



# **Aktif Yatırım Bankası Anonim Şirketi**

**Financial Statements  
As at and For the Year Ended  
31 December 2012 with  
Independent Auditors' Report Thereon**

Akis Bağımsız Denetim ve Serbest  
Muhasebeci Mali Müşavirlik  
Anonim Şirketi

7 February 2013

*This report contains 2 pages of independent auditors' report and 49 pages of financial statements and notes to the financial statements.*

## **Aktif Yatırım Bankası Anonim Şirketi**

### **TABLE OF CONTENTS**

	<b>Page</b>
	-----
Independent Auditors' Report	
Statement of Financial Position	1
Statement of Comprehensive Income	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 – 49



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Muhasebeci Mali Müşavirlik A.Ş.**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Aktif Yatırım Bankası Anonim Şirketi:

We have audited the accompanying financial statements of Aktif Yatırım Bankası Anonim Şirketi (the "Bank"), which comprise the statement of financial position as at 31 December 2012, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's responsibility for the financial statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.



### *Basis for Qualified Opinion*

The accompanying financial statements as at 31 December 2012 include a general provision amounting to TL 25,000 thousands, which had been recognised with the amount of TL 30,000 thousands as an expense in the prior period and TL 5,000 thousands of which has been reversed and recognised as income in the financial statements in the current period, provided by the Bank management for the potential circumstances which may arise from any changes in the economy or market conditions. If the mentioned general provision were not provided, the other provisions would decrease by TL 25,000 thousands and retained earnings would increase by TL 30,000 thousands as at 31 December 2012, and other operating income, profit before tax and net profit for the year would decrease by TL 5,000 thousands for the year ended 31 December 2012.

### *Qualified Opinion*

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements give a true and fair view of the financial position of the Bank as at 31 December 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

### *Emphasis of Matter*

Without further qualifying our opinion, we draw attention to the following matter:

The Bank has given the significant portion of cash and non-cash loans to its related parties (Çalık Group Companies) as at reporting date.

KPMG Ađı Bağımsız Denetim ve SMMM Ađ

7 February 2013  
Istanbul, Turkey

**AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ****Statement of Financial Position****As of 31 December 2012***(Currency - In thousands of Turkish Lira ("TL"))*

	<i>Note</i>	<b>31 December 2012</b>	<b>31 December 2011</b>
<b>ASSETS</b>			
Cash and cash equivalents	17	376,119	274,776
Reserve deposits at Central Bank	18	151,602	89,578
Trading assets	19	4,726	1,081
Loans and advances to customers	20	2,366,560	1,677,786
Investment securities	21	571,521	474,464
Tangible assets	23	7,115	4,715
Intangible assets	24	19,588	15,667
Deferred tax assets	16	4,113	2,956
Other assets	25	16,251	11,787
<b>Total assets</b>		<b>3,517,595</b>	<b>2,552,810</b>
<b>LIABILITIES</b>			
Trading liabilities	19	3,244	69
Obligations under repurchase agreements	26	398,586	351,532
Debt securities issued	27	1,501,596	837,445
Funds borrowed	28	524,015	429,852
Provisions	29	40,182	45,571
Income taxes payables	16	9,199	1,500
Other liabilities	30	582,481	538,792
<b>Total liabilities</b>		<b>3,059,303</b>	<b>2,204,761</b>
<b>EQUITY</b>			
Share capital	31	235,448	235,448
Reserves	31	40,730	23,029
Retained earnings		182,114	89,572
<b>Total equity</b>		<b>458,292</b>	<b>348,049</b>
<b>Total liabilities and equity</b>		<b>3,517,595</b>	<b>2,552,810</b>

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

**AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES****Statement of Comprehensive Income  
For the Year Ended 31 December 2010***(Currency - In thousands of Turkish Lira ("TL"))*

