the difference between the amortized cost and the fair value are recorded in "Marketable Securities Value Increase Fund" under equity. At the disposal of available for sale financial assets, value increase/decrease recorded in "Marketable Securities Value Increase Fund" under equity is transferred to the statement of income. Equity instruments that are classified as available for sale assets are recorded with their value after deduction of any impairment from original cost.

As of December 31, 2012, the Bank has TRY 792.325 Thousand of available for sale financial assets (December 31, 2011: TRY 779.637 Thousand).

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

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

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**SECTION THREE (Cont'd)**

**ACCOUNTING PRINCIPLES (Cont'd)**

**VI. Explanations on Financial Assets (Cont'd)**

Loans and Receivables:

Loans and receivables are recognized at amortized cost. Fees, transaction costs and other similar costs in connection with the guarantees of loans and receivables are not considered as part of the transaction cost and recognized in the statement of income.

Loans are transferred to the relevant accounts in with their cash amounts and income accruals are calculated by using the internal rate of return method and the related income is recorded in the profit share income item. Foreign currency and foreign currency indexed loans are evaluated and evaluation differences are accounted under "Foreign Exchange Gains" and/or "Foreign Exchange Losses" in the statement of income.

The classification and provisioning of doubtful loans/receivables are appropriately accounted for in accordance with the prevailing regulations, and specific provisions allocated are recognized in the statement of income for the period. Collections made from such loans are recognized under the "Non-performing loans" (including receivables from the doubtful receivables) account and "Profit share income received from Uncollectible Loans and Other Receivables" account.

Released loan loss provisions are accounted as a reversal from provision expense if realized in the current period, and the remaining amounts are recognized as income in the account of collections from the prior period expenses.

In addition to specific loan loss provisions, general loan loss provision are recognized within the framework of the regulation on "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" published in the Official Gazette No. 26333 dated November 1 2006.

Except for specific provisions, the Bank allocates general reserve in accordance with Communiqué on "Determining the Nature of Loan and Other Receivable Provisions Allocated by Banks and Procedures and Principles of Allocating Provisions".

**VII. Explanations on Impairment of Financial Assets**

At each balance sheet date, the Bank evaluates the carrying amounts of its financial asset or a group of financial assets to determine whether there is an objective indication that those assets have suffered an impairment loss. If such an indication exists, the Bank determines the related impairment.

A financial asset or a financial asset group incurs impairment loss only if there is an objective indicator related to the occurrence (loss/damage event) of one or more than one event (or occurrence) subsequent to initial recognition of that asset; and such loss event causes an impairment loss as a result of the effect on the reliable estimate of the expected future cash flows of the related financial asset and asset group. Any amounts attributable to expected losses arising from any future events is not recognized under no circumstances.

Companies that are required to prepare separate financial statements under the statutory requirements in accordance with TAS 27 "Consolidated and Separate Financial Statements" can represent their subsidiaries or associates either at cost or based on requirements set out in TAS 39, "Financial Instruments: Recognition and Measurement". In this respect, the Bank chooses to use the first method and presents the subsidiaries, jointly controlled entities and associates at cost less impairment loss, if any.

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

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

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**SECTION THREE (Cont'd)**

**ACCOUNTING PRINCIPLES (Cont'd)**

**VIII. Explanations on Offsetting Financial Assets and Liabilities**

Financial assets and liabilities are offset when the Bank has a legally enforceable right to set off, and when the Bank has the intention of collecting or paying the net amount of related assets and liabilities. In other circumstances, the Bank does not offset financial assets and liabilities.

**IX. Explanations on Sales and Repurchase Agreements and Lending of Securities**

The Bank enters into revenue sharing certificates repurchase agreements with the Central Bank of the Republic of Turkey for the money market transactions. The Bank does not have any repurchase agreement or lending of securities transaction as of December 31, 2012 (December 31, 2011: TRY 279.207 Thousand).

**X. Explanations on Assets Held for Sale, Discontinued Operations and Liabilities Related to Those Assets**

The principles on accounting, assessment and disposal of assets held for sale are determined based on the Communiqué of "Principles and Procedures on Bank's Disposal of Precious Metals and Assets Held for Sale" published on November 1, 2006 in the official Gazette numbered 26333.

Although the Bank has assets held for sale in the balance sheet, due to the fact that the Bank does not have a formal plan to dispose of these assets in one year subsequent to their classification date, such assets are continued to be depreciated. For this reason, these assets are classified as tangible assets instead of assets held for sale in the accompanying financial statements.

Assets held for sale are measured at the lower of the carrying amount of assets and fair value less any cost incurred for disposal. Assets held for sale are not amortized and presented in the financial statements separately. In order to classify an asset as held for sale, only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale. Highly saleable condition requires a plan by the management regarding the sale of the asset to be disposed of (or else the group of assets), together with an active program for the determination of buyers as well as for the completion of the plan. Also the asset (or else the group of assets) shall be actively marketed in conformity with its fair value. On the other hand, the sale is expected to be recognized as a completed sale within one year after the classification date; and the necessary transactions and procedures to complete the plan should demonstrate the fact that there is remote possibility of making any significant changes or cancellation of the plan.

Various events and conditions may extend the completion period of the disposal more than a year. If such delay arises from any events and conditions beyond the control of the entity and there is sufficient evidence that the entity has an ongoing disposal plan for these assets, such assets (or else group of assets) are continued to be classified as assets held for sale (or else group of assets).

As of December 31, 2012, assets held for sale amounts to TRY 151.869 Thousand (December 31, 2011: TRY 8.724 Thousand).

A discontinued operation is a division of a bank that is either disposed of or held for sale. Results of discontinued operations are included in the statement of income separately. The Bank has not a discontinued operation.

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

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

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**SECTION THREE (Cont'd)**

**ACCOUNTING PRINCIPLES (Cont'd)**

**XI. Explanations on Goodwill and Other Intangible Assets**

Goodwill arising on the acquisition of a subsidiary or a jointly controlled entity represents the excess of the cost of acquisition over the Bank's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognized at the date of acquisition. Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill is allocated to each of the Bank's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period. On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

No goodwill amount is recognized in the unconsolidated financial statements of the Bank as of the balance sheet date.

Intangible assets acquired prior to January 1, 2005 are accounted for at restated cost less accumulated depreciation and any impairment loss, and the intangible assets acquired in subsequent periods are accounted for at acquisition cost less accumulated depreciation and any impairment loss if any, for those acquired prior to January 1, 2005. Intangible assets are amortized by using the straight line method considering their useful lives. Amortization method is reviewed at the end of each year periodically. Intangible assets mainly constitute of rights and amortized using the straight line method in 5 years.

**XII. Explanations on Tangible Assets**

Prior to January 1, 2005, tangible assets are accounted for at acquisition cost plus any other direct costs incurred to bring the asset for ready to use. Tangible assets are measured at their acquisition cost less accumulated depreciation and impairment loss, if any.

Depreciation of assets held less than one year as of the balance sheet date is accounted for proportionately.

If the fair value of tangible assets is under their carrying value, impairment loss is allocated for exceeding amounts and these amounts are recognized as impairment in the financial statements.

Gains or losses resulting from disposals of tangible assets are recognized in the statement of income.

Maintenance costs of the tangible assets are recognized in the statement of income as an expense.

There are no pledges, mortgages or other restrictions on tangible assets.

<u>Tangible Asset</u>	<u>Useful Life</u>
Safety Boxes	5 years
Office Equipment	5 years
Furniture and Fixtures	5 years
Vehicles	5 years
Leasehold Improvements	5 years
Buildings	50 years

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
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**SECTION THREE (Cont'd)**

**ACCOUNTING PRINCIPLES (Cont'd)**

**XIII. Explanations on Leasing Transactions**

Bank as a Lessor:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Bank's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Bank's net investment outstanding in respect of the leases.

Bank as a Lessee:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognized as assets of the Bank at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Bank's general policy on borrowing costs.

As of December 31, 2012, the Bank as a lessee has operating leases for vehicles, general management and branches in addition to its assets through financial lease.

**XIV. Explanations on Provisions and Contingent Liabilities**

Provisions are recognized when there is a present obligation, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are continuously reviewed in order to determine whether there is any possibility of cash flow with regards to the sources having economic benefit for the Bank.

**XV. Explanations on Liabilities for Employee Benefits**

Under the existing Turkish law and union agreements, severance indemnity payment is required for employees retired or fired except resignations. The severance indemnity pay provision recognized represents the present value of the defined benefit obligation as adjusted for unrecognized gains and losses in accordance with TAS 19 "Employee Benefits". The defined obligation is determined by independent actuaries.

The main actuarial assumptions used in the calculation of severance indemnity pay provision are as follows:

	December 31, 2012 (*)	December 31, 2011 (*)
Discount Rate	7,38%	9,2% - 11,55%
Inflation Rate	5,00%	4,5% - 8,75%

(\*) According to employees retirement dates, different rates have been used in the range of rates given in the table above.

TRY 3.034 (TRY full amount) salary ceiling, which was effective as of December 31, 2012 was taken into account in the current year calculations. It is assumed that the amount of the salary ceiling will increase each year in line with the inflation rate. The age of retirement is considered as the earliest age possible that an individual can retire and CSO 1980 female/male mortality table is used for the mortality rate.



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**SECTION THREE (Cont'd)**

**ACCOUNTING PRINCIPLES (Cont'd)**

**XVI. Explanations on Taxation**

Tax expense comprises of current tax and deferred tax expenses.

Current tax payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the statement of income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Bank's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. According to the Article 32 of the Corporate Tax Law No: 5520, announced in the Official Gazette dated June 21, 2006, the corporate tax rate is 20%.

Deferred tax asset or liability is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized and recognized in the statement of income. If deferred tax is in connection with the assets directly associated with the equity, it shall be directly associated with shareholders' equity items.

Taxes payables and prepaid taxes are offset since they are levied by the same taxation authority. Deferred tax assets and liabilities are also offset.

The Bank has adjusted its statutory financial statements based on inflation accounting as of January 1, 2004 in accordance with Law No: 5024.

**XVII. Additional Disclosures on Borrowings**

Borrowings are recognized in accordance with TAS 39 "Financial Instruments: Recognition and Measurement".

No specific hedging technique is applied for borrowings, their accounting and valuation methods excluding some general methods applied for avoiding any liquidity and currency risks.

There are no debt securities or convertible bonds issued by the Bank.

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
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**SECTION THREE (Cont'd)**

**ACCOUNTING PRINCIPLES (Cont'd)**

**XVIII. Explanations on Issuance of Share Certificates**

As of December 31, 2012, there are no exported share certificates of the Bank.

**XIX. Explanations on Avalized Drafts and Acceptances**

Acceptances are realized simultaneously with the payment dates of the customers and they are presented as probable commitments in the off-balance sheet accounts.

**XX. Explanations on Government Incentives**

As of balance sheet date, there are no government incentives used by the Bank.

**XXI. Explanations on Segment Reporting**

The Bank operates in corporate, commercial and retail banking areas in line with its mission by means of profit/loss sharing methodology.

<b>Current Period</b>	<b>Retail</b>	<b>Corporate and Commercial</b>	<b>Treasury</b>	<b>Undistributed</b>	<b>Total</b>
Total Assets	3.537.575	12.642.417	1.740.513	3.469.519	21.390.024
Total Liabilities	10.645.810	5.096.048	1.821.984	3.826.182	21.390.024
Net Profit Share Income / (Expense) (*)	(242.202)	1.123.205	(678)	-	880.325
Net Fees and Commissions Income / (Expense)	22.427	236.569	(1.770)	30.030	287.256
Other Operating Income / (Expense)	(14.275)	(23.471)	25.808	(910.202)	(922.140)
Profit Before Tax	(234.050)	1.336.303	23.360	(880.172)	245.441
Tax Provision	-	-	-	(55.049)	(55.049)
Net Profit for the Period	(234.050)	1.336.303	23.360	(935.221)	190.392

(\*) The allocation of retail, corporate and commercial banking segments above, is the result of differentiation in fund collection and allocation procedures of the participation banks.

<b>Prior Period</b>	<b>Retail</b>	<b>Corporate and Commercial</b>	<b>Treasury</b>	<b>Undistributed</b>	<b>Total</b>
Total Assets	2.546.891	10.829.396	1.854.936	1.958.876	17.190.099
Total Liabilities	8.458.383	3.938.660	1.748.752	3.044.304	17.190.099
Net Profit Share Income / (Expense) (*)	(289.384)	911.657	9.187	(236)	631.224
Net Fees and Commissions Income / (Expense)	11.929	229.316	(3.324)	21.887	259.808
Other Operating Income / (Expense)	(7.628)	(17.078)	-	(597.194)	(621.900)
Profit Before Tax	(285.083)	1.123.895	5.863	(575.543)	269.132
Tax Provision	-	-	-	(53.042)	(53.042)
Net Profit for the Period	(285.083)	1.123.895	5.863	(628.585)	216.090

(\*) The allocation of retail, corporate and commercial banking segments above, is the result of differentiation in fund collection and allocation procedures of the participation banks.

**XXII. Explanations on Other Matters**

There are no explanations on other matters.

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**SECTION FOUR**

**INFORMATION ON FINANCIAL STRUCTURE**

**I. Explanations on Capital Adequacy Standard Ratio**

The Bank's unconsolidated capital adequacy ratio is 13,60%.

**Risk Measurement Methods in Calculation of Capital Adequacy Ratio:**

Capital adequacy ratio is calculated within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (the "Regulation")", "Regulation on Credit Risk Mitigation Techniques" and "Regulation on Calculation of Risk Weighted Amounts for Securitizations" published in the Official Gazette No. 28337 dated June 28, 2012 and the "Regulation on Equities of Banks" published in the Official Gazette No. 26333 dated November 1, 2006.

In the calculation of capital adequacy ratio, the data prepared from accounting records in compliance with the current legislation are used. Such accounting data is included in the calculation of credit and market risks subsequent to their designation as "trading book" and "banking book" according to the Regulation.

The items classified as trading book and the items deducted from the equity are not included in the calculation of credit risk. In the calculation of risk weighted assets, the assets subject to amortization or impairment, are taken into account on a net basis after being reduced by the related amortizations and provisions.

In the calculation of the value at credit risk for the cash and non-cash loans and commitments and the receivables from counterparties in such transactions are weighted after netting with specific provisions that are classified under liabilities and calculated based on the "Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables". The net amounts are then multiplied by the rates stated in the Article 5 of the Regulation, reduced as per the "Regulation on Credit Risk Mitigation Techniques" and then included in the relevant exposure category defined in the article 6 of the Regulation and weighted as per Appendix-1 of the Regulation.

In the calculation of the value at credit risk for the derivative financial instruments and the receivables from counterparties indicated on the trading accounting are multiplied by the rates presented in the Appendix-2 of the "Communique on Measurement and Assessment of capital Adequacy of Banks", is subjected to risk reduction presented in "Communique on Credit Risk Mitigation Techniques" and then included in the relevant exposure category presented in the article 6 of the "Communique on measurement and Assesment of Capital Adequacy of Banks" and weighted to risk weight classification indicated as per Appendix-1 of the Regulation.

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
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**SECTION FOUR (Cont'd)**

**INFORMATION ON FINANCIAL STRUCTURE (Cont'd)**

**I. Explanations on Capital Adequacy Standard Ratio (Cont'd)**

Exposure Categories	Risk Weightings								
	0%	10%	20%	50%	75%	100%	150%	200%	1250%
<b>Value at Credit Risk</b>									
Conditional and unconditional receivables from central governments or central banks	2.411.110	-	-	-	-	220.804	-	-	-
Conditional and unconditional receivables from regional or local governments	171	-	7	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	285	-	-	-	-	45.151	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	6.240	-	152.811	104.643	-	489.770	-	-	-
Conditional and unconditional receivables from corporates	227.308	-	73	-	-	7.366.666	-	-	-
Conditional and unconditional retail receivables	149.436	-	-	-	3.645.576	1.276	-	-	-
Conditional and unconditional receivables secured by mortgages	109.156	-	13	5.924.493	-	368.635	-	-	-
Past due receivables	608	-	-	60.597	-	142.448	20.358	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	81.871	10.525	-
Securities collateralized by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-
Other receivables	547.563	-	1.316	-	-	1.124.342	-	-	-
<b>Total Value at Risk</b>	<b>3.451.877</b>	<b>-</b>	<b>154.220</b>	<b>6.089.733</b>	<b>3.645.576</b>	<b>9.759.092</b>	<b>102.229</b>	<b>10.525</b>	<b>-</b>
<b>Total Risk Weighted Assets</b>	<b>-</b>	<b>-</b>	<b>30.844</b>	<b>3.044.867</b>	<b>2.734.182</b>	<b>9.759.092</b>	<b>153.344</b>	<b>21.050</b>	<b>-</b>

**Summary information related to capital adequacy ratio:**

	Current Period
Capital Requirement for Credit Risk (Amount Subject to Credit Risk *0,08) (CRCR)	1.259.470
Capital Requirement for Market Risk (MRCR)	1.553
Capital Requirement for Operational Risk (ORCR) (*)	141.840
Shareholders' Equity	2.384.213
<b>Shareholders' Equity / ((TRWA + ASMR + ASOR) *12,5) *100</b>	<b>13,60</b>

(\*) The amount subject to operational risk is in accordance with the "Regulation Regarding Measurement and Evaluation of the Bank's Capital Adequacy Ratio" published in the Official Gazette No: 28337 dated June 28, 2012 which is effective from July 1, 2012. Operational risk is calculated by using the Basic Indicator Approach.

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
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**SECTION FOUR (Cont'd)****INFORMATION ON FINANCIAL STRUCTURE (Cont'd)****I. Explanations on Capital Adequacy Standard Ratio (Cont'd)****Components of Shareholders' Equity:**

<b>CORE CAPITAL</b>	<b>Current Period</b>
Paid-in Capital (*)	894.525
Nominal Capital	894.525
Capital Commitments (-)	-
Inflation Adjustments to Paid-in Capital	-
Share Premium	3.307
Share Cancellation Profits	-
Reserves	1.239.641
Inflation Adjustments to Reserves	-
Profit	190.392
Current Period's Profit	190.392
Prior Periods' Profit	-
Provision for Possible Losses (upto 25% of Core Capital)	-
Income on Sale of Equity Shares and Real Estates	8.080
Primary Subordinated Debts	-
Loss (in excess of Reserves) (-)	-
Current Period's Losses	-
Prior Periods' Losses	-
Leasehold Improvements on Operational Leases (-)	47.513
Intangible Assets (-)	13.779
Deferred Tax Asset in Excess of 10% of Core Capital (-)	-
Limit excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-
<b>Total Core Capital</b>	<b>2.274.653</b>
<b>SUPPLEMENTARY CAPITAL</b>	
General Provisions	111.032
45 % of Revaluation Surplus on Movables	-
45 % of Revaluation Surplus on Immovables	-
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 Debts	-
45 % of Securities Value Increase Fund	3.534
Inflation Adjustments to Other Capital and Profit Reserves and Prior Periods' Profit / Loss	-
<b>Total Supplementary Capital</b>	<b>114.566</b>
<b>CAPITAL</b>	<b>2.389.219</b>
<b>DEDUCTIONS FROM CAPITAL</b>	<b>5.006</b>
Unconsolidated Investments in Entities (domestic / foreign) Operating in Banking and Financial Sectors at 10 % or more	-
Investments in Entities (domestic / foreign ) Operating in Banking and Financial Sectors at less Than 10 % exceeding 10 % or more of the Total Core and Supplementary Capitals	-
Loans to Banks, Financial Institutions (domestic / foreign) or Qualified Shareholders in the Form of Secondary Subordinated Debts and Debt Instruments purchased from Such Parties Qualified as Primary or Secondary Subordinated Debts	-
Loan granted to Customer against the Articles 50 and 51 of the Banking Law	-
Net Book Values of Immovables exceeding 50 % of the Capital and of Assets Acquired Against Over due Receivables and Held for Sale as per the Article 57 of the Banking Law But Retained more than Five Years	1.598
Securitization Positions to be Deducted from Equity	-
Other (**)	3.408
<b>TOTAL SHARE HOLDERS' EQUITY</b>	<b>2.384.213</b>

(\*)The Bank has purchased 1.500.000 units of its own pledged shares at TRY 5.475 Thousands as a result of sale in accordance with Turkish Commercial Code article 329/2. The effect of purchase has been considered as deduction from the paid-in capital item in the capital adequacy table.