	<i>Note</i>	<b>2012</b>	<b>2011</b>
Interest income	8	331,810	182,220
Interest expense	8	(189,062)	(92,568)
<b>Net interest income</b>		<b>142,748</b>	<b>89,652</b>
Fees and commission income	9	59,382	112,756
Fees and commission expense	9	(11,614)	(9,583)
<b>Net fee and commission income</b>		<b>47,768</b>	<b>103,173</b>
Net trading income	10	3,054	11,334
Other income	11	27,672	2,654
<b>Operating income</b>		<b>221,242</b>	<b>206,813</b>
Net impairment loss on financial assets	12, 20	(10,003)	(4,560)
Personnel expenses	13	(55,792)	(50,084)
Depreciation and amortisation		(4,702)	(3,370)
Administrative expenses	14	(23,517)	(19,216)
Other operating expenses	15	(9,520)	(39,993)
<b>Total operating expenses</b>		<b>(103,534)</b>	<b>(117,223)</b>
<b>Profit before income tax</b>		<b>117,708</b>	<b>89,590</b>
Income tax expense	16	(22,664)	(24,044)
<b>Net profit for the year from continuing operations</b>		<b>95,044</b>	<b>65,546</b>
<b>Other comprehensive income</b>			
Net change in fair value of available-for-sale financial assets		19,002	(12,811)
Income tax on other comprehensive income	16	(3,803)	2,562
<b>Other comprehensive income for the year, net of tax</b>		<b>15,199</b>	<b>(10,249)</b>
<b>Total comprehensive income for the year</b>		<b>110,243</b>	<b>55,297</b>

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

# AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ

## Statement of Changes in Equity For the Year Ended 31 December 2012

(Currency - In thousands of Turkish Lira ("TL"))

	Note	Share capital	Adjustment to share capital	Legal reserves	Fair value reserve	Revaluation surplus	Retained earnings	Total	Non-controlling interest	Total equity
<b>At 1 January 2011</b>		163,000	5,448	2,674	3,189	-	51,441	225,752	-	225,752
<b>Total comprehensive income for the year</b>										
Profit for the year		-	-	-	-	-	65,546	65,546	-	65,546
- Other comprehensive income										
Net change in fair value of available-for-sale financial assets		-	-	-	(10,249)	-	-	(10,249)	-	(10,249)
<b>Total other comprehensive income</b>		-	-	-	(10,249)	-	-	(10,249)	-	(10,249)
<b>Total comprehensive income for the year</b>		-	-	-	(10,249)	-	65,546	55,297	-	55,297
Transactions with owners, recorded directly in equity										
-Contributions by and distributions to owners										
Capital increase in cash	31	67,000	-	-	-	-	-	67,000	-	67,000
<b>Total transactions with owners, recorded directly in equity</b>		67,000						67,000	-	67,000
<b>Transfers</b>										
Transfer to legal reserves		-	-	1,755	-	-	(1,755)	-	-	-
Transfer to other restricted reserves		-	-	-	-	25,660	(25,660)	-	-	-
<b>At 31 December 2011</b>		230,000	5,448	4,429	(7,060)	25,660	89,572	348,049	-	348,049
<b>At 1 January 2012</b>		230,000	5,448	4,429	(7,060)	25,660	89,572	348,049	-	348,049
<b>Total comprehensive income for the year</b>										
Profit for the year		-	-	-	-	-	95,044	95,044	-	95,044
- Other comprehensive income		-	-	-	-	-	-	-	-	-
Net change in fair value of available-for-sale financial assets		-	-	-	15,199	-	-	15,199	-	15,199
<b>Total other comprehensive income</b>		-	-	-	15,199	-	-	15,199	-	15,199
<b>Total comprehensive income for the year</b>		-	-	-	15,199	-	95,044	110,243	-	110,243
Transactions with owners, recorded directly in equity										
-Contributions by and distributions to owners										
Capital increase in cash	31	-	-	-	-	-	-	-	-	-
<b>Total transactions with owners, recorded directly in equity</b>		-	-	-	-	-	-	-	-	-
<b>Transfers</b>										
Transfer to legal reserves		-	-	2,502	-	-	(2,502)	-	-	-
<b>At 31 December 2012</b>		230,000	5,448	6,931	8,139	25,660	182,114	458,292	-	458,292