(\*\*)In accordance with the principles of the regulations described in "Measurement and Practices of Bank's Shareholder's Equity" published in the Official Gazette No: 26333, Article 10/1, clause (e), dated November 1, 2006, BRSA has published the board decision related to consumer loans for the purpose of acquiring housing in the Official Gazette No: 27789 dated December 18, 2010.

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**SECTION FOUR (Cont'd)**

**INFORMATION ON FINANCIAL STRUCTURE (Cont'd)**

**I. Explanations on Capital Adequacy Standard Ratio (Cont'd)**

**Approaches For Assessment of Adequacy of Internal Capital Requirements For Current and Future Activities:**

The "Asya Bank's" assessment process of adequacy of internal capital requirements and capital adequacy policies" was prepared in order to describe the assessment process of adequacy of internal capital requirements and capital adequacy policies, and approved by its board of directors on September 27, 2012.

**II. Explanations on Credit Risk**

Credit worthiness of loan customers are monitored and semiannually and regularly reviewed by the Risk Monitoring Department of the Bank in accordance with the Communiqué on "Determining the Nature of Loan and Other Receivable Provisions Allocated by Banks and Procedures and Principles of Allocating Provisions". The account statements are obtained based on the prevailing regulations. Credit limits are determined by the Board of Directors, the Credit Committee of the Bank and the Credit Administration. The Bank obtains sufficient guarantees for its risks, comprising of personal surety, real-estate mortgage, cash blockage, and customer cheques.

For the derivative transactions and other similar positions of the Bank, operational limits are set by the Board of Directors and the transactions are performed within these limits.

The Bank monitors restructured and rescheduled loans in accordance with the Communiqué on "Determining the Nature of Loan and Other Receivable Provisions Allocated by Banks and Procedures and Principles of Allocating Provisions". Financial position and business operation of those customers are analyzed systematically and, principal and profit payments based on the restructured payment plan are monitored by the corresponding departments.

As of December 31, 2012, the risk of the Bank from its top 100 and 200 cash loan customers share in total cash loans ratio is 31,94% and 39,94%.

As of December 31, 2012, the risk of the Bank from its top 100 and 200 non-cash loan customers share in total non-cash loan ratio is 42,34% and 52,96% .

As of December 31, 2012, the cash and non-cash receivables of the Bank from its top 100 and 200 loan customers share in total balance sheet assets and non-cash loan ratio is 29,65% and 38,32%.

As of December 31, 2012 the Bank's general loan loss provision amount for its credit risk is TRY 182.485 Thousand (December 31, 2011: TRY 131.066 Thousand).

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**SECTION FOUR (Cont'd)**

**INFORMATION ON FINANCIAL STRUCTURE (Cont'd)**

**II. Explanations on Credit Risk (Cont'd)**

The table below shows the maximum exposure to credit risk for the components of the financial statements:

	Current Period	Prior Period
Central Bank of the Republic of Turkey	2.140.716	1.360.161
Due from Banks	405.458	359.365
Derivative Financial Assets Held for Trading	7.895	1.250
Financial Assets Available for Sale	792.325	779.637
Held to Maturity Investments	-	77.053
Loans	16.025.520	13.153.771
Finance Lease Receivables	281.870	297.751
<b>Total</b>	<b>19.653.784</b>	<b>16.028.988</b>
Contingent Liabilities	7.976.852	9.348.759
Commitments	4.668.366	4.216.033
<b>Total</b>	<b>12.645.218</b>	<b>13.564.792</b>
<b>Total Credit Risk Exposure</b>	<b>32.299.002</b>	<b>29.593.780</b>

**Profile of Significant Exposures in Major Regions:**

	Exposure Categories						
	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Other	Total
<b>Current Period (***)</b>							
Domestic	2.588.652	159.728	7.355.704	3.767.002	6.358.471	1.681.355	21.910.912
European Union (EU) Countries	-	71.792	120.841	8.653	15.380	3.866	220.532
OECD Countries (*)	-	62.666	4.087	86	879	-	67.718
Off-Shore Banking Regions	-	3.915	100.659	2.332	4.452	7.596	118.954
USA, Canada	-	118.169	28.007	967	14.070	-	161.213
Other Countries	-	171.541	68.958	1.106	12.570	64.785	318.960
Associates, Subsidiaries and Joint –Ventures	-	-	136.523	-	-	278.440	414.963
Unallocated Assets/Liabilities (**)	-	-	-	-	-	-	-
<b>Total</b>	<b>2.588.652</b>	<b>587.811</b>	<b>7.814.779</b>	<b>3.780.146</b>	<b>6.405.822</b>	<b>2.036.042</b>	<b>23.213.252</b>

(\*) Includes OECD countries other than EU countries, USA and Canada.

(\*\*) Includes asset and liability items that can not be allocated on a consistent basis.

(\*\*\*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

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**SECTION FOUR (Cont'd)****INFORMATION ON FINANCIAL STRUCTURE (Cont'd)****II. Explanations on Credit Risk (Cont'd)**

Total amount of exposures after offsetting transactions but before applying credit risk mitigations and the average exposure amounts that are classified in different risk groups and types for the relevant period:

<b>Exposure Categories</b>	<b>Current Period (*)</b>	<b>Average (**)</b>
Conditional and unconditional exposures to central governments or central banks	2.588.652	2.199.421
Conditional and unconditional exposures to regional governments or local authorities	178	2.692
Conditional and unconditional exposures to administrative bodies and noncommercial undertakings	45.366	38.762
Conditional and unconditional exposures to multilateral development banks	-	-
Conditional and unconditional exposures to international organisations	-	-
Conditional and unconditional exposures to banks and brokerage houses	587.811	428.919
Conditional and unconditional exposures to corporates	7.814.779	7.792.423
Conditional and unconditional retail exposures	3.780.146	3.890.201
Conditional and unconditional exposures secured by real estate property	6.405.822	5.887.318
Past due items	224.881	264.274
Items in regulatory high-risk categories	92.396	140.885
Exposures in the form of bonds secured by mortgages	-	-
Securitisation positions	-	-
Short term exposures to banks, brokerage houses and corporates	-	-
Other items	1.673.221	1.596.870

(\*) Includes total risk amounts before the effect of credit risk mitigation but after credit conversions.

(\*\*) Average risk amounts are the arithmetical averages of the amounts in quarterly reports prepared starting from the date of publication of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" (28 June 2012) to the period end.



**ASYA KATILIM BANKASI A.Ş.**

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
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**SECTION FOUR (Cont'd)**

**INFORMATION ON FINANCIAL STRUCTURE (Cont'd)**

**II. Explanations on Credit Risk (Cont'd)**

**Risk Profile by Sectors or Counterparties:**

Current Period (**)	Exposure Categories (*)															TRY	FC	Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15			
<b>Agriculture</b>	-	-	22	-	-	-	168.453	60.048	76.352	4.979	-	-	-	-	-	274.712	35.142	309.854
Farming and Stockbreeding	-	-	22	-	-	-	129.302	51.568	62.787	3.826	-	-	-	-	-	214.830	32.675	247.505
Forestry	-	-	-	-	-	-	23.287	5.537	9.260	668	-	-	-	-	-	38.655	97	38.752
Fishery	-	-	-	-	-	-	15.864	2.943	4.305	485	-	-	-	-	-	21.227	2.370	23.597
<b>Manufacturing</b>	-	-	6	-	-	-	3.931.493	571.583	2.225.015	92.211	-	-	-	-	-	4.481.933	2.338.375	6.820.308
Mining and Quarrying	-	-	-	-	-	-	347.650	37.238	250.028	5.901	-	-	-	-	-	355.373	285.444	640.817
Production	-	-	6	-	-	-	2.714.192	514.293	1.273.996	85.735	-	-	-	-	-	3.201.611	1.386.611	4.588.222
Electricity, Gas and Water	-	-	-	-	-	-	869.651	20.052	700.991	575	-	-	-	-	-	924.949	666.320	1.591.269
<b>Construction</b>	-	-	-	-	-	-	1.751.337	269.317	1.574.179	36.165	-	-	-	-	-	3.040.606	590.392	3.630.998
<b>Services</b>	2.585.670	8	44.170	-	-	492.995	1.732.292	363.716	964.500	54.657	-	-	-	-	-	3.346.957	2.891.051	6.238.008
Wholesale and Retail Trade	-	-	-	-	-	-	648.377	182.915	270.614	22.887	-	-	-	-	-	967.627	157.166	1.124.793
Accommodation and Dining	-	-	21	-	-	-	179.808	26.237	153.369	611	-	-	-	-	-	199.150	160.896	360.046
Transportation and Telecommunication	-	-	28	-	-	-	560.447	62.635	152.619	29.085	-	-	-	-	-	443.959	360.855	804.814
Financial Institutions	2.585.670	-	-	-	-	492.995	71.456	3.310	118.452	30	-	-	-	-	-	1.183.158	2.088.755	3.271.913
Real Estate and Rental Services	-	-	1	-	-	-	43.004	15.224	40.005	530	-	-	-	-	-	89.094	9.670	98.764
Professional Services	-	8	1.165	-	-	-	34.265	12.363	18.046	320	-	-	-	-	-	55.066	11.101	66.167
Educational Services	-	-	42.345	-	-	-	86.443	14.057	119.817	30	-	-	-	-	-	169.217	93.475	262.692
Health and Social Services	-	-	610	-	-	-	108.492	46.975	91.578	1.164	-	-	-	-	-	239.686	9.133	248.819
<b>Others</b>	2.982	170	1.168	-	-	94.816	231.204	2.515.482	1.565.776	36.869	92.396	-	-	-	1.673.221	5.867.290	346.794	6.214.084
<b>Total</b>	2.588.652	178	45.366	-	-	587.811	7.814.779	3.780.146	6.405.822	224.881	92.396	-	-	-	1.673.221	17.011.498	6.201.754	23.213.252

(\*) Exposure categories are as per the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks.

(\*\*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

- 1- Conditional and unconditional exposures to central governments or central banks
- 2- Conditional and unconditional exposures to regional governments or local authorities
- 3- Conditional and unconditional exposures to administrative bodies and non-commercial undertakings
- 4- Conditional and unconditional exposures to multilateral development banks
- 5- Conditional and unconditional exposures to international organisations
- 6- Conditional and unconditional exposures to banks and brokerage houses
- 7- Conditional and unconditional exposures to corporates
- 8- Conditional and unconditional retail exposures
- 9- Conditional and unconditional exposures secured by real estate property
- 10- Past due items
- 11- Items in regulatory high-risk categories
- 12- Exposures in the form of bonds secured by mortgages
- 13- Short term exposures to banks, brokerage houses and corporates
- 14- Exposures in the form of collective investment undertakings
- 15- Other items

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**SECTION FOUR (Cont'd)**

**INFORMATION ON FINANCIAL STRUCTURE (Cont'd)**

**II. Explanations on Credit Risk (Cont'd)**

**Analysis of Maturity-Bearing Exposures According to Remaining Maturities**

Exposure Categories (*) (**)	Term To Maturity				
	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year
Conditional and unconditional exposures to central governments or central banks	1.386.001	106.310	-	308.469	380.421
Conditional and unconditional exposures to regional governments or local authorities	173	-	-	-	-
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	12.391	475	4.724	14.064	13.413
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	167.417	2.302	12.634	-	-
Conditional and unconditional exposures to corporates	1.891.038	727.952	1.044.087	1.435.711	2.604.306
Conditional and unconditional retail exposures	958.307	161.597	294.732	828.600	959.186
Conditional and unconditional exposures secured by real estate property	675.374	368.004	604.687	849.513	3.877.541
Past due items	12.583	444	938	3.331	3.100
Items in regulatory high-risk categories	51.061	578	2.384	33.237	5.136
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitisation positions	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-
Other items	198.161	-	-	-	-
<b>Total</b>	<b>5.352.506</b>	<b>1.367.662</b>	<b>1.964.186</b>	<b>3.472.925</b>	<b>7.843.103</b>

(\*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

(\*\*) Unrestricted exposure are not included in this table.

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**SECTION FOUR (Cont'd)**

**INFORMATION ON FINANCIAL STRUCTURE (Cont'd)**

**II. Explanations on Credit Risk (Cont'd)**

**Risk Exposure Categories:**

In the calculation of risk-weighted amounts for the determination of risk weights are based on credit ratings issued by rating agencies in accordance with in the article 7 of the "Communique on measurement and Assesment of Capital Adequacy of Banks".

International credit rating agency grades are used for the receivables from Banks and Corporates being limited receivables from the counterpart residents in abroad. The grades of credit rating agencies authorized by the BRSA are used for residents and banks in Turkey.

The grades of credit rating agencies are used to determine the risk weights of credit quality per class.

**Exposures by Risk Weights:**

<b>Risk Weights</b>	0%	10%	20%	50%	75%	100%	150%	200%	1250%	Deductions from Equity
Exposures before Credit Risk Mitigation	2.920.460	-	154.305	6.089.439	3.780.148	10.156.072	102.303	10.525	-	66.298
Exposures after Credit Risk Mitigation	3.451.877	-	154.220	6.089.733	3.645.576	9.759.092	102.229	10.525	-	66.298

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**SECTION FOUR (Cont'd)****INFORMATION ON FINANCIAL STRUCTURE (Cont'd)****II. Explanations on Credit Risk (Cont'd)****Information by Major Sectors and Type of Counterparties:**

Impaired Credits; are the credits that either overdue more than 90 days as of the reporting date or are treated as impaired due to their creditworthiness. For such credits, "Specific Provisions" are allocated as per the Provisioning Regulation.

Past Due Credits; are the credits that overdue upto 90 days but not impaired. For such credits, "General Provisions" are allocated as per the Provisioning Regulation.

	Credit Risks			
	Impaired Credits	Past Due Credits	Value Adjustments	Provisions
<b>Agriculture</b>	<b>26.841</b>	<b>5.581</b>	<b>102</b>	<b>20.235</b>
Farming and Stockbreeding	24.271	2.320	44	18.869
Forestry	1.563	1.884	34	918
Fishery	1.007	1.377	24	448
<b>Manufacturing</b>	<b>185.215</b>	<b>124.126</b>	<b>2.316</b>	<b>105.718</b>
Mining and Quarrying	13.377	4.884	94	9.959
Production	170.787	117.994	2.201	95.246
Electricity, Gas and Water	1.051	1.248	21	513
<b>Construction</b>	<b>73.678</b>	<b>495.400</b>	<b>11.775</b>	<b>39.967</b>
<b>Services</b>	<b>280.220</b>	<b>242.378</b>	<b>4.615</b>	<b>209.307</b>
Wholesale and Retail Trade	93.970	48.819	748	66.289
Accommodation and Dining	958	51.137	901	241
Transportation and Telecommunication	181.003	115.425	2.432	140.400
Financial Institutions	79	394	8	78
Real Estate and Rental Services	1.753	21.522	427	1.401
Professional Services	387	59	1	109
Educational Services	67	1.626	32	52
Health and Social Services	2.003	3.396	66	737
<b>Others</b>	<b>82.967</b>	<b>226.560</b>	<b>4.280</b>	<b>51.472</b>
<b>Total</b>	<b>648.921</b>	<b>1.094.045</b>	<b>23.088</b>	<b>426.699</b>

**Movements in Value Adjustments and Provisions:**

	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments (*)	Closing Balance
Specific Provisions	305.588	336.298	(56.201)	(158.986)	426.699
General Provisions	131.066	60.445	(6.533)	(2.493)	182.485

(\*) Write-offs and foreign exchange difference are presented on this table.

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**SECTION FOUR (Cont'd)****INFORMATION ON FINANCIAL STRUCTURE (Cont'd)****II. Explanations on Credit Risk (Cont'd)****Credit Rating System:**

The credit risk is assessed through the internal rating system of the Bank, by classifying loans from highest grade to lowest grade according to the probability of default. As of December 31, 2012 consumer loans are excluded from the internal rating system of the Bank. Additional scoring methodologies are applied for these loans. The risks that are subject to rating models can be allocated as follows:

Category	Description of Category	Share in Total (%)	
		Current Period	Prior Period
Above Average	The borrower has a very strong financial structure	34%	35%
Average	The borrower has an intermediate level of financial structure	37%	35%
Under Average	The financial structure of the borrower has to be closely monitored in the medium term	11%	13%
Not Graded	The borrower is not assessed by the Bank	18%	17%
<b>Total</b>		<b>100%</b>	<b>100%</b>

**III. Explanations on Market Risk**

The amount subject to market risk is calculated and reported with the Standard Method described in Section 4 of the Communiqué on "Measurement and Assessment of Banks' Capital Adequacy" published in the Official Gazette No: 28337 dated June 28, 2012. Market risk is measured on a monthly basis.

## a) Explanations related to market risk:

	Amount
(I) Capital Requirement to be Employed For General Market Risk - Standard Method	11
(II) Capital Requirement to be Employed For Specific Risk - Standard Method	-
Capital Requirement to be Employed For Specific Risks of Securitization Positions- Standard Method	-
(III) Capital Requirement to be Employed For Currency Risk - Standard Method	1.119
(IV) Capital Requirement to be Employed For Commodity Risk - Standard Method	-
(V) Capital Requirement to be Employed For Settlement Risk - Standard Method	-
(VI) Total Capital Requirement to be Employed For Market Risk Resulting From Options - Standard Method	-
(VII) Capital Requirement to be Employed For Counterparty Credit Risks - Standard Method	423
(VIII) Total Capital Requirement to be Employed For Market Risk in Banks Using Risk Measurement Model	-
(IX) Total Capital Requirement to be Employed For Market Risk (I+II+III+IV+V+VI)	1.553
<b>(X) Value-At-Market Risk ((12.5*VIII) or (12.5*IX))</b>	<b>19.413</b>

## b) Average market risk table calculated at the end of each month in the current period:

	Current Period		
	Average	Maximum	Minimum
Interest Rate Risk (*)	12.083	33.963	-
Common Stock Risk	-	-	-
Currency Risk	23.260	37.988	5.913
Commodity Risk	-	-	-
Settlement Risk	-	-	-
Option Risk	-	-	-
Counterparty Credit Risk	2.672	5.292	591
<b>Total Value Subject to Risk</b>	<b>38.015</b>	<b>77.243</b>	<b>6.504</b>

(\*) The Bank calculates by considering market risk of revenue sharing certificates, forward and swap transactions.

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**SECTION FOUR (Cont'd)****INFORMATION ON FINANCIAL STRUCTURE (Cont'd)****III. Explanations on Market Risk (Cont'd)**

c) Other price risks:

The Bank does not have investments in equity shares; hence it is not subject to share price risk.

**Quantitative Information on Counterparty Risk:**

In counterparty credit risk calculations, the "Fair Value Methodology" is used according to the Appendix-2 Section 3 of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

In case of derivative transactions, the total of replacement costs and potential credit risks is considered as the exposure amount. The replacement costs are calculated valuing the contracts at their fair values and the potential credit risks are calculated multiplying the contract amounts with the credit conversion factors set in the appendix of the regulation. Cash guarantees are taken into consideration at the counterparty credit risk mitigation.

	Amount
Interest-Rate Contracts	-
Foreign-Exchange-Rate Contracts	5.292
Commodity Contracts	-
Equity-Shares Related Contracts	-
Other	-
Gross Positive Fair Values	-
Netting Benefits	-
Net Current Exposure Amount	-
Collaterals Received	-
Net Derivative Position	5.292

**IV. Explanations on Operational Risk**

The Bank calculates the amount subject to operational risk based on "Basic Indicator Method" by using 2011, 2010 and 2009 year end gross income balances of the Bank, in accordance with the Section 4 of the "Regulation Regarding Measurement and Evaluation of Banks' Capital Adequacy Ratio" published in the Official Gazette No: 28337 dated June 28, 2012, namely "The Calculation of the Amount Subject to Operational Risk".

	31.12.2009	31.12.2010	31.12.2011	Total/ No. of Years of Positive Gross Income	Rate (%)	Total
Basic Indicator Method						
Gross Income	972.762	914.088	949.956	945.602	15	141.840
Value at Operational Risk (Total * 12.5%)						1.773.004

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**SECTION FOUR (Cont'd)**

**INFORMATION ON FINANCIAL STRUCTURE (Cont'd)**

**V. Explanations on Currency Risk**

Foreign currency risk indicates the probability of loss that banks are subject to due to the exchange rate changes in the market. While calculating the share capital requirement, all foreign currency assets, liabilities and forward transactions of the Bank are taken into consideration and value at risk is calculated by using the standard method.

Currency risk is managed by considering internal currency limits that are designated as Bank's risk policies. Within the frame of legal limits defined by FC Net General Position / Equity Ratio and internal currency risk limits determined by Board of Directors, decisions are taken by Asset and Liability Committee meet periodically, take decisions for currency and parity risk hedge and those decisions are implemented strictly.

The Bank does not use any derivative instruments for hedging.

The Standard Method stated in the statutory reporting is used to measure the currency risk of the Bank. The risk measurements with the context of the Standard Method are performed on a monthly basis.

The announced current foreign exchange buying rates of the Bank as of December 31, 2012 and the previous five working days are as follows:

	December 31, 2012			
	US Dollar	Eur	Sterling	100 Japanese Yen
"FC Evaluation Rate" of the Bank	1,7826	2,3563	2,8775	2,0662
<u>Previously:</u>				
28.09.2012 (Day 1)	1,7829	2,3581	2,8762	2,0704
27.09.2012 (Day 2)	1,7848	2,3625	2,8805	2,0828
26.09.2012 (Day 3)	1,7877	2,3567	2,8428	2,1042
25.09.2012 (Day 4)	1,7893	2,3605	2,8865	2,1073
24.09.2012 (Day 5)	1,7869	2,3533	2,8910	2,1205

The simple arithmetic averages of the major current foreign exchange buying rates of the Bank for the thirty days before the balance sheet date are as follows; TRY 1,7788 per US Dollar, TRY 2,3317 per EUR, TRY 2,8680 per GBP and TRY 2,1235 per 100 JPY.

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**SECTION FOUR (Cont'd)**

**INFORMATION ON FINANCIAL STRUCTURE (Cont'd)**

**V. Explanations on Currency Risk (Cont'd)**

**Information on the Foreign Currency Risk of the Bank: Foreign Currencies (Thousand TRY)**

	EUR	USD	YEN	Other FC	Total
<b>Current Period - December 31, 2012</b>					
<b>Assets</b>					
Cash (Cash in TRY, Cash in Foreign Currency, Money in Transit, Cheques Purchased) and Balances with Central Bank of the Republic of Turkey	639.596	958.167	-	728.619	2.326.382
Due from Banks	71.697	284.363	2.607	21.830	380.497
Financial Assets at Fair Value Through Profit or Loss (**)	-	-	-	-	-
Money Market Placements	-	-	-	-	-
Financial Assets Available-for-Sale	-	-	-	-	-
Loans (*)	2.069.982	4.125.409	-	-	6.195.391
Subsidiaries, Associates and Entities Under Common Control	-	-	-	-	-
Held-to-Maturity Investments	-	-	-	-	-
Derivative Financial Assets for Hedging Purposes	-	-	-	-	-
Tangible Assets	-	-	-	-	-
Intangible Assets	-	-	-	-	-
Other Assets	1.455	8.453	-	979	10.887
<b>Total Assets</b>	<b>2.782.730</b>	<b>5.376.392</b>	<b>2.607</b>	<b>751.428</b>	<b>8.913.157</b>
<b>Liabilities</b>					
Current and Profit Sharing Accounts of Banks	10.465	29.296	491	164	40.416
Current and Profit Sharing Accounts	1.640.526	3.488.170	462	1.330.893	6.460.051
Money Market Borrowings	-	-	-	-	-
Funds Provided from Other Financial Institutions	672.628	1.127.227	-	15.548	1.815.403
Marketable Securities Issued	-	-	-	-	-
Sundry Creditors	220	1.297	-	40	1.557
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-	-
Other Liabilities (**)	12.685	46.814	71	1.349	60.919
<b>Total Liabilities</b>	<b>2.336.524</b>	<b>4.692.804</b>	<b>1.024</b>	<b>1.347.994</b>	<b>8.378.346</b>
Net Balance Sheet Position	446.206	683.588	1.583	(596.566)	534.811
Net Off-Balance Sheet Position	(443.559)	(685.702)	(1.464)	599.792	(530.933)
Financial Derivative Assets (***)	205.965	601.698	1.780	656.590	1.466.033
Financial Derivative Liabilities (***)	649.524	1.287.400	3.244	56.798	1.996.966
Non-Cash Loans (****)	1.385.748	2.719.768	32.197	69.867	4.207.580
<b>Prior Period - December 31, 2011</b>					
Total Assets	1.766.072	3.867.026	1.200	367.797	6.002.095
Total Liabilities	1.842.564	3.300.359	1.227	974.097	6.118.247
Net Balance Sheet Position	(76.492)	566.667	(27)	(606.300)	(116.152)
Net Off-Balance Sheet Position	77.106	(581.698)	38	607.267	102.713
Financial Derivative Assets	148.988	234.910	38	608.417	992.353
Financial Derivative Liabilities	71.882	816.608	-	1.150	889.640
Non-Cash Loans (****)	1.535.113	3.567.860	86.954	111.325	5.301.252

(\*) TRY 4.364.564 Thousand foreign currency indexed loans are included in loans line (December 31, 2011: TRY 2.919.385 Thousand).

(\*\*) In accordance with the principles of the Regulations on the "Measurement and Practices of Bank's Net Overall FX position Shareholders' Equity Ratio on a Consolidated and Unconsolidated Basis", general reserves recorded to expense accounts amounting to TRY 44.334 Thousand (December 31, 2011: TRY 15.111 Thousand) in assets and income accrual from derivative financial instruments amounting to TRY 7.895 Thousand (December 31, 2011 : TRY 1.250 Thousand) in liabilities and expense accrual from derivative financial instruments amounting to TRY 6.581 Thousand (December 31, 2011: TRY 11.715 Thousand), are not taken into consideration in the currency risk calculation.

(\*\*\*) TRY 397.852 Thousand forward asset purchase commitments are added to derivative financial assets and TRY 480.527 Thousand forward asset sale commitments are added to derivative financial liabilities (December 31, 2011: TRY 350.891 Thousand forward asset purchase commitments, and TRY 236.248 Thousand forward asset sale commitments ).

(\*\*\*\*) The related balances do not have any effect on off balance sheet position.



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**SECTION FOUR (Cont'd)****INFORMATION ON FINANCIAL STRUCTURE (Cont'd)****V. Explanations on Currency Risk (Cont'd)****Foreign Currency Sensitivity:**

The Bank is mainly exposed to USD and EUR currency risks.

The following table details the Bank's sensitivity to a 10% increase and decrease in the TRY against USD and EUR. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. A positive number indicates an increase in profit or loss and other equity in the case of short position and a decrease in the case of long position where the TRY strengthens against USD and EUR.

	Change in Currency Rate in %	Effect on Profit or Loss	
		Current Period	Prior Period
USD	10% increase	(211)	(1.503)
USD	10% decrease	211	1.503
EUR	10% increase	265	61
EUR	10% decrease	(265)	(61)

**VI. Explanations on Interest Rate Risk**

Since the Bank has interest-free banking operations, it does not have any interest sensitive asset or liability and consequently, it does not have any interest rate risk.

**VII. Explanations on Liquidity Risk**

In order to avoid the liquidity risk, the Bank diversifies its funding resources as customer deposits and foreign borrowings, considers the maturity match between assets and liabilities, focuses on strategies especially for the provision of long-term resources and retains its liquid assets in order to provide sufficient liquidity in any market fluctuations.

Maturity structure of TRY and FC deposits, cost and change in the total amount are monitored on daily basis by considering the past developments and future expectations.

The Bank's policy is to establish an asset structure that primarily meets all kinds of liabilities by using liquid resources. The Board of Directors of the Bank determines a standard for the liquidity ratios, and applies the standard on a regular basis in order to ensure.

Current Period	1st Term Period (Weekly)	2nd Term Period (Monthly)
Average (%)	135,92	113,02
Highest (%)	170,66	122,67
Lowest (%)	111,37	103,21

Prior Period	1st Term Period (Weekly)	2nd Term Period (Monthly)
Average (%)	135,72	110,28
Highest (%)	167,26	121,20
Lowest (%)	112,65	100,63

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**SECTION FOUR (Cont'd)**

**INFORMATION ON FINANCIAL STRUCTURE (Cont'd)**

**VII. Explanations on Liquidity Risk (Cont'd)**

**Presentation of Assets and Liabilities According to Their Maturities:**

<b>Current Period- December 31, 2012</b>	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>Over 5 Years</b>	<b>Undistributed (*)</b>	<b>Total</b>
<b>Assets</b>								
Cash (Cash in TRY, Cash in Foreign Currency, Money in Transit, Cheques Purchased) and Balances with Central Bank of the Republic of Turkey	956.317	1.733.279	-	-	-	-	-	2.689.596
Due from Banks	405.458	-	-	-	-	-	-	405.458
Financial Assets at Fair Value Through Profit or Loss	-	7.737	149	9	-	-	-	7.895
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	93	-	103.342	308.469	380.421	-	-	792.325
Loans (**)	-	2.578.506	2.167.487	5.782.814	5.028.022	528.339	-	16.085.168
Held-to-Maturity Investments	-	-	-	-	-	-	-	-
Other Assets	-	201.195	-	-	-	-	1.208.387	1.409.582
<b>Total Assets</b>	<b>1.361.868</b>	<b>4.520.717</b>	<b>2.270.978</b>	<b>6.091.292</b>	<b>5.408.443</b>	<b>528.339</b>	<b>1.208.387</b>	<b>21.390.024</b>
<b>Liabilities</b>								
Current and Profit Sharing Accounts of Banks	30.214	50.352	11.724	-	-	-	-	92.290
Current and Profit Sharing Accounts	3.144.801	6.423.551	1.817.505	3.970.595	293.116	-	-	15.649.568
Funds Provided from Other Financial Instruments	-	88.975	244.364	1.267.268	211.112	3.684	-	1.815.403
Money Market Borrowings	-	-	-	-	-	-	-	-
Marketable Securities Issued	-	-	-	-	-	-	-	-
Sundry Creditors	43.303	589.811	-	-	-	-	-	633.114
Other Liabilities (***)	-	425.559	-	53.814	-	-	2.720.276	3.199.649
<b>Total Liabilities</b>	<b>3.218.318</b>	<b>7.578.248</b>	<b>2.073.593</b>	<b>5.291.677</b>	<b>504.228</b>	<b>3.684</b>	<b>2.720.276</b>	<b>21.390.024</b>
<b>Net Liquidity Gap</b>	<b>(1.856.450)</b>	<b>(3.057.531)</b>	<b>197.385</b>	<b>799.615</b>	<b>4.904.215</b>	<b>524.655</b>	<b>(1.511.889)</b>	<b>-</b>
<b>Prior Period - December 31, 2011</b>								
Total Assets	1.231.557	2.703.841	1.755.390	4.759.717	5.119.880	528.231	1.091.483	17.190.099
Total Liabilities	3.150.813	5.170.544	1.001.904	4.650.151	728.259	32.573	2.455.855	17.190.099
<b>Net Liquidity Gap</b>	<b>(1.919.256)</b>	<b>(2.466.703)</b>	<b>753.486</b>	<b>109.566</b>	<b>4.391.621</b>	<b>495.658</b>	<b>(1.364.372)</b>	<b>-</b>

(\*)Asset items, such as tangible assets, investment in associates and subsidiaries, stationary supplies, prepaid expenses and non-performing loans which are required for banking operations and which cannot be converted to cash in short-term are included in this column.

(\*\*) Loans balance also includes Finance Lease Receivables balance.

(\*\*\*) Equity is presented in the "Undistributed" column under "Other Liabilities".

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**SECTION FOUR (Cont'd)****INFORMATION ON FINANCIAL STRUCTURE (Cont'd)****VII. Explanations on Liquidity Risk (Cont'd)****Analysis of Financial Liabilities Based on The Remaining Contractual Maturities :**

The table below is drawn up based on the undiscounted contractual maturities of the financial assets and liabilities. Profit share expenses to be paid on such liabilities are included in this table. "Adjustments" column indicates items that may lead to potential cash flows in the following period. These items are included in maturity analysis, but not included in the balance sheet value of such financial liabilities.

	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>Over 5 Years</b>	<b>Adjustments</b>	<b>Total</b>
<b>December 31, 2012</b>								
Funds Collected	3.175.015	6.473.903	1.829.229	3.970.595	293.116	-	-	15.741.858
Funds Borrowed	-	89.006	247.255	1.303.579	227.832	4.152	(56.421)	1.815.403
<b>Total</b>	<b>3.175.015</b>	<b>6.562.909</b>	<b>2.076.484</b>	<b>5.274.174</b>	<b>520.948</b>	<b>4.152</b>	<b>(56.421)</b>	<b>17.557.261</b>
<b>December 31, 2011</b>								
Funds Collected	3.121.232	4.212.955	935.086	3.628.191	499.579	-	-	12.397.043
Funds Borrowed	-	160.400	68.475	995.224	331.087	40.045	(137.401)	1.457.830
Money Market Borrowings	-	279.319	-	-	-	-	(112)	279.207
<b>Total</b>	<b>3.121.232</b>	<b>4.652.674</b>	<b>1.003.561</b>	<b>4.623.415</b>	<b>830.666</b>	<b>40.045</b>	<b>(137.513)</b>	<b>14.134.080</b>

**Analysis of Contractual Expiry by Maturity of The Bank's Derivative Financial Instruments:**

<b>Current Period</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>Over 5 Years</b>	<b>Total</b>
<b>Hedging Derivatives</b>	-	-	-	-	-	-
Fair Value Hedges	-	-	-	-	-	-
<b>Held for Trading Transactions</b>	<b>1.543.766</b>	<b>76.137</b>	<b>1.030</b>	-	-	<b>1.620.933</b>
Forward Sales Contracts	105.104	76.137	1.030	-	-	182.271
Swap Sales Contracts	1.438.662	-	-	-	-	1.438.662
<b>Total</b>	<b>1.543.766</b>	<b>76.137</b>	<b>1.030</b>	-	-	<b>1.620.933</b>

<b>Prior Period</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>Over 5 Years</b>	<b>Total</b>
<b>Hedging Derivatives</b>	-	-	-	-	-	-
Fair Value Hedges	-	-	-	-	-	-
<b>Held for Trading Transactions</b>	<b>662.842</b>	-	-	-	-	<b>662.842</b>
Forward Sales Contracts	-	-	-	-	-	-
Swap Sales Contracts	662.842	-	-	-	-	662.842
<b>Total</b>	<b>662.842</b>	-	-	-	-	<b>662.842</b>

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
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**SECTION FOUR (Cont'd)****INFORMATION ON FINANCIAL STRUCTURE (Cont'd)****VII. Explanations on Liquidity Risk (Cont'd)****Securitisation Positions:**

None.

**Credit Risk Mitigation Techniques:**

The Bank applies credit risk mitigation according to the comprehensive method that includes risk mitigation calculations considering the volatility-adjusted values of financial collaterals in compliance with the article 33 of the "Regulation on Credit Risk Mitigation Techniques".

In the credit risk mitigation, cash and cash equivalent items and high-credit-quality debt instruments are used.

The volatility adjustments regarding the receivables, collaterals and currency mismatch of the collaterals are made as per the standard volatility-adjustment approach defined in the article 37 of the above mentioned regulation.

In cases, where there are maturity mismatches resulting from shorter remaining life of collateral than of receivables, the value of collateral is considered as the volatility-adjusted value.

<b>Exposure Categories</b>	<b>Amount (*)</b>	<b>Financial Collateral</b>	<b>Other/Physical Collateral</b>	<b>Guaranties and Credit Derivatives</b>
Conditional and unconditional exposures to central governments or central banks	2.591.676	-	-	-
Conditional and unconditional exposures to regional governments or local authorities	367	171	-	-
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	59.076	215	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	1.431.509	6.239	-	4.575
Conditional and unconditional exposures to corporates	10.371.747	324.826	-	175.242
Conditional and unconditional retail exposures	6.409.204	104.029	-	30.543
Conditional and unconditional exposures secured by real estate property	7.347.133	117.602	-	2.372
Past due items	289.439	99.158	-	759
Items in regulatory high-risk categories	92.396	-	-	-
Exposures in the form of bonds secured by mortgages	-	-	-	-
Securitisation positions	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-
Other items	1.673.221	-	-	-

(\*) Includes total risk amounts before credit risk mitigation and liquidity conversions.

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
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**SECTION FOUR (Cont'd)**

**INFORMATION ON FINANCIAL STRUCTURE (Cont'd)**

**VII. Explanations on Liquidity Risk (Cont'd)**

**Risk Management Objectives and Policies:**

The Risk Management Strategy of the Bank includes the optimum allocation of the capital and the realisation of growth framework, maintaining risk-return balance, measuring the risks by methods in compliance with international standards and local regulations in parallel with its activities and under its sustainable and value creating growth strategy.

Risk management procedures aim to establish procedures and limits for risk policies set out for monitoring and controlling the risk return profile embedded in future cash flows and the nature and level of related operations and for amending such policies where required. Risk management procedures also aim to identify, measure, monitor and control such risks that the Bank is exposed to and to determine capital needs in relation to risk profiles.

The Bank explicitly identifies its risk management policies, procedures, limits and activities in accordance with its risk management system. For risk management and assessment, all required procedures for risk policies are identified by the Bank to keep up-to-date policies, comply with the changing conditions and to apply and manage such policies.

Consolidated and non-consolidated written policies and application procedures are set out to manage risks that the Bank is exposed to from its banking operations. The Banks's operating strategies, policies and procedures; compliance with operating volume, nature and complexity of operations; risk strategy and risk appetite; risk monitoring and management capability; past experience and performance; directors expertise; and legal requirements in Law and related legislation are considered in determining risk management policies and procedures. Risk management policies and procedures are required to comply with the changing conditions. The efficiency of risk management policies and procedures is reviewed periodically by the Board of Directors and required adjustments are made accordingly. Risk management policies and procedures also include the application of risk mitigation techniques.

Top management is responsible for complying with and developing risk management strategies, policies and procedures that are approved by the BOD; reporting significant risks to the BOD; reviewing internal control, internal audit and risk reports prepared for each units and eliminating any existing risks, deficiencies or errors or taking the required measures; and participating in the determination of risk limits.

Risk management procedures are determined by the BOD. Top management has a responsibility to the BOD in monitoring and managing inherent risks. Furthermore, Internal Control Center Department, Risk Management Department, Legislation and Compliance Department and Supervisory Board cooperate in coordination with each other separately from other executing units.

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
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**SECTION FOUR (Cont'd)**

**INFORMATION ON FINANCIAL STRUCTURE (Cont'd)**

**VII. Explanations on Liquidity Risk (Cont'd)**

**Risk Management Objectives and Policies (Cont'd):**

The Bank establishes written limits for digitized risks arising from its activities such as; credit risks, market risks, operational risks, and liquidity risks. Risk limits are determined based on the Bank's risk appetite, operations, size and complexity of its products by the respective top management including the Bank's Audit Committee, Risk Management Leader, and General Manager and these limits are approved by the BOD.