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

**AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ****Statement of Cash Flows  
For the Year Ended 31 December 2012***(Currency - In thousands of Turkish Lira ("TL"))*

	<i>Note</i>	<b>2012</b>	<b>2011</b>
<b>Cash flows from operating activities</b>			
Net profit for the year		95,044	65,546
<i>Adjustments for:</i>			
Depreciation and amortisation	23, 24	4,702	3,370
Retirement pay provision expense		327	50
Unused vacation provision expense		401	287
Impairment on financial assets	20	9,960	3,415
(Reversal) / impairment of non-cash loans	29	(2,745)	1,140
Net interest income	8	(142,748)	(89,652)
(Reversal) / provision for possible losses	29	(5,000)	30,000
Unrealised foreign exchange loss / (gain)		12,305	(37,110)
Unrealised gain on derivative transactions		(529)	(418)
Gain on sales of tangible assets		-	(5)
Other expense accruals		(3,271)	(2,883)
Income tax	16	22,664	24,044
		<b>(8,890)</b>	<b>(2,216)</b>
Change in reserve deposit at Central Bank		(62,024)	(38,842)
Change in trading assets		110	(172)
Change in loans and advances to customers		(689,135)	(899,920)
Change in other assets		(3,709)	(11,622)
Change in obligations under repurchase agreements		46,834	349,450
Proceeds from borrowings		110,480	73,580
Change in other liabilities and provisions		46,318	(74,365)
		<b>(560,016)</b>	<b>(604,107)</b>
Interest received		301,546	163,130
Interest paid		(182,400)	(84,110)
Retirement pay provision and unused vacation paid	29	(88)	(28)
Income tax paid	16	(18,505)	(22,795)
<b>Net cash used in operating activities</b>		<b>(459,463)</b>	<b>(547,910)</b>
<b>Cash flows from investing activities</b>			
Purchase of investment securities		(922,959)	(414,115)
Sale of investment securities		837,263	349,966
Purchase of tangible assets	23	(4,405)	(1,581)
Proceeds from the sale of tangible assets		98	28
Purchase of intangible assets	24	(2,853)	(1,614)
Development expenditure	24	(3,863)	(3,101)
Proceeds from sale of held to maturity investments	22	3,656	-
<b>Net cash used in investing activities</b>		<b>(93,063)</b>	<b>(70,417)</b>
<b>Cash flows from financing activities</b>			
Proceeds from debt securities issued		7,765,529	3,633,100
Repayment of debt securities issued		(7,111,190)	(3,082,060)
Proceeds from share capital increase	31	-	67,000
<b>Net cash provided from financing activities</b>		<b>654,339</b>	<b>618,040</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>101,813</b>	<b>(287)</b>
Effect of exchange rate fluctuations on cash		(481)	(36)
Cash and cash equivalents on 1 January	17	274,776	275,099
<b>Cash and cash equivalents on 31 December</b>	<b>17</b>	<b>376,108</b>	<b>274,776</b>

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



# AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ

## Notes to the Financial Statements

As of and for the Year Ended 31 December 2012

(Currency - In thousands of Turkish Lira ("TL"))

### Notes to the financial statements

	<b><u>Page</u></b>
1. Corporate information	6
2. Basis of preparation	6
3. Significant accounting policies	7-16
4. Financial risk management	17-27
5. Use of estimates and judgements	28-30
6. Financial assets and liabilities	31
7. Segment reporting	32
8. Net interest income	33
9. Net fee and commission income	33
10. Net trading income	33
11. Other income	34
12. Net impairment on financial assets	34
13. Personnel expenses	34
14. Administrative expenses	34
15. Other operating expense	35
16. Taxation	35-37
17. Cash and cash equivalents	38
18. Reserve deposits at Central Bank	38
19. Trading assets and liabilities	39
20. Loans and advances to customers	40
21. Investment securities	41
22. Investment in associate	41
23. Tangible assets	42
24. Intangible assets	43
25. Other assets	43
26. Obligations and under repurchase agreements	44
27. Debt securities issued	44
28. Funds borrowed	44
29. Provisions	45
30. Other liabilities	46
31. Capital and reserves	46-47
32. Related parties	47-48
33. Commitments and contingencies	48
34. Subsequent events	49

# AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ

## Notes to the Financial Statements

### As of and for the Year Ended 31 December 2012

(Currency - In thousands of Turkish Lira ("TL"))

#### 1. Corporate information

Aktif Yatırım Bankası Anonim Şirketi (the "Bank") was incorporated under the name of Çalık Yatırım Bankası A.Ş. in Turkey in July 1999. The Bank changed its name as Aktif Yatırım Bankası A.Ş. on 1 August 2008.