Risks are assessed by using a continuing developing structure which is established in accordance with international and local regulations, the Bank's policies and procedures and managed by using internationally accepted techniques.

In determining risk measurement methods and techniques, the nature, volume and complexity of the Bank's operations, the reason why the model or method is required, model or method assumptions, availability of data to be used, effectiveness of information systems and personnel experience are considered.

The validity and reliability of risk measurement models or techniques are determined by back testing using the existing results.

Risk measurement models or techniques are updated periodically to reflect the changing market conditions. The Bank performs consistent stress tests and scenario analysis for risk management. The results of stress tests and scenario analysis are reviewed regularly by the BOD and/or Top Management.

For risk management, hedging transactions are also managed by risk mitigation in addition to risk measurement, risk classification and risk provision procedures. For risk monitoring and management, Bank and market data is monitored on a continuous basis. In addition to statutory limits, internal limits are also established for risk classification purposes. The Bank also considers any potential changes arising from economic conditions as well as risks that may be exposed to due to stringent conditions.

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**SECTION FOUR (Cont'd)****INFORMATION ON FINANCIAL STRUCTURE (Cont'd)****VIII. Presentation of Financial Assets and Liabilities at Fair Value**

As the loan portfolio has fixed profit sharing rates, estimated fair value is calculated by using the discounted cash flows.

The table below summarizes the book value and fair value of the financial assets and liabilities. Book value is the sum of the acquisition value and accumulated profit share accruals.

	Book Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
<b>Financial Assets</b>	<b>19.423.667</b>	<b>15.717.596</b>	<b>19.537.316</b>	<b>15.695.447</b>
Banks and Other Financial Institutions (*)	2.546.174	1.719.526	2.546.174	1.719.526
Financial Assets Available For Sale	792.325	779.637	792.325	779.637
Held to Maturity Investments	-	77.053	-	77.282
Loans (**)	16.085.168	13.141.380	16.198.817	13.119.002
<b>Financial Liabilities</b>	<b>18.190.375</b>	<b>14.513.398</b>	<b>18.152.333</b>	<b>14.457.976</b>
Funds Collected From Banks (***)	92.290	117.559	92.290	117.559
Other Current and Profit Sharing Accounts (***)	15.649.568	12.279.484	15.649.568	12.279.484
Funds Provided From Other Financial Institutions	1.815.403	1.457.830	1.777.361	1.402.408
Sundry Creditors	633.114	379.318	633.114	379.318
Money Market Borrowings	-	279.207	-	279.207

(\*) As receivables from banks and other financial institutions are in short-term nature, their fair value approximates to their book value.

(\*\*) In order to calculate the fair value of loans, current profit sharing rates are used as of the balance sheet date. Loan balance also includes finance lease receivables. Fair values of loans are calculated under the assumption that all installments are distributed equally.

(\*\*\*) Book value of the funds collected approximates to their fair value as it is revalued with the year end unit values.

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
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(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated.)

**SECTION FOUR (Cont'd)**

**INFORMATION ON FINANCIAL STRUCTURE (Cont'd)**

**VIII. Presentation of Financial Assets and Liabilities at Fair Value (Cont'd)**

The following table shows an analysis of financial instruments recorded at fair value, between those whose fair value is recorded on quoted market prices, those involving valuation techniques where all model inputs are observable in the market and, those where the valuation techniques involves the use of non observable inputs:

<b>December 31, 2012</b>	1st Level TRY	2nd Level TRY	3rd Level TRY
<b>Financial Assets</b>			
Financial Assets at Fair Value Through Profit or Loss	-	7.895	-
Financial Assets Available for Sale	688.888	103.344	-
<b>Total</b>	<b>688.888</b>	<b>111.239</b>	<b>-</b>
<b>Financial Liabilities</b>			
Financial Liabilities at Fair Value Through Profit or Loss	-	6.581	-
Other Financial Liabilities	-	-	-
<b>Total</b>	<b>-</b>	<b>6.581</b>	<b>-</b>

<b>December 31, 2011</b>	1st Level TRY	2nd Level TRY	3rd Level TRY
<b>Financial Assets</b>			
Financial Assets at Fair Value Through Profit or Loss	-	1.250	-
Financial Assets Available For Sale	399.250	380.294	-
<b>Total</b>	<b>399.250</b>	<b>381.544</b>	<b>-</b>
<b>Financial Liabilities</b>			
Financial Liabilities at Fair Value Through Profit or Loss	-	11.715	-
Other Financial Liabilities	-	-	-
<b>Total</b>	<b>-</b>	<b>11.715</b>	<b>-</b>

**IX. Explanations Related to Transactions Carried out on Behalf of Other Parties and Fiduciary Assets**

The Bank does not deal with fiduciary operations or transactions made on behalf of other.



**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

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**SECTION FIVE****EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS****I. Explanations and Disclosures Related to the Assets****1. Information on Cash and Balances with Central Bank of the Republic of Turkey****1.1. Information on Cash:**

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Cash in TRY/ Foreign Currency	167.380	380.183	113.521	204.602
Central Bank of the Republic of Turkey	194.650	1.946.066	412.559	947.602
Other	1.184	133	1.347	21
<b>Total</b>	<b>363.214</b>	<b>2.326.382</b>	<b>527.427</b>	<b>1.152.225</b>

**1.2. Information on Central Bank of the Republic of Turkey Accounts:**

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Unrestricted Demand Deposit	194.650	212.787	412.559	149.823
Unrestricted Time Deposit	-	-	-	-
Restricted Time Deposit	-	-	-	-
Other (*)	-	1.733.279	-	797.779
<b>Total</b>	<b>194.650</b>	<b>1.946.066</b>	<b>412.559</b>	<b>947.602</b>

(\*)Stands for the reserve deposit kept in Central Bank of the Republic of Turkey in relation to foreign currency liabilities.

According to the communiqué No: 2005/1 on "Reserve Deposits", the banks operating in Turkey are required to keep reserve deposit at the rates varying from 5% to 11,5% for TRY liabilities and at the rates varying from 6% to 12,5% for foreign currency liabilities mainly denominated in US Dollar, Euro and Standard Gold depending on the maturity of the liabilities. Profit share has not been paid for reserve deposits.

**2. Information on Financial Assets at Fair Value through Profit or Loss****2.1. Information on Financial Assets at Fair Value through Profit or Loss Blocked/Given as Collateral or Subject to Repurchase Agreements:**

None.

**2.2. Positive Differences Related to Derivative Financial Assets Held for Trading:**

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Forward Transactions (*)	-	1.379	-	1.121
Swap Transactions	-	6.516	-	129
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>-</b>	<b>7.895</b>	<b>-</b>	<b>1.250</b>

(\*) Includes forward asset purchase/sale commitments.

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
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**SECTION FIVE (Cont'd)**

**EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS  
(Cont'd)**

**I. Explanations and Disclosures Related to the Assets (Cont'd)**

**3. Information on Banks**

**3.1. Information on Banks and Other Financial Institutions:**

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Banks	24.961	380.497	15.882	343.483
Domestic	24.961	101.571	15.882	261.685
Foreign	-	278.926	-	81.798
Branches and Head Office Abroad	-	-	-	-
<b>Total</b>	<b>24.961</b>	<b>380.497</b>	<b>15.882</b>	<b>343.483</b>

**3.2. Information on Foreign Bank Accounts:**

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
European Union Countries	58.403	24.905	-	-
USA, Canada	118.169	36.866	-	-
OECD Countries (*)	2.466	9.041	-	-
Off-Shore Banking Regions	21	39	-	-
Other	99.867	1.174	-	9.773
<b>Total</b>	<b>278.926</b>	<b>72.025</b>	<b>-</b>	<b>9.773</b>

(\*) OECD countries other than European Union countries, USA and Canada.

**4. Information on Financial Assets Available for Sale**

**4.1. Information on Financial Assets Available for Sale Blocked/Given as Collateral or Subject to Repurchase Agreements:**

**4.1.1. Information on Financial Assets Available For Sale Given as Collateral or Blocked:**

None.

**4.1.2. Information on Financial Assets Available for Sale Subject to Repurchase Agreements:**

None (December 31, 2011: The Bank has revenue sharing certificates in "Available for Sale Financial Assets" portfolio which are subject to repurchase agreements with the Central Bank of the Republic of Turkey amounting to TRY 322.459 Thousand nominal value and TRY 325.712 Thousand fair value).

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
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**SECTION FIVE (Cont'd)****EXPLANATIONS AND DISCLOSURES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)****I. Explanations and Disclosures Related to the Consolidated Assets (Cont'd)****4. Information on Financial Assets Available for Sale (Cont'd)****4.2. Information on Financial Assets Available for Sale:**

As of December 31, 2012, the Bank has revenue sharing certificate which has TRY 400.000 Thousand nominal value (December 31, 2011: TRY 775.000 Thousand) and TRY 411.811 Thousand fair value at "Available for Sale Financial Assets" portfolio (December 31, 2011: TRY 779.544 Thousand) and has sukuk to TRY 365.319 Thousand nominal value and TRY 380.421 Thousand fair value (December 31, 2011: None).

	Current Period	Prior Period
Debt Securities	792.232	783.294
Quoted on a Stock Exchange	688.888	399.250
Not Quoted (*)	103.344	384.044
Share Certificates	93	93
Quoted on a Stock Exchange	-	-
Not Quoted	93	93
Impairment (-)	-	(3.750)
<b>Total</b>	<b>792.325</b>	<b>779.637</b>

(\*) Includes debt securities that are not traded in the stock market at the end of the related periods although they are listed.

**5. Information on Loans****5.1. Information on All Types of Loans and Advances Given to Shareholders and Employees of the Bank:**

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	55.863	9.082	57.567	2.565
Corporate Shareholders	1.941	2.471	22.986	1.870
Real Person Shareholders	53.922	6.611	34.581	695
Indirect Loans Granted to Shareholders	151.337	52.164	148.505	162.080
Loans Granted to Employees	16.590	118	14.291	118
<b>Total</b>	<b>223.790</b>	<b>61.364</b>	<b>220.363</b>	<b>164.763</b>

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
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**SECTION FIVE (Cont'd)**

**EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS  
(Cont'd)**

**I. Explanations and Disclosures Related to the Assets (Cont'd)**

**5. Information on Loans (Cont'd)**

**5.2. Information on First and Second Group Loans and Other Receivables Including Restructured or Rescheduled Loans:**

Cash Loans	Standard Loans and Other Receivables			Closely Monitored Loans and Other Receivables (*)		
	Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms		Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms	
Loans		Extension of Repayment Plan	Other Changes		Extension of Repayment Plan	Other
Export Loans	175.248	1.772	-	3.307	24.847	-
Import Loans	158.144	-	-	-	-	-
Business Loans	9.951.241	1.222	-	479.024	379.567	-
Consumer Loans	2.077.719	204	-	23.297	1.575	-
Credit Cards	1.435.079	2.403	-	11.087	1.084	-
Loans Given to Financial Sector	7.723	-	-	-	-	-
Others	883.944	14.554	-	105.238	65.019	-
Other Receivables	-	-	-	-	-	-
<b>Total</b>	<b>14.689.098</b>	<b>20.155</b>	<b>-</b>	<b>621.953</b>	<b>472.092</b>	<b>-</b>

(\*) In addition to the balances mentioned in the table above, the Bank has TRY 4.519 Thousand of closely monitored finance lease receivables (December 31, 2011: TRY 1.384 Thousand).

No. of Extensions	Standard Loans and Other Receivables	Closely Monitored Loans and Other Receivables
1 or 2 times	20.155	472.092
3, 4 or 5 times	-	-
Over 5 times	-	-

Extention Periods (*)	Standard Loans and Other Receivables	Closely Monitored Loans and Other Receivables
0 - 6 months	3.612	16.719
6 - 12 months	370	51.657
1 - 2 years	187	117.782
2 - 5 years	15.925	285.934
5 years and over	61	-

(\*) Extention periods are prepared using the average maturity.

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
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**SECTION FIVE (Cont'd)**

**EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS  
(Cont'd)**

**I. Explanations and Disclosures Related to the Assets (Cont'd)**

**5. Information on Loans (Cont'd)**

**5.3. Loan Distribution Based on the Maturity Structure:**

	Standard Loans and Other Receivables			Closely Monitored Loans and Other Receivables		
	Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms		Loans and Other Receivables (Total)	Loans and Receivables with Revised Contract Terms	
		Extension of Repayment Plan	Other		Extension of Repayment Plan	Other
<b>Short-Term Loans and Other Receivables</b>	<b>5.227.397</b>	<b>17.233</b>	-	<b>167.333</b>	<b>17.829</b>	-
Loans	5.227.397	17.233	-	167.333	17.829	-
Other Receivables	-	-	-	-	-	-
<b>Medium-Term and Long-Term Loans and Other Receivables</b>	<b>9.461.701</b>	<b>2.922</b>	-	<b>454.620</b>	<b>454.263</b>	-
Loans	9.461.701	2.922	-	454.620	454.263	-
Other Receivables	-	-	-	-	-	-

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
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**SECTION FIVE (Cont'd)**

**EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS  
(Cont'd)**

**I. Explanations and Disclosures Related to the Assets (Cont'd)**

**5. Information on Loans (Cont'd)**

**5.4. Information on Consumer Loans, Retail Credit Cards, Loans Given to Personnel and Personnel Credit Cards:**

	Short Term	Medium-term and Long-term	Total
<b>Consumer Loans-TRY</b>	<b>4.858</b>	<b>2.088.133</b>	<b>2.092.991</b>
Housing Loans	1.087	1.984.496	1.985.583
Vehicle Loans	881	96.684	97.565
Consumer Loans	170	6.953	7.123
Other	2.720	-	2.720
<b>Consumer Loans-FC Indexed</b>	<b>-</b>	<b>1.759</b>	<b>1.759</b>
Housing Loans	-	1.735	1.735
Vehicle Loans	-	-	-
Consumer Loans	-	24	24
Other	-	-	-
<b>Consumer Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Retail Credit Cards-TRY</b>	<b>1.371.422</b>	<b>25.977</b>	<b>1.397.399</b>
With Installments	590.481	25.977	616.458
Without Installment	780.941	-	780.941
<b>Retail Credit Cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With Installments	-	-	-
Without Installment	-	-	-
<b>Personnel Loans-TRY</b>	<b>128</b>	<b>7.917</b>	<b>8.045</b>
Housing Loans	6	3.103	3.109
Vehicle Loans	111	4.345	4.456
Consumer Loans	11	469	480
Other	-	-	-
<b>Personnel Loans-FC Indexed</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Personnel Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Personnel Credit Cards-TRY</b>	<b>8.271</b>	<b>274</b>	<b>8.545</b>
With Installments	3.902	274	4.176
Without Installment	4.369	-	4.369
<b>Personnel Credit Cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With Installments	-	-	-
Without Installment	-	-	-
<b>Overdraft Account-TRY (Individuals)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Overdraft Account-FC (Individuals)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1.384.679</b>	<b>2.124.060</b>	<b>3.508.739</b>

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
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(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated.)

**SECTION FIVE (Cont'd)**

**EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS  
(Cont'd)**

**I. Explanations and Disclosures Related to the Assets (Cont'd)**

**5. Information on Loans (Cont'd)**

**5.5. Information on Installment Basis Commercial Loans and Corporate Credit Cards:**

	Short Term	Medium-term and Long term	Total
<b>Installment Basis Commercial Loans-TRY</b>	<b>87.134</b>	<b>224.959</b>	<b>312.093</b>
Business Loans	13.079	41.149	54.228
Vehicle Loans	8	5.185	5.193
General Purpose Loans	-	178.625	178.625
Other	74.047	-	74.047
<b>Installment Basis Commercial Loans-FC Indexed</b>	<b>11.119</b>	<b>164.893</b>	<b>176.012</b>
Business Loans	11.119	29.312	40.431
Vehicle Loans	-	-	-
General Purpose Loans	-	135.581	135.581
Other	-	-	-
<b>Installment Basis Commercial Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Business Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Corporate Credit Cards-TRY</b>	<b>43.539</b>	<b>170</b>	<b>43.709</b>
With Installments	2.118	170	2.288
Without Installment	41.421	-	41.421
<b>Corporate Credit Cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With Installments	-	-	-
Without Installment	-	-	-
<b>Overdraft Account-TRY(Corporate)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Overdraft Account-FC (Corporate)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>141.792</b>	<b>390.022</b>	<b>531.814</b>

**5.6. Allocation of Loans According to Borrowers:**

	Current Period	Prior Period
Public Sector	904	1.183
Private Sector	15.802.394	12.842.446
<b>Total</b>	<b>15.803.298</b>	<b>12.843.629</b>

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
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(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated.)

**SECTION FIVE (Cont'd)**
**EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS  
(Cont'd)**
**I. Explanations and Disclosures Related to the Assets (Cont'd)****5. Information on Loans (Cont'd)****5.7. Domestic and Foreign Loans:**

	Current Period	Prior Period
Domestic Loans	15.278.257	12.315.468
Foreign Loans	525.041	528.161
<b>Total</b>	<b>15.803.298</b>	<b>12.843.629</b>

**5.8. Loans Granted to Subsidiaries and Associates:**

	Current Period	Prior Period
Loans Granted to Subsidiaries and Associates Directly	179.214	107.795
Loans Granted to Subsidiaries and Associates Indirectly	-	-
<b>Total</b>	<b>179.214</b>	<b>107.795</b>

**5.9. Specific Provisions Provided Against Loans:**

	Current Period	Prior Period
Loans and Receivables with Limited Collectability	9.631	40.541
Loans and Receivables with Doubtful Collectability	47.452	62.435
Uncollectible Loans and Receivables	369.616	202.612
<b>Total</b>	<b>426.699</b>	<b>305.588</b>

**5.10. Information on Non-Performing Loans (Net):**
**5.10.1. Information on Loans and Other Receivables included in the Non-Performing Loans which are  
Restructured or Rescheduled:**

	III Group Loans and Receivables with Limited Collectability	IV Group Loans and Receivables with Doubtful Collectability	V Group Uncollectible Loans and Receivables
<b>Current Period</b>			
<b>(Gross Amount Before Specific Provision)</b>	<b>9.682</b>	<b>12.022</b>	<b>8.954</b>
Restructured Loans and Other Receivables	1.983	779	22
Rescheduled Loans and Other Receivables	7.699	11.243	8.932
<b>Prior Period</b>			
<b>(Gross Amount Before Specific Provision)</b>	<b>10.751</b>	<b>13.290</b>	<b>1.700</b>
Restructured Loans and Other Receivables	962	1.468	272
Rescheduled Loans and Other Receivables	9.789	11.822	1.428



**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
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**SECTION FIVE (Cont'd)**
**EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS  
(Cont'd)**
**I. Explanations and Disclosures Related to the Assets (Cont'd)****5. Information on Loans (Cont'd)****5.10. Information on Non-Performing Loans (Net) (Cont'd):****5.10.2. Information on Movement of Non-Performing Loans:**

	III Group	IV Group	V Group
	Loans and Receivables with Limited Collectability	Loans and Receivables with Doubtful Collectability	Uncollectible Loans and Receivables
<b>Ending Balance of Prior Period</b>	<b>211.276</b>	<b>146.824</b>	<b>257.630</b>
Additions in the Current Period (+)	332.665	9.390	20.384
Transfer from Other NPL Accounts (+)	-	422.515	377.135
Transfer to Other NPL Accounts (-)	(422.515)	(377.135)	-
Collections in the Current Period (-)	(57.576)	(67.292)	(45.394)
Write-offs (-)	-	-	(158.986)
Corporate and Commercial Loans	-	-	(123.593)
Retail Loans	-	-	(2.516)
Credit Cards	-	-	(32.877)
Other	-	-	-
<b>Ending Balance of the Current Period</b>	<b>63.850</b>	<b>134.302</b>	<b>450.769</b>
Specific Provisions (-)	(9.631)	(47.452)	(369.616)
<b>Net Balance at the Balance Sheet</b>	<b>54.219</b>	<b>86.850</b>	<b>81.153</b>

**5.10.3. Information on Foreign Currency Non-Performing Loans and Other Receivables:**

	III Group	IV Group	V Group
	Loans and Receivables with Limited Collectability	Loans and Receivables with Doubtful Collectability	Uncollectible Loans and Receivables
<b>Current Period</b>			
Ending Balance	-	-	1.317
Specific Provisions (-)	-	-	(1.312)
<b>Net Balance at the Balance Sheet</b>	<b>-</b>	<b>-</b>	<b>5</b>
<b>Prior Period</b>			
Ending Balance	-	-	1.697
Specific Provisions (-)	-	-	(1.257)
<b>Net Balance at the Balance Sheet</b>	<b>-</b>	<b>-</b>	<b>440</b>

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
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**SECTION FIVE (Cont'd)****EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Cont'd)****I. Explanations and Disclosures Related to the Assets (Cont'd)****5. Information on Loans (Cont'd):****5.10. Information on Non-Performing Loans (Net) (Cont'd):****5.10.4. Gross and Net Amounts of Non-Performing Loans with Respect to User Groups:**

	Group III	Group IV	Group V
	Loans and Receivables with Limited Collectability	Loans and Receivables with Doubtful Collectability	Uncollectible Loans and Receivables
<b>Current Period (Net)</b>			
Loans to Individuals and Corporates (Gross)	63.850	134.302	450.769
Specific Provisions (-)	(9.631)	(47.452)	(369.616)
<b>Loans to Individuals and Corporates (Net)</b>	<b>54.219</b>	<b>86.850</b>	<b>81.153</b>
Banks (Gross)	-	-	-
Specific Provisions (-)	-	-	-
<b>Banks (Net)</b>	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provisions (-)	-	-	-
<b>Other Loans and Receivables (Net)</b>	-	-	-
<b>Prior Period (Net)</b>			
Loans to Individuals and Corporates (Gross)	211.276	146.824	257.630
Specific Provisions (-)	(40.541)	(62.435)	(202.612)
<b>Loans to Individuals and Corporates (Net)</b>	<b>170.735</b>	<b>84.389</b>	<b>55.018</b>
Banks (Gross)	-	-	-
Specific Provisions (-)	-	-	-
<b>Banks (Net)</b>	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provisions (-)	-	-	-
<b>Other Loans and Receivables (Net)</b>	-	-	-

**5.10.5. Non-Performing Loans and Main Guidelines of Liquidation Process for Loans and Receivables:**

If the Bank has collateral components stated in Article 9 of the Communiqué on "Determining the Nature of Loan and Other Receivable Provisions Allocated by Banks and Procedures and Principles of Allocating Provisions", such components are immediately liquidated by applying managerial or legal procedures. In the absence of collateral component, even if there is an indication of insolvency, the Bank reviews the financial intelligence of the debtor systematically to determine subsequently acquired property holdings and applies the legal procedures.