The Bank operates as an "investment bank" and is mainly involved in corporate and consumer services such as cash or non-cash, financial leasing, factoring, corporate lending. As an investment bank, the Bank borrows funds from other banks, financial markets, partners and credit customers, but is not entitled to receive deposits from customers.

The head office of the Bank is located at Büyükdere Cad. No: 163/A Zincirlikuyu / Istanbul, and the Bank have also seven branches.

The Bank employs 436 people as at 31 December 2012 (31 December 2011: 373).

#### 2. Basis of preparation

##### 2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The Bank maintains its books of account and prepares its statutory financial statements in accordance with Turkish Accounting Standards, Turkish Financial Reporting Standards and other regulations on accounting and reporting standards promulgated by the Banking Regulation and Supervision Agency ("BRSA").

The financial statements had been prepared from statutory financial statements of the Bank and presented in accordance with IFRS in Turkish Lira ("TL") with adjustments and certain reclassifications for the purpose of fair presentation in accordance with IFRS.

The accompanying financial statements as at 31 December 2012 are authorised for issue by the management on 7 February 2013. The General Assembly and certain regulatory bodies have the power to amend the statutory financial statements after issue.

##### 2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following:

- derivative financial instruments are measured at fair value
- financial instruments at fair value through profit or loss are measured at fair value
- available-for-sale financial instruments.

##### 2.3 Functional and presentation currency

These financial statements are presented in TL, which is the Bank's functional currency. Except as indicated, financial information presented in TL has been rounded to the nearest thousand.

##### 2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in notes 4 and 5.

# AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ

## Notes to the Financial Statements

As of and for the Year Ended 31 December 2012

(Currency - In thousands of Turkish Lira (“TL”))

### 2. Basis of preparation (continued)

#### 2.5 Change in accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Bank.

### 3. Significant accounting policies

#### 3.1 Accounting in hyperinflationary economies

The financial statements of the Turkish entities have been restated for the changes in the general purchasing power of the Turkish Lira based on International Accounting Standard (“IAS”) No. 29 “Financial Reporting in Hyperinflationary Economies” as at 31 December 2005. IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current on the reporting date, and that corresponding figures for prior periods be restated in the same terms. One characteristic that necessitates the application of IAS 29 is a cumulative three-year inflation rate approaching or exceeding 100%. The cumulative three-year inflation rate in Turkey has been 35.61% as at 31 December 2005, based on the Turkish nation-wide wholesale price indices announced by the Turkish Statistical Institute (“TURKSTAT”). By taking this into consideration, together with the sustained positive trend in quantitative factors, such as the stabilisation in financial and monetary markets, decrease in interest rates and the appreciation of TL against USD and other hard currencies, it was declared that Turkey should be considered a non-hyperinflationary economy under IAS 29 from 1 January 2006 as stated in International Standards Alert No. 2006/17 issued on 8 March 2006. Therefore, IAS 29 has not been applied to the accompanying financial statements starting from 1 January 2006.

#### 3.2 Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Bank at the exchange rates on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate on that date. Foreign currency differences arising on retranslation are recognised in profit or loss.

Foreign currency translation rates used by the Bank are as follows:

	EUR / TL (full)	USD / TL (full)
31 December 2011	2.4592	1.9065
31 December 2012	2.3517	1.7826

#### 3.3 Interest income / expense

Interest income and expense are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. The effective interest rate is established on initial recognition of the financial asset and liability and is not revised subsequently.

The calculation of the effective interest rate includes all fees and commissions paid or received transaction costs, and discounts or premiums that are integral part of the effective interest rate.

Interest income and expense on all trading assets and liabilities are considered to be incidental to the Bank’s trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income.

Interest income and expense presented in profit or loss include the interest income on financial assets and liabilities at amortised cost on an effective interest rate basis.

## AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ

### Notes to the Financial Statements

#### As of and for the Year Ended 31 December 2012

(Currency - In thousands of Turkish Lira ("TL"))

### 3. Significant accounting policies *(continued)*

#### 3.4 Fees and commission

Fees and commission income and expense that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate.

Other fees and commission income are recognised as the related services are provided.

Other fees and commission expense relates mainly to transaction and service fees, which are expensed as the services are received.

#### 3.5 Net trading income

Net trading income comprises gains less loss related to trading assets and liabilities, and includes all realised and unrealised fair value changes and foreign exchange differences.

#### 3.6 Dividends

Dividend income is recognised when the right to receive income is established.

#### 3.7 Lease payments made

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

#### 3.8 Income tax expense

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted on the reporting date, and any adjustment to tax payable in respect of prior years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed on each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

# AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ

## Notes to the Financial Statements

### As of and for the Year Ended 31 December 2012

(Currency - In thousands of Turkish Lira ("TL"))

#### 3. Significant accounting policies (continued)

##### 3.9 Financial assets and liabilities

###### *Recognition*

The Bank initially recognises loans and advances to customers, held-to-maturity investment securities, funds borrowed, customer accounts and debt securities issued on the date that they are originated. Regular way purchases and sales of financial assets are recognised on the trade date at which the Bank commits to purchase or sell the asset. All other financial assets and liabilities are initially recognised on the trade date at which the Bank becomes a party to the contractual provisions of the instrument.

###### *Derecognition*

The Bank derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Bank is recognised as a separate asset or liability.

The Bank derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

###### *Offsetting*

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Bank has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions such as in the Bank's trading activity.

###### *Amortised cost measurement*

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

###### *Fair value measurement*

The determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations for financial instruments traded in active markets. For all other financial instruments fair value is determined by using valuation techniques. Valuation techniques include net present value techniques, the discounted cash flow method, comparison to similar instruments for which market observable prices exist, and valuation models.

# AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ

## Notes to the Financial Statements

As of and for the Year Ended 31 December 2012

(Currency - In thousands of Turkish Lira ("TL"))

### 3. Significant accounting policies (continued)

#### 3.9 Financial assets and liabilities (continued)

##### *Identification and measurement of impairment*

On each reporting date, the Bank assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the future cash flows on the asset that can be estimated reliably.

The Bank considers evidence of impairment for loans and advances and investment debt security portfolio at both a specific asset and collective level. All individually significant loans and advances and investment debt security portfolio are assessed for specific impairment. Loans and advances found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and advances that are not individually significant are collectively assessed for impairment by grouping together loans and advances portfolio with similar risk characteristics.

Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Bank about the following loss events:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments by more than 90 days;
- the Bank granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that the lender would not otherwise consider;
- it becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the Bank, including:
  - adverse changes in the payment status of borrowers; or
  - national or local economic conditions that correlate with defaults on the assets in the Bank.

Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial assets and the present value of estimated cash flows discounted at the assets' original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and advances.

Impairment losses on available-for-sale investment securities are recognised by transferring the cumulative loss that has been recognised in other comprehensive income to profit or loss as a reclassification adjustment. The cumulative loss that is reclassified from other comprehensive income to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in profit or loss.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

## AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ

### Notes to the Financial Statements

#### As of and for the Year Ended 31 December 2012

(Currency - In thousands of Turkish Lira ("TL"))

### 3. Significant accounting policies (continued)

#### 3.9 Financial assets and liabilities (continued)

##### *Identification and measurement of impairment (continued)*

In assessing collective impairment the Bank uses statistical modeling of historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

#### 3.10 Cash and cash equivalents

Cash and cash equivalents include cash on hand, unrestricted balances with Central Bank and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Bank in the management of its short-term commitments.