Prior and subsequent to the legal procedures, as a result of reviews performed regarding the financial information provided, the Bank intends to liquidate its loans and other receivables from the companies that have potential development in the production and consequent contribution to the economy by means of the rescheduled agreements.

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
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**SECTION FIVE (Cont'd)****EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Cont'd)****I. Explanations and Disclosures Related to the Assets (Cont'd)****5. Information on Loans (Cont'd):****5.10. Information on Non-Performing Loans (Net) (Cont'd):****5.10.6. Explanation on Write-off Policy:**

The Bank provides provisions for non-performing loans and doubtful receivables in accordance with Regulation on the Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be Set Aside published by the Banking Regulations and Supervision Agency.

Non-performing loans and doubtful receivables meeting at least one of the following criteria and for which provision was set aside fully are written off in accordance with the decision made by the Board of Directors.

- Receivables with the evidence of insolvency,
- Receivables with the document obtained from Collections Agency stating that the receivable cannot be followed up or;
- Receivables assessed as uncollectible within existing conditions by the Law Department although the collection follow up process is going on.

Write-off process is made in the appropriate periods which is determined by the Board of Directors.

**5.11. Other Explanations and Disclosures:**

The information related to loan quality is stated as below:

<b>Current Period – December 31, 2012</b>	<b>Neither past due nor Impaired</b>	<b>Past due but not Impaired</b>	<b>Past due and Impaired</b>	<b>Total</b>
Loans (*)				
Corporate and Commercial Lending	6.231.200	806.802	319.826	7.357.828
Small Business Lending	4.962.648	250.200	255.042	5.467.890
Consumer Lending	2.077.923	24.872	7.992	2.110.787
Credit Cards	1.437.482	12.171	66.061	1.515.714
<b>Total</b>	<b>14.709.253</b>	<b>1.094.045</b>	<b>648.921</b>	<b>16.452.219</b>

(\*) The Bank classifies small medium entities ("SME") considering the criteria set out in the Council of Ministers' decision dated November 04, 2012 and numbered 28457 published in the Official Gazette and the Communiqué on "Descriptions, Nature and Classification of Small Medium Entities".

<b>Prior Period – December 31, 2011</b>	<b>Neither past due nor Impaired</b>	<b>Past due but not Impaired</b>	<b>Past due and Impaired</b>	<b>Total</b>
Loans (*)				
Corporate and Commercial Lending	5.496.990	385.712	287.399	6.170.101
Small Business Lending	3.881.933	512.141	263.544	4.657.618
Consumer Lending	1.616.278	13.240	7.009	1.636.527
Credit Cards	929.635	7.700	57.778	995.113
<b>Total</b>	<b>11.924.836</b>	<b>918.793</b>	<b>615.730</b>	<b>13.459.359</b>

(\*) The Bank classifies small medium entities ("SME") considering the criteria set out in the Council of Ministers' decision dated November 18, 2005 and numbered 25997 published in the Official Gazette and the Communiqué on "Descriptions, Nature and Classification of Small Medium Entities".

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**SECTION FIVE (Cont'd)**
**EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS  
(Cont'd)**
**I. Explanations and Disclosures Related to the Assets (Cont'd)****5. Information on Loans (Cont'd)****5.11. Other Explanations and Disclosures (Cont'd):**

The details of loan guarantees and leasing portfolio are stated as below:

<b>Current Period (*) (**) (***)</b>	<b>Neither past due nor Impaired</b>	<b>Past due but not Impaired</b>	<b>Past due and Impaired</b>	<b>Total</b>
Residential, Commercial or Industrial Real Estates	6.556.600	322.872	299.133	7.178.605
Financial Assets	462.215	69.158	15.000	546.373
Other	1.776.657	164.934	40.703	1.982.294
<b>Total</b>	<b>8.795.472</b>	<b>556.964</b>	<b>354.836</b>	<b>9.707.272</b>

(\*) Individual loan agreements, general loan agreements, foreign currency cheques, suretyships, customer cheques and notes and other guarantees are not included in the table above.

(\*\*) The table above is prepared by taking into consideration the lowest value presented as a result of the comparison made between the outstanding loan balance as of the balance sheet date and the lower of the net amount reached at the fair value of collaterals stated in the corresponding expertise reports or the net collateral amount less any pledges or incumbrances on such amounts, if any.

(\*\*\*) Guarantee details of the credit portfolio are determined based on the "Measurement and Assessment of Capital Adequacy of Banks" published on November 1, 2006 in the Official Gazette numbered 26333.

<b>Prior Period (*) (**) (***)</b>	<b>Neither past due nor Impaired</b>	<b>Past due but not Impaired</b>	<b>Past due and Impaired</b>	<b>Total</b>
Residential, Commercial or Industrial Real Estates	4.812.274	365.376	99.616	5.277.266
Financial Assets	516.885	113.870	15.500	646.255
Other	1.392.830	168.083	120.786	1.681.699
<b>Total</b>	<b>6.721.989</b>	<b>647.329</b>	<b>235.902</b>	<b>7.605.220</b>

(\*) Individual loan agreements, general loan agreements, foreign currency cheques, surety ships, customer cheques and notes and other guarantees are not included in the table above.

(\*\*) The table above is prepared by taking into consideration the lowest value presented as a result of the comparison made between the outstanding loan balance as of the balance sheet date and the lower of the net amount reached at the fair value of collaterals stated in the corresponding expertise reports or the net collateral amount less any pledges or incumbrances on such amounts, if any.

(\*\*\*) Guarantee details of the credit portfolio are determined based on the "Measurement and Assessment of Capital Adequacy of Banks" published on November 1, 2006 in the Official Gazette numbered 26333.

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
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**SECTION FIVE (Cont'd)**
**EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS  
(Cont'd)**
**I. Explanations and Disclosures Related to the Assets (Cont'd)****5. Information on Loans (Cont'd)****5.11. Other Explanations and Disclosures (Cont'd):**

Aging analysis of past due but not impaired loans per classes of financial statements is stated as below:

<b>Current Period – December 31, 2012</b>	<b>Less than 30 Days (*)</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>More than 90 Days</b>	<b>Total</b>
Loans and Advances to Customers					
Corporate Lending	346.847	291.678	168.277	-	806.802
SME Lending	31.788	78.006	140.406	-	250.200
Consumer Lending	1.325	15.553	7.994	-	24.872
Credit Cards	735	10.892	544	-	12.171
Finance Lease Receivables	517	2.193	1.810	-	4.520
<b>Total</b>	<b>381.212</b>	<b>398.322</b>	<b>319.031</b>	<b>-</b>	<b>1.098.565</b>

(\*) The Bank follows up the entire loan balance overdue less than 30 days within the closely monitored loans based on conservatism principal and TRY 211.324 Thousand of such amount is not overdue as of December 31, 2012 (Finance Lease Receivable TRY 4.519 Thousand).

<b>Prior Period – December 31, 2011</b>	<b>Less than 30 Days (*)</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>More than 90 Days</b>	<b>Total</b>
Loans and Advances to Customers					
Corporate Lending	304.216	61.091	20.405	-	385.712
SME Lending	388.047	49.282	74.812	-	512.141
Consumer Lending	2.126	6.729	4.385	-	13.240
Credit Cards	1.730	5.970	-	-	7.700
Finance Lease Receivables	1.384	-	-	-	1.384
<b>Total</b>	<b>697.503</b>	<b>123.072</b>	<b>99.602</b>	<b>-</b>	<b>920.177</b>

(\*) The Bank follows up the entire loan balance overdue less than 30 days within the closely monitored loans based on conservatism principal and TRY 621.618 Thousand of such amount is not overdue as of December 31, 2011 (Finance Lease Receivable TRY 1.384 Thousand).

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

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**SECTION FIVE (Cont'd)****EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Cont'd)****I. Explanations and Disclosures Related to the Assets (Cont'd)****6. Information on Held to Maturity Investments (Net)****6.1. Information on Financial Assets Blocked/Given as Collateral or Subject to Repurchase Agreements:****6.1.1. Information on Held to Maturity Investments Given as Collateral or Blocked:**

None.

**6.1.2. Held to Maturity Investments Subject to Repurchase Agreements:**

None.

**6.2. Information on Government Debt Securities Classified as Held to Maturity Investments:**

Held-to-maturity investments of the Bank in the prior period were redeemed during the current period (December 31, 2011: TRY 77.053 Thousand).

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Government Bonds	-	-	-	-
Treasury Bills	-	-	-	-
Other Public Debt Securities	-	-	77.053	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>77.053</b>	<b>-</b>

**6.3. Information on Held to Maturity Investments:**

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Debt Securities	-	-	77.053	-
Quoted on a Stock Exchange	-	-	51.446	-
Not Quoted (*)	-	-	25.607	-
Impairment Provision (-)	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>77.053</b>	<b>-</b>

(\*) Includes debt securities that are not traded in the stock market at the end of the related periods although they are listed.

**6.4. Movement of Held to Maturity Investments:**

	Current Period	Prior Period
Beginning Balance	77.053	77.032
Foreign Currency Differences on Monetary Assets	-	-
Purchases During the Period	-	-
Disposals through Sales and Redemptions	(77.000)	-
Impairment Provision (-)	-	-
Valuation Effect	(53)	21
<b>Closing Balance</b>	<b>-</b>	<b>77.053</b>

# ASYA KATILIM BANKASI A.Ş.

## NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

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

### SECTION FIVE (Cont'd)

### EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

#### I. Explanations and Disclosures Related to the Assets (Cont'd)

#### 7. Information on Associates

##### 7.1. Information on Associates:

	Company Name	Address (City/Country)	Bank's Share Percentage, If Different- Voting Percentage (%)	Bank's Risk Group Share Percentage (%)
(1)	Yeni Mağazacılık A.Ş. (*)	İstanbul / Turkey	21,84%	21,84%
(2)	Landmark Holding A.Ş. (*)	İstanbul / Turkey	21,84%	21,84%
(3)	Tamweel Holding S.A. (**)	Dakar / Senegal	40,00%	40,00%
(4)	Kredi Garanti Fonu A.Ş.	Ankara / Turkey	1,75%	1,75%

(\*) The Bank participated in Yeni Mağazacılık A.Ş. and Landmark Holding A.Ş. with the Financing Method for Participation Banks explained in the regulation No: 19 regarding "Banks' Lending Transactions" published and became effective in the Official Gazette numbered 26333, dated November 1, 2006 by means of joint investment method. These are recorded as associates in accordance with the Uniform Chart of Accounts published in the Official Gazette numbered 26415 and dated January 26, 2007.

(\*\*) As of February 4, 2010, the Bank has paid for TRY 21.548 Thousand and as a consequence, became owner of 40% of Tamweel Africa Holding S.A. that is owned by the Islamic Corporation for the Development of the Private Sector ("ICD") which is a group establishment of the Islamic Development Bank ("IDB") and has paid TRY 9.077 Thousand, TRY 4.900 Thousand and TRY 10.883 Thousand for capital increase respectively on June 8, 2010, October 3, 2011 and March 8, 2012. As of the reporting date capital registry process has not been finalized yet.

	Total Assets	Equity	Total Fixed Assets	Profit Share Income	Income from Marketable Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
(1)(*)	348.679	(210.097)	110.052	-	-	(93.279)	(93.799)	(****) 175.277
(2)(*)	43.438	43.202	-	-	-	(29)	(192)	(*****) 56.966
(3)(**)	780.612	137.837	20.466	22.870	-	12.060	13.158	-
(4)(***)	247.800	242.307	3.113	8.322	1	6.695	7.665	-

(\*) Financial information is provided from the associate's unaudited statements as of December 31, 2012.

(\*\*) Financial information is provided from the associate's reviewed statements as of September 30, 2012.

(\*\*\*) Financial information is provided from the associate's unreviewed statements as of September 30, 2012.

(\*\*\*\*) It is the expertise value of the Bank's associate, Yeni Mağazacılık A.Ş., as of February 4, 2010.

(\*\*\*\*\*) It is the expertise value of the Bank's associate, Landmark Holding A.Ş. as of February 9, 2010.

##### 7.2. Movement of Associates:

	Current Period	Prior Period
<b>Balance at the Beginning of the Period</b>	<b>96.873</b>	<b>86.606</b>
Movements in Period	12.094	10.267
Purchases	12.094	10.267
Bonus Shares Obtained	-	-
Dividends from Current Period Income	-	-
Sales	-	-
Revaluation Increase	-	-
Provision for Diminution in Value	-	-
<b>Balance at the End of the Period</b>	<b>108.967</b>	<b>96.873</b>
Capital Commitments	-	1.000
<b>Share Percentage at the End of the Period (%)</b>	<b>1,75% - 40,00%</b>	<b>1,75% - 40,00%</b>

**ASYA KATILIM BANKASI A.Ş.****NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
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**SECTION FIVE (Cont'd)****EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS  
(Cont'd)****I. Explanations and Disclosures Related to the Assets (Cont'd)****7. Information on Associates (Cont'd)****7.3. Sectoral Information on the Investments in Associates and the Related Carrying Amounts:**

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Subsidiaries	108.967	96.873

**8. Information on Subsidiaries (Net)****8.1. Information on capital adequacies of major subsidiaries:**

	Işık Sigorta A.Ş.	Tuna Gayrimenkul Yatırım Ortaklığı A.Ş.
Paid-in Capital	60.000	100.297
Legal reserves	1.833	-
Extraordinary reserves	8.261	-
Another Reserves	164	23.855
Profit/Loss	4.618	(8.967)
Prior Period Profit/Loss	-	(10.371)
Net Income	4.618	1.404
Leasehold Improvements on Operational Leases (-)	-	-
Intangible Assets (-)	-	-
<b>Total Core Capital</b>	<b>74.876</b>	<b>115.185</b>
<b>Supplementary Capital</b>	<b>-</b>	<b>-</b>
<b>Capital</b>	<b>74.876</b>	<b>115.185</b>
<b>Net Available Equity</b>	<b>74.876</b>	<b>115.185</b>

**8.2. Information on Subsidiaries:**

	Company Name	Address (City / Country)	Bank's Share Percentage, If Different-Voting Percentage (%)	Bank's Risk Group Share Percentage (%)
(1)	Nil Yönetim Hizmetleri Tur. San. ve Tic. A.Ş.	Ankara / Türkiye	99,93%	99,93%
(2)	Asya Kart Teknoloji Hizmetleri A.Ş.	İstanbul / Türkiye	99,75%	99,75%
(3)	Asya Emeklilik ve Hayat A.Ş. (*)	İstanbul / Türkiye	97,99%	97,99%
(4)	Asyafin Sigorta Aracılık Hizmetleri Ltd. Şti.	İstanbul / Türkiye	95,00%	95,00%
(5)	Işık Sigorta A.Ş.	İstanbul / Türkiye	67,52%	67,52%
(6)	Tuna Gayrimenkul Yatırım Ortaklığı A.Ş.	İstanbul / Türkiye	22,94%	69,42%
(7)	Asya Varlık Kiralama A.Ş.(**)	İstanbul / Türkiye	100,00%	100,00%
(8)	Asya Menkul Değerler A.Ş.(**)	İstanbul / Türkiye	100,00%	100,00%

(\*) The Bank has become the shareholder of Asya Emeklilik ve Hayat A.Ş. established on July 1, 2011.

(\*\*) The Bank has established Asya Menkul Değerler A.Ş. on November 2, 2012 and Asya Varlık Kiralama A.Ş. on December 10, 2012.



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**SECTION FIVE (Cont'd)****EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS  
(Cont'd)****I. Explanations and Disclosures Related to the Assets (Cont'd)****8. Information on Subsidiaries (Net) (Cont'd)****8.2. Information on Subsidiaries (Cont'd):**

(*)	Total Assets	Equity	Total Fixed Assets	Profit Share Income	Income from Marketable Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
(1)	72.642	62.001	1.479	56	-	(1.958)	149	-
(2)	44	44	-	-	-	(7)	9	-
(3)	38.399	7.942	501	676	-	(10.836)	(1.221)	-
(4)	200	200	-	13	-	5	1	-
(5)	228.662	74.876	1.189	12.960	-	4.618	5.786	(**) 190.616
(6)	137.833	115.185	36.063	256	-	1.404	(2.054)	(***) 192.051
(7)	54	48	-	-	-	(2)	-	-
(8)	2.287	2.268	-	-	-	(395)	-	-

(\*) Financial information is provided from the associate's unaudited financial statements as of December 31, 2012.

(\*\*) It is expertise value of the Bank's subsidiary, Işık Sigorta A.Ş., as of February 4, 2010

(\*\*\*) VAT included fair value is TRY 192.051 Thousand, including land, per expertise appraisal dated January 26, 2010.

**8.3. Movement of Subsidiaries:**

	Current Period	Prior Period
<b>Balance at the Beginning of the Period</b>	<b>154.761</b>	<b>144.963</b>
Movements in Period	14.712	9.798
Purchases	14.712	9.798
Bonus Shares Obtained	-	-
Dividends from Current Period Income	-	-
Sales	-	-
Revaluation Increase	-	-
Provision for Diminution in Value	-	-
<b>Balance at the End of the Period</b>	<b>169.473</b>	<b>154.761</b>
Capital Commitments (*)	7.500	9.798
<b>Share Percentage at the End of the Period (%)</b>	<b>22,94%-99,93%</b>	<b>22,94%-99,93%</b>

(\*) Current period amount consists of capital commitment amounting ₺ TRY 7.500 Thousand to the Bank's subsidiary Asya Menkul Değerler A.Ş. (Prior period amount consists of capital commitment amounting ₺ TRY 9.798 Thousand to the Bank's subsidiary AsyaEmeklilik ve Hayat A.Ş.)

**8.4. Sectoral Information on the Financial Subsidiaries and the Related Carrying Amounts:**

Subsidiaries	Current Period	Prior Period
Banks	-	-
Insurance Companies	52.468	50.154
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Subsidiaries	60.003	47.655

**8.5. Subsidiaries Quoted on the Stock Exchange:**

None.

**9. Information on Entities under Common Control**

None.

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
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**SECTION FIVE (Cont'd)**

**EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS  
(Cont'd)**

**I. Explanations and Disclosures Related to the Assets (Cont'd)**

**10. Information on Finance Lease Receivables (Net)**

**10.1. Presentation of Finance Lease Receivables According to Their Remaining Maturities:**

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	8.530	6.355	77.197	58.572
1 to 4 Years	227.006	169.124	183.888	139.523
More than 4 Years	142.803	106.391	131.344	99.656
<b>Total</b>	<b>378.339</b>	<b>281.870</b>	<b>392.429</b>	<b>297.751</b>

**10.2. Information on Net Investments in Finance Leases:**

	Current Period	Prior Period
Gross Finance Lease Receivables	378.339	392.429
Unearned Finance Lease Income (-)	(96.469)	(94.678)
<b>Net Receivable from Finance Leases</b>	<b>281.870</b>	<b>297.751</b>

**11. Information on Derivative Financial Assets for Hedging Purposes**

None.

**ASYA KATILIM BANKASI A.Ş.****NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
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**SECTION FIVE (Cont'd)****EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS  
(Cont'd)****I. Explanations and Disclosures Related to the Assets (Cont'd)****12. Information on Tangible Assets**

	Buildings	Leased Tangible Assets	Vehicles	Office Equipments	Other Tangible Assets (*)	Total
<b>Cost</b>						
Opening Balance - January 1, 2012	4.220	32.583	1.935	47.863	181.468	268.069
Additions	12.725	-	1.007	13.198	34.603	61.533
Disposals	-	(3.894)	(830)	(2.191)	(1.845)	(8.760)
Impairment (Losses) / Reversal	(213)	-	-	-	-	(213)
<b>Closing Balance - December 31, 2012</b>	<b>16.732</b>	<b>28.689</b>	<b>2.112</b>	<b>58.870</b>	<b>214.226</b>	<b>320.629</b>
<b>Accumulated Depreciation(-)</b>						
Opening Balance - January 1, 2012	754	29.241	575	25.436	99.270	155.276
Depreciation Expense	232	3.261	488	8.832	31.987	44.800
Disposals	-	(3.894)	(50)	(2.034)	(1.568)	(7.546)
<b>Closing Balance - December 31, 2012</b>	<b>986</b>	<b>28.608</b>	<b>1.013</b>	<b>32.234</b>	<b>129.689</b>	<b>192.530</b>
<b>Net Book Value - December 31, 2011</b>	<b>3.466</b>	<b>3.342</b>	<b>1.360</b>	<b>22.427</b>	<b>82.198</b>	<b>112.793</b>
<b>Net Book Value - December 31, 2012</b>	<b>15.746</b>	<b>81</b>	<b>1.099</b>	<b>26.636</b>	<b>84.537</b>	<b>128.099</b>

(\*) Other tangible assets comprise leasehold improvements, safety box, furniture and other fixed assets.

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**SECTION FIVE (Cont'd)**

**EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS  
(Cont'd)**

**I. Explanations and Disclosures Related to the Assets (Cont'd)**

**12. Information on Tangible Assets (Cont'd)**

	Buildings	Leased Tangible Assets	Vehicles	Office Equipments	Other Tangible Assets (*)	Total
<b>Cost</b>						
Opening Balance - January 1, 2011	12.454	36.106	2.129	41.849	163.267	255.805
Additions	-	-	803	8.204	22.913	31.920
Disposals	(8.123)	(3.523)	(714)	(2.190)	(4.712)	(19.262)
Transfers	-	-	(283)	-	-	(283)
Impairment (Losses) / Reversal	(111)	-	-	-	-	(111)
<b>Closing Balance - December 31, 2011</b>	<b>4.220</b>	<b>32.583</b>	<b>1.935</b>	<b>47.863</b>	<b>181.468</b>	<b>268.069</b>
<b>Accumulated Depreciation(-)</b>						
Opening Balance - January 1, 2011	2.442	26.667	397	25.125	67.773	122.404
Depreciation Expense	282	5.961	312	406	37.190	44.151
Disposals	(1.970)	(3.387)	(134)	(95)	(5.693)	(11.279)
<b>Closing Balance - December 31, 2011</b>	<b>754</b>	<b>29.241</b>	<b>575</b>	<b>25.436</b>	<b>99.270</b>	<b>155.276</b>
<b>Net Book Value - December 31, 2010</b>	<b>10.012</b>	<b>9.439</b>	<b>1.732</b>	<b>20.586</b>	<b>91.632</b>	<b>133.401</b>
<b>Net Book Value - December 31, 2011</b>	<b>3.466</b>	<b>3.342</b>	<b>1.360</b>	<b>22.427</b>	<b>82.198</b>	<b>112.793</b>

(\*) Other tangible assets comprise leasehold improvements, safety box, furniture and other fixed assets.

**13. Information on Intangible Assets**

**13.1. Opening and Ending Book Values and Accumulated Depreciation Balances:**

	Current Period	Prior Period
Book Value	31.905	24.972
Accumulated Depreciation	(18.126)	(13.960)
<b>Net Book Value</b>	<b>13.779</b>	<b>11.012</b>

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**SECTION FIVE (Cont'd)**

**EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS  
(Cont'd)**

**I. Explanations and Disclosures Related to the Assets (Cont'd)**

**13. Information on Intangible Assets (Cont'd)**

**13.2. Intangible Assets Movement Table:**

	Computer Software
Cost	
Opening Balance- January 1, 2012	24.972
Additions	6.933
<b>Closing Balance- December 31, 2012</b>	<b>31.905</b>
Accumulated Amortization (-)	
Opening Balance- January 1, 2012	13.960
Depreciation Expense	4.166
<b>Closing Balance- December 31, 2012</b>	<b>18.126</b>
<b>Net Book Value- December 31, 2011</b>	<b>11.012</b>
<b>Net Book Value- December 31, 2012</b>	<b>13.779</b>

	Computer Software
Cost	
Opening Balance- January 1, 2011	20.728
Additions	4.244
<b>Closing Balance- December 31, 2011</b>	<b>24.972</b>
Accumulated Amortization (-)	
Opening Balance - January 1, 2011	10.309
Depreciation Expense	3.651
<b>Closing Balance- December 31, 2011</b>	<b>13.960</b>
<b>Net Book Value- December 31, 2010</b>	<b>10.419</b>
<b>Net Book Value- December 31, 2011</b>	<b>11.012</b>

**14. Information on Investment Properties**

None (December 31, 2011: None).

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**SECTION FIVE (Cont'd)**

**EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS  
(Cont'd)**

**I. Explanations and Disclosures Related to the Assets (Cont'd)**

**15. Information on Deferred Tax Asset**

As of December 31, 2012, deferred tax asset computed on the temporary differences, except for general loan provision and provision for possible risks, is TRY 16.348 Thousand and is recorded in the deferred tax asset account.

	Current Period	
	Deferred Tax Base	Deferred Tax Asset/(Liability)
Deferred Commission Income	67.376	13.475
Employee Benefits	39.801	7.960
Valuation of Financial Assets	(26.384)	(5.277)
Other Provisions	8.348	1.670
Tangible Assets Tax Base Differences	(7.401)	(1.480)
<b>Deferred Tax Asset (net)</b>	<b>81.740</b>	<b>16.348</b>

	Prior Period	
	Deferred Tax Base	Deferred Tax Asset/(Liability)
Deferred Commission Income	60.881	12.176
Employee Benefits	28.854	5.771
Valuation of Financial Assets	16.133	3.227
Other Provisions	5.726	1.145
Tangible Assets Tax Base Differences	(14.604)	(2.921)
<b>Deferred Tax Asset (net)</b>	<b>96.990</b>	<b>19.398</b>

Movement of the deferred tax asset as of December 31, 2012 and December 31, 2011 is stated as below:

	Current Period	Prior Period
Deferred Tax Asset, January 1	19.398	9.811
Deferred Tax Recognized Directly Under Equity	(5.362)	5.083
Deferred Tax Benefit /(Charge)	2.312	4.504
<b>Deferred Tax Asset</b>	<b>16.348</b>	<b>19.398</b>

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**SECTION FIVE (Cont'd)**

**EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS  
(Cont'd)**

**I. Explanations and Disclosures Related to the Assets (Cont'd)**

**16. Information on Assets Held for Sale**

Assets held for sale consist of tangible assets which are obtained from non-performing loans and they are recognized as required in accordance with the prevailing the Communiqué of "Principles and Procedures on Bank's Disposal of Precious Metals and Assets Held for Sale" published on November 1, 2006 in the Official Gazette numbered 26333 in the unconsolidated financial statements.

As of December 31, 2012, assets held for sale amounts to TRY 151.869 Thousand (December 31, 2011: TRY 8.724 Thousand).

	Current Period	Prior Period
Opening Balance- January 1	8.724	6.509
Additions (**)	141.000	3.239
Disposals	(3.120)	(3.468)
Transfers (net) (*)	5.265	2.481
Impairment Losses	-	(37)
<b>Closing Balance-December 31</b>	<b>151.869</b>	<b>8.724</b>

(\*) In current period, TRY 5.265 Thousand of balance is transferred from assets held for sale to assets to be disposed off in other assets which is accounted in assets held for sale for more than one year (December 31, 2011 TRY 3.117 Thousand of balance is transferred from assets held for sale to assets to be disposed off in other assets which is accounted in assets held for sale for more than one year. TRY 5.598 Thousand of real estate's within assets to be disposed off have been qualified as and transferred to assets held for sale).

(\*\*) Bank has purchased 98,80% shares of Adapazarı Şeker Fabrikaları A.Ş. owned by S.S Adapazarı Pancar Ekicileri Kooperatifi in order to be deducted from its debts as of the balance sheet date. Pre-sale agreement was signed for the sale of related shares to the third parties. The Bank Management has an active plan about sale of related shares to third parties and as of reporting period, workings related to sale has been continuing.

**17. Information on Other Assets**

Other assets amount to TRY 598.825 Thousand. Other assets account does not exceed 10% of the total assets (December 31, 2011: TRY 438.059 Thousand). Amounts of TRY 351.935 Thousand (December 31, 2011: TRY 340.899 Thousand) belong to assets to be disposed off.

**ASYA KATILIM BANKASI A.Ş.**

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**SECTION FIVE (Cont'd)**

**EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS  
(Cont'd)**

**II. Explanations and Disclosures Related to the Liabilities**

**1.1. Information on Maturity Structure of Deposits:**

<b>Current Period</b>	<b>Demand</b>	<b>Up to 1 Month</b>	<b>Up to 3 Months</b>	<b>Up to 6 Months</b>	<b>Up to 9 Months</b>	<b>Up to 1 Year</b>	<b>1 Year and Over</b>	<b>Accumulated Profit Sharing Accounts</b>	<b>Total</b>
I. Real Persons Current Deposits-TRY	638.149	-	-	-	-	-	-	-	638.149
II. Real Persons Profit Sharing Accounts-TRY	-	2.159.925	1.021.962	156.958	-	87.361	2.584.773	-	6.010.979
III. Other Current Accounts-TRY	956.407	-	-	-	-	-	-	-	956.407
Public Sector	115.672	-	-	-	-	-	-	-	115.672
Commercial Sector	803.044	-	-	-	-	-	-	-	803.044
Other Institutions	35.947	-	-	-	-	-	-	-	35.947
Commercial and Other Institutions	1.466	-	-	-	-	-	-	-	1.466
Banks and Participation Banks	278	-	-	-	-	-	-	-	278
Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	1	-	-	-	-	-	-	-	1
Foreign Banks	-	-	-	-	-	-	-	-	-
Participation Banks	277	-	-	-	-	-	-	-	277
Other	-	-	-	-	-	-	-	-	-
IV. Profit Sharing Accounts-TRY	-	412.214	377.038	29.045	-	118.097	699.462	-	1.635.856
Public Sector	-	62	3	-	-	-	3.141	-	3.206
Commercial Sector	-	389.204	255.981	14.160	-	111.835	635.148	-	1.406.328
Other Institutions	-	22.943	81.097	3.161	-	6.262	58.202	-	171.665
Commercial and Other Institutions	-	5	85	-	-	-	2.971	-	3.061
Banks	-	-	39.872	11.724	-	-	-	-	51.596
V. Real Persons Current Deposits-FC	262.680	-	-	-	-	-	-	-	262.680
VI. Real Persons Profit Sharing Accounts-FC	-	667.530	610.379	63.321	-	85.259	996.743	-	2.423.232
VII. Other Current Accounts-FC	449.034	-	-	-	-	-	-	-	449.034
Commercial Residents in Turkey	387.633	-	-	-	-	-	-	-	387.633
Commercial Residents in Abroad	31.465	-	-	-	-	-	-	-	31.465
Banks and Participation Banks	29.936	-	-	-	-	-	-	-	29.936
Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	26.229	-	-	-	-	-	-	-	26.229
Participation Banks	3.707	-	-	-	-	-	-	-	3.707
Other	-	-	-	-	-	-	-	-	-
VIII. Profit Sharing Accounts- FC	-	589.681	878.698	67.547	-	147.262	371.563	-	2.054.751
Public Sector	-	18	-	-	-	-	4.935	-	4.953
Commercial Sector	-	567.224	858.091	67.547	-	142.476	341.897	-	1.977.235
Other Institutions	-	3.336	338	-	-	-	16.290	-	19.964
Commercial and Other Institutions	-	8.978	19.914	-	-	4.786	8.441	-	42.119
Banks and Participation Banks	-	10.125	355	-	-	-	-	-	10.480
IX. Precious Metal Deposits	868.745	-	315.722	11.091	-	4.373	110.839	-	1.310.770
X. Profit Sharing Accounts Special Fund Pools-TRY	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
XI. Profit Sharing Accounts Special Fund Pools-FC	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
<b>Total(I+II+.....+IX+X+XI)</b>	<b>3.175.015</b>	<b>3.829.350</b>	<b>3.203.799</b>	<b>327.962</b>	<b>-</b>	<b>442.352</b>	<b>4.763.380</b>	<b>-</b>	<b>15.741.858</b>



**ASYA KATILIM BANKASI A.Ş.**

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
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**SECTION FIVE (Cont'd)**

**EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS  
(Cont'd)**

**II. Explanations and Disclosures Related to the Liabilities (Cont'd)**

**1.1. Information on Maturity Structure of Deposits (Cont'd):**

<b>Prior Period</b>	<b>Demand</b>	<b>Up to 1 Month</b>	<b>Up to 3 Months</b>	<b>Up to 6 Months</b>	<b>Up to 9 Months</b>	<b>Up to 1 Year</b>	<b>1 Year and Over</b>	<b>Accumulated Profit Sharing Accounts</b>	<b>Total</b>
I. Real Persons Current Deposits-TRY	560.652	-	-	-	-	-	-	-	560.652
II. Real Persons Profit Sharing Accounts-TRY	-	1.552.244	799.747	163.642	-	121.309	2.314.661	-	4.951.603
III. Other Current Accounts-TRY	951.137	-	-	-	-	-	-	-	951.137
Public Sector	27.575	-	-	-	-	-	-	-	27.575
Commercial Sector	893.823	-	-	-	-	-	-	-	893.823
Other Institutions	28.391	-	-	-	-	-	-	-	28.391
Commercial and Other Institutions	1.183	-	-	-	-	-	-	-	1.183
Banks and Participation Banks	165	-	-	-	-	-	-	-	165
Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	-	-	-	-	-	-	-	-	-
Participation Banks	165	-	-	-	-	-	-	-	165
Other	-	-	-	-	-	-	-	-	-
IV. Profit Sharing Accounts-TRY	-	227.521	272.785	35.508	-	18.441	795.816	-	1.350.071
Public Sector	-	82	10	81	-	-	2.590	-	2.763
Commercial Sector	-	212.946	266.556	13.819	-	6.071	680.261	-	1.179.653
Other Institutions	-	14.474	6.139	21.608	-	12.370	112.215	-	166.806
Commercial and Other Institutions	-	19	80	-	-	-	750	-	849
Banks	-	-	-	-	-	-	-	-	-
V. Real Persons Current Deposits-FC	236.574	-	-	-	-	-	-	-	236.574
VI. Real Persons Profit Sharing Accounts-FC	-	390.367	386.765	70.884	-	101.823	807.731	-	1.757.570
VII. Other Current Accounts-FC	420.885	-	-	-	-	-	-	-	420.885
Commercial Residents in Turkey	350.762	-	-	-	-	-	-	-	350.762
Commercial Residents in Abroad	28.486	-	-	-	-	-	-	-	28.486
Banks and Participation Banks	41.637	-	-	-	-	-	-	-	41.637
Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	15.737	-	-	-	-	-	-	-	15.737
Participation Banks	25.900	-	-	-	-	-	-	-	25.900
Other	-	-	-	-	-	-	-	-	-
VIII. Profit Sharing Accounts- FC	-	198.825	264.490	91.093	-	59.129	603.030	-	1.216.567
Public Sector	-	30	-	-	-	-	46	-	76
Commercial Sector	-	147.610	262.053	12.296	-	35.292	575.303	-	1.032.554
Other Institutions	-	634	342	78.772	-	-	23.335	-	103.083
Commercial and Other Institutions	-	1.987	10	25	-	1.210	1.865	-	5.097
Banks and Participation Banks	-	48.564	2.085	-	-	22.627	2.481	-	75.757
IX. Precious Metal Deposits	951.984	-	-	-	-	-	-	-	951.984
X. Profit Sharing Accounts Special Fund Pools TRY	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
XI. Profit Sharing Accounts Special Fund Pools-FC	-	-	-	-	-	-	-	-	-
Residents in Turkey	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
<b>Total(I+II+.....+IX+X+XI)</b>	<b>3.121.232</b>	<b>2.368.957</b>	<b>1.723.787</b>	<b>361.127</b>	<b>-</b>	<b>300.702</b>	<b>4.521.238</b>	<b>-</b>	<b>12.397.043</b>

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

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

**SECTION FIVE (Cont'd)**

**EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS  
(Cont'd)**

**II. Explanations and Disclosures Related to the Liabilities (Cont'd)**

**1.2. Current and Participation Accounts Attributable to Real Entities/Persons under the Guarantee of Saving Deposit Insurance Fund Exceeding the Limit of the Deposit Insurance Fund:**

	Under the Guarantee of Saving Deposit Insurance		Exceeding the Limit of Saving Deposit Insurance	
	Current Period	Prior Period	Current Period	Prior Period
Real Persons Current and Profit Sharing Accounts that are not Subject to Commercial Activities	4.535.700	3.825.673	6.022.383	4.577.635
TRY Accounts	3.128.651	2.775.039	3.520.370	2.737.187
FC Accounts	1.407.049	1.050.634	2.502.013	1.840.448
Foreign Branches' Deposits Under Foreign Authorities' Insurance	-	-	-	-
Off-shore Banking Regions' Deposits Under Foreign Authorities' Insurance	-	-	-	-

**1.3. Current and Profit Sharing Accounts which are not under the Guarantee of Deposit Insurance Fund:**

	Current Period	Prior Period
Deposits and Other Accounts held at Foreign Branches	-	-
Deposits and Other Accounts held by Shareholders and their Relatives	30.798	26.121
Deposits and Other Accounts of the Chairman and Members of Board of Directors, Chief Executive Officer, Senior Executive Officers and their Relatives	13.275	32.769
Deposits and Other Accounts held as Assets subject to the Crime defined in the Article 282 of the Turkish Criminal Code no. 5237 dated 26 September 2004	-	-
Deposits at Depository Banks established for Off-Shore Banking Activities in Turkey	-	-
<b>Total</b>	<b>44.073</b>	<b>58.890</b>

**2. Information on Derivative Financial Liabilities Held for Trading**

As of December 31, 2012, derivative financial liabilities held for trading amounts to TRY 6.581 Thousand (December 31, 2011: TRY 11.715 Thousand).

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Forward Transactions (*)	-	606	-	2.312
Swap Transactions	-	5.975	-	9.403
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>-</b>	<b>6.581</b>	<b>-</b>	<b>11.715</b>

(\*) Includes forward asset purchase/sale commitments.

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

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

**SECTION FIVE (Cont'd)**

**EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS  
(Cont'd)**

**II. Explanations and Disclosures Related to the Liabilities (Cont'd)**

**3. Information on Borrowings**

**3.1. Information on Banks and Other Financial Institutions:**

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Loans from Central Bank of the Republic of Turkey	-	-	-	-
From Domestic Banks and Institutions	-	41.616	-	24.821
From Foreign Banks, Institutions and Funds	-	1.773.787	-	1.433.009
<b>Total</b>	<b>-</b>	<b>1.815.403</b>	<b>-</b>	<b>1.457.830</b>

**3.2. Maturity Analysis of Borrowings:**

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Short-Term	-	1.477.163	-	938.119
Medium-Term and Long-Term	-	338.240	-	519.711
<b>Total</b>	<b>-</b>	<b>1.815.403</b>	<b>-</b>	<b>1.457.830</b>

**3.3. Additional Explanation related to the Concentrations of the Bank's Major Liabilities:**

None.

**4. Other Liabilities with Exceeding 10% of the Balance Sheet Total (Excluding Off-Balance Sheet Commitments) and the Breakdown of Such Liabilities Constituting at Least 20% of the Grand Total**

Other liability items amount to TRY 532.855 Thousand and do not exceed 10% of the total balance sheet total (December 31, 2011: TRY 283.839 Thousand).

**5. Information on Financial Lease Obligations**

None.

**6. Information on Derivative Financial Liabilities for Hedging Purposes**

None.

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

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

**SECTION FIVE (Cont'd)**

**EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS  
(Cont'd)**

**II. Explanations and Disclosures Related to the Liabilities (Cont'd)**

**7. Explanations on Provisions**

**7.1. Information on General Provisions:**

	Current Period	Prior Period
<b>General Provisions</b>	<b>182.485</b>	<b>131.066</b>
<b>I. Provisions for First Group Loans and Receivables</b>	<b>139.887</b>	<b>98.783</b>
Profit Sharing Accounts' Share	65.328	47.908
The Bank's Share	74.559	50.875
Other	-	-
<b>I. Additional Provision for Second Group Loans and Receivables with Extended Maturities</b>	<b>554</b>	<b>-</b>
Profit Sharing Accounts' Share	551	-
The Bank's Share	3	-
Other	-	-
<b>II. Provisions for Second Group Loans and Receivables</b>	<b>17.333</b>	<b>15.538</b>
Profit Sharing Accounts' Share	5.505	3.929
The Bank's Share	11.828	11.609
Other	-	-
<b>II. Additional Provision for Second Group Loans and Receivables with Extended Maturities</b>	<b>5.755</b>	<b>-</b>
Profit Sharing Accounts' Share	69	-
The Bank's Share	5.686	-
Other	-	-
<b>Provisions for Non Cash Loans</b>	<b>18.956</b>	<b>16.745</b>

**7.2. Movement of General Provisions:**

<b>Current Period</b>	
Opening Balance - January 1, 2012	131.066
Charge for Period (*)	38.226
Reversal of Prior Period Expenses	(6.533)
Profit Sharing Accounts Share (*)	22.219
Foreign Exchange Difference	(2.493)
<b>Closing Balance- December 31, 2012</b>	<b>182.485</b>
<b>Prior Period</b>	
Opening Balance – January 1, 2011	117.204
Charge for Period	9.768
Reversal of Prior Period Expenses	(3.925)
Profit Sharing Accounts Share	8.019
<b>Closing Balance- December 31, 2011</b>	<b>131.066</b>

(\*) The calculation of daily unit value has changed with "Regulation on the Principles and Procedures for Accepting Withdrawal of Deposits and Participations Funds as well as the Prescribed Deposits, Participation Funds Custody and Receivables" Published in the Official Gazette No 26333 dated November 01, 2006 and general loan charge belong to profit sharing account has included this balance as of January 1, 2012.

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

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

**SECTION FIVE (Cont'd)****EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Cont'd)****II. Explanations and Disclosures Related to the Liabilities (Cont'd)****7. Explanations on Provisions (Cont'd)****7.3. Information on Provision for Foreign Exchange Losses on the Foreign Currency Indexed Loans and Finance Lease Receivables:**

As of December 31, 2012, the Bank's provision for foreign currency indexed loans amounts to TRY 25.499 Thousand (December 31, 2011: TRY 2.518 Thousand). Provisions for foreign currency indexed loans are offset under the loan balance in the financial statements.

**7.4. Information on the Specific Provisions Provided for Unindemnified Non-Cash Loans:**

As of December 31, 2012, the Bank's specific provision provided for unindemnified non-cash loans amounts to TRY 22.585 Thousand (December 31, 2011: TRY 21.016 Thousand).

**7.5. Information on Other Provisions:****7.5.1. Information on Provisions for Potential Risks:**

None (December 31, 2011: None).

**7.5.2. Information on Other Provisions:**

Other Provisions	Current Period	Prior Period
Provision for Unindemnified Non Cash Loans	22.585	21.016
Provision for Credit Cards Promotion of Banking Services	5.323	4.434
Provision Amount Allocated for Profit Share Accounts	1.562	3.616
Payment Commitment for Checks	3.925	2.001
Litigation Provision	1.445	1.251
<b>Total</b>	<b>34.840</b>	<b>32.318</b>

**7.5.3. Movement of the Retirement Pay Provision:**

	Current Period	Prior Period
Opening Balance - January 1	15.401	11.955
Current Service Cost	2.688	2.166
Interest Cost	1.445	1.151
Benefits Paid	(2.523)	(1.188)
Settlement/Curtailment/Termination Loss/(Gain)	1.229	336
Actuarial Loss/(Gain)	5.091	981
<b>Closing Balance - December 31</b>	<b>23.331</b>	<b>15.401</b>

The Bank has reflected the employee benefit provision to the financial statements by using actuarial valuation method stated in TAS 19.

As of December 31, 2012 the Bank provided a provision of TRY 16.470 Thousand for the unused vacation pays (December 31, 2011: TRY 13.453 Thousand).

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
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(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated.)

**SECTION FIVE (Cont'd)****EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS  
(Cont'd)****II. Explanations and Disclosures Related to the Liabilities (Cont'd)****8. Explanations on Taxes Payable****8.1. Information on Current Tax Liability:**

As of December 31, 2012, the Bank's corporate tax payable is TRY 11.307 Thousand after offsetting prepaid corporate tax (December 31, 2011: TRY 9.011 Thousand).

	Current Period	Prior Period
Provision for Corporate Taxes	57.361	57.546
Prepaid Corporate Tax	(46.054)	(48.535)
<b>Corporate Tax Payable</b>	<b>11.307</b>	<b>9.011</b>

**8.2. Information on Taxes Payable:**

	Current Period	Prior Period
Corporate Taxes Payable	11.307	9.011
Taxation of Securities	9.662	8.599
Property Tax	760	638
Banking Insurance Transaction Tax (BITT)	9.961	10.537
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	697	415
Other	12.219	10.317
<b>Total</b>	<b>44.606</b>	<b>39.517</b>

**8.3. Premiums:**

	Current Period	Prior Period
Social Security Premiums-Employee	3.523	4.574
Social Security Premiums-Employer	4.933	6.417
Bank Social Aid Pension Fund Premium-Employee	-	-
Bank Social Aid Pension Fund Premium-Employer	-	-
Pension Fund Membership Fees and Provisions-Employee	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employee	251	325
Unemployment Insurance-Employer	501	650
Other	-	-
<b>Total</b>	<b>9.208</b>	<b>11.966</b>

**8.4. Explanations on Deferred Tax Liabilities:**

None (December 31, 2011: None).

**9. Information on Liabilities Regarding Assets Held for Sale and Discontinued Operations**

None (December 31, 2011: None).

**10. Information on Subordinated Loans**

None (December 31, 2011: None).

**11. Information on Shareholders' Equity****11.1. Presentation of Paid-in Capital:**

	Current Period	Prior Period
Common Stock	540.000	540.000
Preferred Stock (*)	360.000	360.000

(\*) Preferred stockholders have the right to nominate candidates for the Board of Directors and the Audit Committee.

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

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

**SECTION FIVE (Cont'd)**

**EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS  
(Cont'd)**

**II. Explanations and Disclosures Related to the Liabilities (Cont'd)**

**11. Information on Shareholders' Equity (Cont'd)**

**11.2. Paid-in Capital Amount, Explanation as to whether the Registered Share Capital System is Applicable at Bank if so Amount of the Registered Share Capital Ceiling:**

Registered capital system is not applied in the Bank.

**11.3. Share Capital Increases and Their Sources; Other Information on Increased Capital Shares in the Current Period:**

None.

**11.4. Information on Share Capital Increases from Capital Reserves:**

None.

**11.5. Information on Share Capital Increases from Revaluation Funds:**

None.

**11.6. Capital Commitments in the Last Fiscal Year and at the End of the Following Interim Period, General Purpose of These Commitments and Projected Resources Required to Meet These Commitments:**

None.

**11.7. Indicators of the Bank's Income, Profitability and Liquidity for Prior Periods and Possible Effects of These Future Assumptions on the Bank's Equity due to the Uncertainty of These Indicators:**

The Bank carries its activities in profitable level and retains the major portion of its net profit within equity by means of transfers to reserve accounts and capital increases. The Bank, also allocates its equity to liquid and profit generating assets.

**11.8. Summary of Privileges Granted to Preferred Stocks:**

The holders of the preferred stocks have the right to nominate candidates for the Board of Directors and the Audit Committee.

**11.9. Explanations on Marketable Securities Value Increase Fund:**

	Current Period	Prior Period
<b>From Associates, Subsidiaries, and Entities under Common Control (Joint Vent.)</b>	-	-
Valuation Difference	-	-
Foreign Exchange Difference	-	-
<b>From Financial Assets Available for Sale</b>	<b>7.853</b>	<b>(13.599)</b>
Valuation Difference	7.853	(13.599)
Foreign Exchange Difference	-	-
<b>Total</b>	<b>7.853</b>	<b>(13.599)</b>

**11.10. Other:**

Per General Assembly dated March 31, 2012, TRY 3.805 Thousand, which is 75% of TRY 5.074 Thousand gain on sale of property recognized in statement of income as of December 31, 2011, has been transferred from "Prior Period Profit/(Loss)" to "Tangible and Intangible Assets Revaluation Differences" in the current period.

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

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

**SECTION FIVE (Cont'd)**
**EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS  
(Cont'd)**
**III. Explanations and Disclosures Related to the Off-Balance Sheet Contingencies and Commitments****1. Explanation on Contingent Liabilities****1.1. Nature and Amounts of Irrevocable Loan Commitments:**

	Current Period	Prior Period
Asset Purchase-Sale Commitments	1.091.647	1.085.835
Capital Commitments for Associates And Subsidiaries (*)	7.500	10.798
Loan Granting Commitments	32.415	353.633
Commitments for Credit Card Expenditure Limits	2.640.066	2.066.016
Commitments for Credit Card And Retail Banking Promotions	9.021	7.236
Payment Commitments for Checks	815.875	650.723
Tax and Fund Liabilities from Export Commitments	1.657	1.883
Other Irrevocable Commitments	70.185	39.910
<b>Total</b>	<b>4.668.366</b>	<b>4.216.034</b>

(\*) Current period amount consists of capital commitment amounting to TRY 7.500 Thousand to the Bank's subsidiary Asya Menkul Değerler A.Ş. (December 31, 2011: It consists of capital commitment amounting to TRY 9.798 Thousand to the Bank's subsidiary Asya Emeklilik ve Hayat A.Ş. and TRY 1.000 Thousand to the Bank's associates Kredi Garanti Fonu A.Ş.).

**1.2. Non-cash Loans Including Guarantees, Bank Acceptances and Avalized Drafts, Collaterals That Qualify as Financial Guarantees and Other Letters of Credit:****1.2.1. Non-cash Loans Including Guarantees, Bank Acceptances and Avalized Drafts, Collaterals That Qualify as Financial Guarantees and Other Letters of Credit:**

	Current Period	Prior Period
Guarantees	6.551.837	7.556.575
Bank Acceptances	349.203	323.970
Letter of Credits	923.025	1.334.519
Other Guarantees	152.787	133.695
<b>Total</b>	<b>7.976.852</b>	<b>9.348.759</b>

**1.2.2. Definite Guarantees, Provisional Guarantees, Suretyships and Similar Transactions:**

	Current Period	Prior Period
Provisional Letters of Guarantees	4.566.757	5.222.228
Definite Letters of Guarantee	767.917	759.066
Suretyships and Similar Transactions	1.217.163	1.575.281
<b>Total</b>	<b>6.551.837</b>	<b>7.556.575</b>

**1.3. Total Amount of Non-Cash Loans:**

	Current Period	Prior Period
Non-cash loans Against Cash Risks	462.751	481.766
With Original Maturity of 1 Year or Less	8.630	6.335
With Original Maturity of More than 1 Year	454.121	475.431
Other Non-Cash Loans	7.514.101	8.866.993
<b>Total</b>	<b>7.976.852</b>	<b>9.348.759</b>



**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
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**SECTION FIVE (Cont'd)**
**EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS  
(Cont'd)**
**III. Explanations and Disclosures Related to the Off-Balance Sheet Contingencies and Commitments  
(Cont'd)**
**2. Information on I st and II nd Group Non-Cash Loans**

	I st Group		II nd Group	
	TRY	FC	TRY	FC
<b>Non Cash Loans</b>	<b>3.631.547</b>	<b>4.087.704</b>	<b>137.725</b>	<b>119.876</b>
Letters of Guarantee	3.561.748	2.733.367	136.846	119.876
Endorsements and Acceptances	20.590	328.613	-	-
Letters of Credit	2.099	920.926	-	-
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Commitments	-	-	-	-
Other Commitments and Contingencies	47.110	104.798	879	-

**3. Derivative Financial Instruments**

	Derivative Transactions According to Purposes			
	Trading		Hedging	
	Current Period	Prior Period	Current Period	Prior Period
<b>Type of Trading Transactions</b>				
Foreign Currency Related Derivative Transactions (I)	3.242.796	1.316.473	-	-
Forward Transactions	364.458	-	-	-
Swap Transactions	2.878.338	1.316.473	-	-
Futures Transactions	-	-	-	-
Option Transactions	-	-	-	-
Interest Related Derivative Transactions (II)	-	-	-	-
Forward Rate Transaction	-	-	-	-
Interest Rate Swap Transactions	-	-	-	-
Interest Option Transactions	-	-	-	-
Futures Interest Transactions	-	-	-	-
Marketable Securities Call-Put Options (III)	-	-	-	-
Other Trading Derivative Transactions (IV)	-	-	-	-
<b>A. Total Trading Derivative Transactions (I+II+III+IV)</b>	<b>3.242.796</b>	<b>1.316.473</b>	<b>-</b>	<b>-</b>
<b>Types of Hedging Transactions</b>	-	-	-	-
Fair Value Hedges	-	-	-	-
Cash Flow Hedges	-	-	-	-
Net Investment Hedges	-	-	-	-
<b>B. Total Hedging Related Derivatives</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Derivative Transactions (A+B)</b>	<b>3.242.796</b>	<b>1.316.473</b>	<b>-</b>	<b>-</b>

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

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

**SECTION FIVE (Cont'd)**
**EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS  
(Cont'd)**
**III. Explanations and Disclosures Related to the Off-Balance Sheet Contingencies and Commitments  
(Cont'd)**
**3. Derivative Financial Instruments (Cont'd)**

As of December 31, 2012, the breakdown of the Bank's foreign currency forward transactions based on currencies are disclosed below in their TRY equivalents:

Current Period	Forward Buy	Forward Sell
TRY	553.682	104.494
USD	443.609	1.011.084
EUR	87.092	502.730
GOLD	537.480	-
OTHER	-	2.625
<b>Total</b>	<b>1.621.863</b>	<b>1.620.933</b>

Prior Period	Forward Buy	Forward Sell
TRY	12.169	9.450
USD	9.533	653.392
EUR	44.327	-
GOLD	587.602	-
<b>Total</b>	<b>653.631</b>	<b>662.842</b>

As of December 31, 2012, the Bank does not have any derivative transaction held for cash flow hedge purposes.

**4. Explanations on Contingent Liabilities and Assets**

As of the balance sheet date, there are 273 ongoing court cases against the Bank amounting to TRY 9.259 Thousand, USD 14.658 (full) and EUR 946 (full) based on the information provided from the legal department of the Bank for one of the ongoing court cases mentioned above (December 31, 2011: There were 204 ongoing court cases against the Bank amounting to TRY 19.825 Thousand, EUR 946 (full)), provision amounting to TRY 1.445 Thousand has been allocated (December 31, 2011: TRY 1.251 Thousand). Total amount of letters of guarantees, guarantees and commitments submitted by the Bank pursuant to its own internal affairs and guarantees given by other institutions submitted by the Bank pursuant to the third parties benefit of the Bank stands at TRY 42.667 Thousand and is recognized under "Other irrevocable commitments" item of off-balance sheet contingencies and commitments (December 31, 2011: TRY 32.430 Thousand).

**5. Explanations on Custodian and Intermediary Services**

None.

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

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

**SECTION FIVE (Cont'd)**

**EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS  
(Cont'd)**

**III. Explanations and Disclosures Related to the Off-Balance Sheet Contingencies and Commitments  
(Cont'd)**

**6. Summary Information on the Bank's Rating by the International Rating Institutions**

**MOODY'S**

<b>Financial Strength</b>	D
Outlook	Stable
<b>Foreign Currency</b>	
Long Term	Ba2
Short Term	B1
Outlook	Stable
<b>Turkish Lira</b>	
Long Term	Ba2
Short Term	Ba1
Outlook	Stable
<b>National</b>	
Long Term	A3
Short Term	TR-1

The information is obtained from the Moody's Investor Service report as of February 22, 2012.

SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. has completed its Corporate Governance rating report for Bank Asya in accordance with the Turkish Capital Markets Board's communiqué of "Capital Market Rating Operations and Corporate Governance Principles". The Bank's Corporate Governance rating score previously has been identified as 82,56 on July 1, 2011 and revised to 86,14 as of July 2, 2012.

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
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(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated.)

**SECTION FIVE (Cont'd)**
**EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS  
(Cont'd)**
**IV. Explanations and Disclosures Related to the Statement of Income****1. Information on Profit Share Income****1.1. Information on Profit Share on Loans:**

	1st Group		2nd Group	
	TRY	FC	TRY	FC
<b>Profit Share on Loans</b>	<b>1.417.843</b>	<b>114.645</b>	<b>50.464</b>	<b>3.525</b>
Short Term Loans	505.994	30.585	6.439	1.867
Medium and Long Term Loans	897.722	84.060	44.025	1.658
Profit Share on Non-Performing Loans	14.127	-	-	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-

**1.2. Profit Share from Banks:**

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Central Bank of the Republic of Turkey (Reserve Deposit)	-	-	-	-
Domestic Banks	2	-	31	-
Foreign Banks (*)	988	524	1.289	572
Foreign Head Office and Branches	-	-	-	-
<b>Total</b>	<b>990</b>	<b>524</b>	<b>1.320</b>	<b>572</b>

(\*) Foreign banks include profit shares from "murabaha" loans.

**1.3. Information on Interest Received from Marketable Securities:**

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Financial Assets Held for Trading	-	-	-	-
Financial Assets at Fair Value through Profit or Loss	-	-	-	-
Financial Assets Available-for-Sale	55.300	-	49.234	-
Held to Maturity Investments	1.357	-	8.882	-
<b>Total</b>	<b>56.657</b>	<b>-</b>	<b>58.116</b>	<b>-</b>

**1.4. Information on Profit Share Income Received from Associates and Subsidiaries:**

	Current Period	Prior Period
Profit Share Income Received from Associates and Subsidiaries	29.970	15.438

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
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(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated.)

**SECTION FIVE (Cont'd)**

**EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS  
(Cont'd)**

**IV. Explanations and Disclosures Related to the Statement of Income (Cont'd)**

**2. Information on Profit Share Expenses**

**2.1. Information on Interest on Funds Borrowed:**

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Banks	-	57.709	-	38.562
Central Bank of the Republic of Turkey	-	-	-	-
Domestic Banks	-	382	-	1.036
Foreign Banks	-	57.327	-	37.526
Branches and Foreign Head Office Abroad	-	-	-	-
Other Institutions	-	-	-	-
<b>Total</b>	-	<b>57.709</b>	-	<b>38.562</b>

**2.2. Information on Profit Share Expense Given to Associates and Subsidiaries:**

	Current Period	Prior Period
Profit Share Expenses Given to Associates and Subsidiaries	10.258	7.585

**2.3. Information on Profit Share Expense to Marketable Securities Issued:**

None.

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
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(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated.)

**SECTION FIVE (Cont'd)****EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Cont'd)****IV. Explanations and Disclosures Related to the Statement of Income (Cont'd)****2. Information on Profit Share Expenses (Cont'd)****2.4. Distribution of Profit Share Expense on Deposits Based on Maturity of Deposits:**

<b>Current Period</b>	<b>Profit Sharing Accounts</b>						
Account Name	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 9 Months	Up to 1 Year	More than 1 Year	Total
TRY							
Banks and Finance Houses	-	362	126	-	-	-	488
Real Person's Profit Sharing Acc.	127.221	74.151	10.055	-	8.693	220.184	440.304
Public Sector Profit Sharing Acc.	4	1	2	-	-	110	117
Commercial Sector Profit Sharing Acc.	18.784	24.789	2.832	-	4.315	58.991	109.711
Other Institutions Profit Sharing Acc.	1.406	4.684	809	-	893	8.458	16.250
<b>Total</b>	<b>147.415</b>	<b>103.987</b>	<b>13.824</b>	<b>-</b>	<b>13.901</b>	<b>287.743</b>	<b>566.870</b>
FC							
Banks and Finance Houses	850	703	-	-	-	66	1.619
Real Person's Profit Sharing Acc.	17.025	21.571	2.090	-	3.488	35.734	79.908
Public Sector Profit Sharing Acc.	1	-	-	-	-	55	56
Commercial Sector Profit Sharing Acc.	13.242	34.324	4.812	-	7.120	18.564	78.062
Other Institutions Profit Sharing Acc.	110	1.098	424	-	-	801	2.433
Precious Metal Deposits	-	1.374	48	-	22	464	1.908
<b>Total</b>	<b>31.228</b>	<b>59.070</b>	<b>7.374</b>	<b>-</b>	<b>10.630</b>	<b>55.684</b>	<b>163.986</b>
<b>Grand Total</b>	<b>178.643</b>	<b>163.057</b>	<b>21.198</b>	<b>-</b>	<b>24.531</b>	<b>343.427</b>	<b>730.856</b>

<b>Prior Period</b>	<b>Profit Sharing Accounts</b>						
Account Name	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 9 Months	Up to 1 Year	More than 1 Year	Total
TRY							
Banks and Finance Houses	-	-	-	-	-	-	-
Real Person's Profit Sharing Acc.	127.526	70.871	14.933	-	11.874	156.517	381.721
Public Sector Profit Sharing Acc.	4	28	6	-	-	37	75
Commercial Sector Profit Sharing Acc.	17.957	22.520	1.136	-	1.374	52.461	95.448
Other Institutions Profit Sharing Acc.	915	2.150	1.026	-	879	3.156	8.126
<b>Total</b>	<b>146.402</b>	<b>95.569</b>	<b>17.101</b>	<b>-</b>	<b>14.127</b>	<b>212.171</b>	<b>485.370</b>
FC							
Banks and Finance Houses	533	67	406	-	583	29	1.618
Real Person's Profit Sharing Acc.	16.548	14.974	3.078	-	5.010	23.526	63.136
Public Sector Profit Sharing Acc.	1	-	-	-	-	-	1
Commercial Sector Profit Sharing Acc.	5.660	11.252	1.307	-	2.099	18.210	38.528
Other Institutions Profit Sharing Acc.	16	166	4.386	-	-	608	5.176
Precious Metal Deposits	-	-	-	-	-	-	-
<b>Total</b>	<b>22.758</b>	<b>26.459</b>	<b>9.177</b>	<b>-</b>	<b>7.692</b>	<b>42.373</b>	<b>108.459</b>
<b>Grand Total</b>	<b>169.160</b>	<b>122.028</b>	<b>26.278</b>	<b>-</b>	<b>21.819</b>	<b>254.544</b>	<b>593.829</b>

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

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

**SECTION FIVE (Cont'd)****EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Cont'd)****IV. Explanations and Disclosures Related to the Statement of Income (Cont'd)****3. Information on Dividend Income**

The Bank has cash dividend income amounting to TRY 3.376 Thousand from its subsidiary, Işık Sigorta A.Ş. (December 31, 2011: None).

**4. Information on Net Trading Income (Net)**

	Current Period	Prior Period
<b>Profit</b>	<b>4.308.468</b>	<b>6.057.300</b>
Securities Trading Gains	-	-
Gains on Derivative Financial Instruments	257.191	225.104
Foreign Exchange Gains	4.051.277	5.832.196
<b>Loss (-)</b>	<b>(4.282.660)</b>	<b>(6.018.180)</b>
Securities Trading Losses	-	-
Losses on Derivative Financial Instruments	(127.109)	(160.894)
Foreign Exchange Losses	(4.155.551)	(5.857.286)

**5. Information on Other Operating Income**

The detail of other operating income is stated as below:

	Current Period	Prior Period
Communication Expense Reversal	1.010	1.203
Gain on Sale of Assets	20.807	22.619
Reversals from Previous Years' Expenses (*)	95.418	88.007
Other	18.795	18.716
<b>Total</b>	<b>136.030</b>	<b>130.545</b>

(\*) Includes TRY 82.713 Thousand reversals from specific provisions for loans, general loan provision and doubtful fees and other receivables provision (December 31, 2011: TRY 67.242 Thousand).

**6. Provision Expenses of the Bank for Loans and Other Receivables**

	Current Period	Prior Period
Specific Provisions for Loans and Other Receivables	336.298	170.277
III. Group Loans and Receivables	41.744	30.827
IV. Group Loans and Receivables	14.135	953
V. Group Loans and Receivables	267.066	127.637
Doubtful Commission, Fee and Other Receivables	13.353	10.860
General Provision Expenses (*)	60.445	9.768
Provision Expenses for Possible Losses	-	-
Marketable Securities Impairment Losses	-	-
Financial Assets at Fair Value through Profit or Loss	-	-
Financial Assets Available for Sale	-	-
Impairment Provision Expenses	-	-
Associates	-	-
Subsidiaries	-	-
Entities under Common Control	-	-
Investments Held to Maturity	-	-
Other	17.033	48.153
<b>Total</b>	<b>413.776</b>	<b>228.198</b>

(\*) The calculation of daily unit value has changed with "Regulation on the Principles and Procedures for Accepting Withdrawal of Deposits and Participations Funds as well as the Prescribed Deposits, Participation Funds Custody and Receivables" Published in the Official Gazette No 26333 dated November 01, 2006 and general loan charge belong to profit sharing account has included this balance as of January 1, 2012.

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
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(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated.)

**SECTION FIVE (Cont'd)**
**EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS  
(Cont'd)**
**IV. Explanations and Disclosures Related to the Statement of Income (Cont'd)****7. Information on Other Operating Expenses**

	Current Period	Prior Period
Personnel Expenses	317.086	264.766
Provision for Employee Termination Benefits	10.453	4.634
Bank Social Aid Provision Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	213	111
Depreciation Expenses of Fixed Assets	44.800	44.151
Impairment Expenses of Intangible Assets	-	-
Impairment Expenses of Goodwill	-	-
Amortization Expenses of Intangible Assets	4.166	3.651
Impairment Provision on Investments Accounted for under Equity Method	-	-
Impairment Expenses of Assets to be Disposed off (*)	154	1.577
Depreciation Expenses of Assets to be Disposed off (*)	7.200	5.378
Impairment Expenses of Assets Held for Sale	-	37
Other Operating Expenses	218.022	193.721
Rent Expenses	66.563	57.324
Maintenance Expenses	3.753	3.560
Advertisement Expenses	40.086	30.015
Other Expenses	107.620	102.822
Loss on Sales of Assets	400	2.893
Other	71.084	42.448
<b>Total</b>	<b>673.578</b>	<b>563.367</b>

(\*) Depreciation and impairment expenses of assets to be disposed off are presented in other assets.

**8. Information on Continuing Operations Profit or Loss Before Tax**

The Bank's profit before tax is decreases by 8,80% ( December 31, 2011: 17,01% decreases) as compared to the prior period figures and total profit before tax amounts to TRY 245.411 Thousand (December 31, 2011: TRY 269.132 Thousand). Profit before tax includes TRY 880.325 Thousand (December 31, 2011: TRY 631.224 Thousand) net profit share income, TRY 287.256 Thousand (December 31, 2011: TRY 259.808 Thousand) net fees and commission income. Total operating expense amount is TRY 673.578 Thousand (December 31, 2011: TRY 563.367 Thousand).

**9. Information on Continuing Operations Tax Provision**

As of December 31, 2012, current tax expense is TRY 57.361 Thousand (December 31, 2011: TRY 57.546 Thousand) and deferred tax income is TRY 2.312 Thousand (December 31, 2011: TRY 4.504 Thousand deferred tax expense).

**10. Information on Operating Profit/Loss after Taxes**

The Bank's net profit for the current period decreases by 11,89% in compare to the prior period's net profit.



**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
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(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated.)

**SECTION FIVE (Cont'd)**

**EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS  
(Cont'd)**

**IV. Explanations and Disclosures Related to the Statement of Income (Cont'd)**

**11. Explanations on Net Income / Loss for the Period**

The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the complete understanding of the Bank's performance for the period: None.

Effect of changes in accounting estimates on statement of income for the current and, if any, for subsequent periods: None.

**12. The Description and Amounts of Items which Constitute at Least 20% of Other Items in the Statement of Income, If These Liabilities Exceed 10% of the Total Statement of Income**

Other fees and commissions income/expense are stated as below:

	Current Period	Prior Period
Other Fees and Commission Received		
Member Firm POS Fees and Commission	81.692	60.590
Credit Card Fees and Commission	70.153	51.726
Expertise Fees	12.829	16.379
Commissions on Collection and Disbursement	16.380	14.395
Money Transfer Commissions	10.393	8.811
Insurance Agency Commissions	10.420	8.285
Other	35.220	26.052
<b>Total</b>	<b>237.087</b>	<b>186.238</b>

	Current Period	Prior Period
Other Fees and Commission Paid		
Credit Card Fees and Commission	65.045	53.573
Other	7.550	6.488
<b>Total</b>	<b>72.595</b>	<b>60.061</b>

**13. Nature and Amount of Changes in Accounting Estimates which Have Material Effects on the Current Period or Expected to Have Material Effects on the Subsequent Periods**

None.

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
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(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated.)

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**SECTION FIVE (Cont'd)**

**EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS  
(Cont'd)**

**V. Explanations and Disclosures Related to the Statements of Changes in Shareholders' Equity**

**1. Increases from Valuation of Financial Assets Available for Sale**

Increase resulting from revaluation of financial assets available for sale is TRY 7.853 Thousand (December 31, 2011: TRY 13.599 Thousand decrease).

**2. Increases Due to Cash Flow Hedges**

None.

**3. Reconciliation of Foreign Exchange Differences at Beginning and End of Current Period**

None.

**4. Dividends Declared Subsequent to the Balance Sheet Date, but Before the Announcement of the Financial Statements**

None.

**5. Dividends per Share Proposed Subsequent to the Balance Sheet Date**

None.

**6. Proposals to General Assembly for the Payment Dates of Dividends and if It will not be Distribute the Reasons for This**

The Board of Directors has not decided for profit distribution as of the reporting date.

**7. Amounts Transferred to Legal Reserves**

As of December 31, 2012, amount transferred to legal reserves is TRY 10.805 Thousand (December 31, 2011: TRY 12.998 Thousand).

**8. Information on Shares Issued**

None.

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
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(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated.)

**SECTION FIVE (Cont'd)**
**EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS  
(Cont'd)**
**VI. Explanations and Disclosures Related to Statement of Cash Flows****1. Cash and Cash Equivalents****1.1. Components of Cash and Cash Equivalents and Accounting Policies Used to Determine Such Components:**

"Cash" is defined as cash in TRY and foreign currency, money in transit, cheques purchased and demand deposits in Banks, and "Cash equivalents" is defined as time deposits in Banks having original maturity less than three months and short term "murabaha" (sale at a markup) loans. Deposits held in Central Bank of the Republic of Turkey are not presented as cash equivalents.

**1.2. The effects of the other items stated in the cash flow statement and the changes in foreign currency exchange rates on cash and cash equivalents:**

"Other" item amounting to TRY (406.653) Thousand in "Operating profit before changes in operating assets and liabilities" consists of fees and commission paid, operating lease expenses, repairment and maintenance expenses, advertisement expenses and other operating expenses.(December 31, 2011: TRY (473.799) Thousand "Other Income" amounting to TRY 180.321 Thousand consists of gains on derivative financial transactions, foreign exchange gains and other operating income (December 31, 2011: TRY 91.062 Thousand).

"Net increase/decrease in other assets" amounting to TRY 92.273 Thousand in "Changes in operating assets and liabilities" consists of changes in sundry debtors, other assets and intangible asset purchases. (December 31, 2011: TRY 66.499 Thousand) "Net increase/decrease in other liabilities" with a total amount of TRY 206.980 Thousand consists of changes in sundry creditors and other liabilities. (December 31, 2011: TRY 384.973 Thousand).

"Other items" amounting to TRY (6.933) Thousand (31 December 2011: TRY (4.244) Thousand) in "Net cash provided from investing activities" consists of cash paid for purchases of intangible assets.

The effect of changes in foreign exchange rates on cash and cash equivalents as of December 31, 2012 is approximately TRY (108.330) Thousand (December 31, 2011: TRY 18.609 Thousand).

**1.3. Cash and Cash Equivalents at the Beginning of the Period:**

	Current Period	Prior Period
<b>Cash</b>	<b>659.310</b>	<b>440.675</b>
Cash in TRY/Foreign Currency	309.718	254.063
Banks-Demand Deposit	349.592	186.612
<b>Cash Equivalents</b>	<b>9.773</b>	<b>-</b>
Banks-Time Deposit	9.773	-
Murabaha Transactions Classified as Loans	-	-
<b>Total Cash and Cash Equivalents</b>	<b>669.083</b>	<b>440.675</b>

**1.4. Cash and Cash Equivalents at the End of the Period:**

	Current Period	Prior Period
<b>Cash</b>	<b>928.186</b>	<b>659.310</b>
Cash in TRY/Foreign Currency	541.810	309.718
Banks-Demand Deposit	386.376	349.592
<b>Cash Equivalents</b>	<b>7.069</b>	<b>9.773</b>
Banks-Time Deposit	-	9.773
Murabaha Transactions Classified as Loans	7.069	-
<b>Total Cash and Cash Equivalents</b>	<b>935.255</b>	<b>669.083</b>

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
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**SECTION FIVE (Cont'd)**

**EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS  
(Cont'd)**

**VII. Explanations on the Risk Group of the Bank**

**1. Transaction Volume of the Risk Group of the Bank, Outstanding Loan and Deposit Balances and Current Income and Expense Amounts**

**1.1. Current Period:**

Risk Group of the Bank	Subsidiaries and Associates		Direct and Indirect Shareholders		Other Entities Included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables (*)						
Balance at Beginning of Period	107.795	16.806	-	-	206.072	164.645
Balance at End of Period	179.214	16.414	-	-	207.200	61.246
Profit Share and Commission Income	29.970	239	-	-	47.911	733

(\*) The risk group balance includes TRY 678 Thousand finance lease receivables (December 31, 2011: TRY 3.411 Thousand).

**1.2. Prior Period:**

Risk Group of the Bank	Subsidiaries and Associates		Direct and Indirect Shareholders		Other Entities Included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables (*)						
Balance at Beginning of Period	77.494	8.921	-	-	172.548	42.782
Balance at End of Period	107.795	16.806	-	-	206.072	164.645
Profit Share and Commission Income	15.438	-	-	-	35.797	-

(\*) The risk group balance includes TRY 3.411 Thousand finance lease receivables (December 31, 2010: TRY 153 Thousand).

**1.3. Risk Group Deposits Balances of the Bank:**

Risk Group of the Bank	Subsidiaries and Associates		Direct and Indirect Shareholders		Other Entities Included in the Risk Group	
	Current Period		Current Period		Current Period	
Balance at Beginning of Period	113.796		-		127.638	
Balance at End of Period	140.501		-		132.296	
Profit Share Expense	10.258		-		7.984	

**1.4. Information on Forward and Option Agreements and Other Similar Agreements with Related Parties:**

None.

**1.5. Information on Compensation of Key Management Personnel:**

During the current period, the total amount of remuneration and benefits provided to the key management personnel of the Bank is TRY 6.550 Thousand (December 31, 2011: TRY 10.297 Thousand). Besides remuneration, the key management personnel also receive some further in kind rights.

**NOTES AND DISCLOSURES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

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

**SECTION FIVE (Cont'd)**

**EXPLANATIONS AND DISCLOSURES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS  
(Cont'd)**

**VIII. Explanations on the Bank's Domestic, Foreign, Off-shore Branches or Investments in Associates and Foreign Representative Offices**

**1. Explanations on the Bank's Domestic, Foreign, Off-shore Branches or Investments in Associates and Foreign Representative Offices**

	Number	Employees			
Domestic Branches	250	5.051			
			Country		
Rep-Offices Abroad (*)	1	1	India		
				Total Assets	Capital
Branches Abroad	1	13	Iraq	174.915	-
Off-shore Branches	-	-	-	-	-

(\*)The Bank has received all necessary approvals from BRSA to open a representative office in Mumbai and representative office has been opened as at October 1, 2012.

**2. Explanations on Branch and Agency Openings or Closings of the Bank**

The Bank has opened 50 branches in domestic and 1 branch in abroad in the period of January 1- December 31, 2012. Erbil/Iraq branch of the Bank has started its operations as at May 07, 2012. The Bank has received all necessary approvals from BRSA to open a representative office in Mumbai and representative office has been opened as at October 1,2012.

**SECTION SIX**

**OTHER EXPLANATIONS**

**I. Other Disclosures:**

**1. Subsequent Events:**

None.

**SECTION SEVEN**

**INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT**

**I. Explanations on the Independent Auditor's Report**

The financial statements of the Bank for the period January 1 - December 31, 2012 were reviewed by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu Limited).

The independent auditor's report is presented at the beginning of the financial statements and related notes.

**II. Other Footnotes and Explanations Prepared by the Independent Auditors**

There is no significant matter or disclosure which may be in connection with the Bank's operations but not explained in the above sections.