When the Bank purchases a financial asset and simultaneously enters into an agreement to resell the asset (or a substantially similar asset) at a fixed price on a future date ("reverse repo or stock borrowing"), the arrangement is accounted for as cash and cash equivalents, and the underlying asset is not recognised in the Bank's financial statements.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

#### 3.11 Trading assets and liabilities

Trading assets and liabilities are those assets and liabilities that the Bank acquires or incurs principally for the purpose of selling or repurchasing in the near term, or holds as part of a portfolio that is managed together for short-term profit or position taking.

Trading assets and liabilities are initially recognised and subsequently measured at fair value in the statement of financial position with transaction costs taken directly to profit or loss. All changes in fair value are recognised as part of net trading income in profit or loss. Trading assets and liabilities are not reclassified subsequent to their initial recognition.

#### 3.12 Loans and advances to customers

Loans and advances to customers are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Bank does not intend to sell immediately or in the near term.

When the Bank is the lessor in a lease agreement that transfers substantially all of the risks and rewards incidental to ownership of an asset to the lessee, the arrangement is presented within loans and advances to customers.

Loans and advances to customers are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method.

## AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ

### Notes to the Financial Statements

#### As of and for the Year Ended 31 December 2012

(Currency - In thousands of Turkish Lira ("TL"))

### 3. Significant accounting policies (continued)

#### 3.13 Investment securities

Investment securities are initially measured at fair value plus, incremental direct transaction costs, and subsequently accounted for depending on their classification as either held-to-maturity or available-for-sale.

##### (i) Held-to-maturity

Held-to-maturity investments are non-derivative assets with fixed or determinable payments and fixed maturity that the Bank has the positive intent and ability to hold to maturity, and which are not designated as at fair value through profit or loss or as available-for-sale.

Held-to-maturity investments are carried at amortised cost using the effective interest method. Any sale or reclassification of a more than insignificant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for-sale, and prevent the Bank from classifying investment securities as held-to-maturity for the current and the following two financial years.

##### (ii) Available-for-sale

Available-for-sale investments are non-derivative investments that are designated as available-for-sale or are not classified as another category of financial assets. Unquoted equity securities whose fair value cannot be reliably measured are carried at cost. All other available-for-sale investments are carried at fair value.

Interest income is recognised in profit or loss using the effective interest method. Dividend income is recognised in profit or loss when the Bank becomes entitled to the dividend. Foreign exchange gains or losses on available-for-sale debt security investments except the equity securities are recognised in profit or loss.

Other fair value changes are recognised directly in equity until the investment is sold or impaired, whereupon the cumulative gains and losses previously recognised in equity are recognised in profit or loss.

#### 3.14 Tangible assets

##### Recognition and measurement

Items of tangible assets are restated for the effects of inflation to 31 December 2005, less accumulated depreciation and impairment losses. Tangible assets acquired after 31 December 2005 is reflected at cost, less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset.

##### Subsequent costs

The cost of replacing part of an item of machinery or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Bank and its cost can be measured reliably. The costs of the day-to-day servicing of tangible assets are recognised in profit or loss as incurred.



## AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ

### Notes to the Financial Statements

As of and for the Year Ended 31 December 2012

(Currency - In thousands of Turkish Lira ("TL"))

### 3. Significant accounting policies (continued)

#### 3.14 Tangible assets (continued)

##### *Depreciation*

Depreciation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each part of an item of tangible assets. Leased assets are depreciated over the shorter of the lease term and their useful lives.

The estimated useful lives for as at 31 December 2012 and 2011 are as follows:

▪ tangible assets	5 years
▪ furniture and fixtures	5 years
▪ motor vehicles	5 years
▪ other fixed assets	4-50 years

Leasehold improvements are depreciated on a straight-line method over the shorter of the lease term and their useful lives.

#### 3.15 Intangible assets

##### *(i) Service agreements*

Service agreements acquired in a business combination are recognised at fair value at the acquisition date. The service agreements have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the service agreements.

##### *(ii) Software*

Software acquired by the Bank is restated for the effects of inflation to 31 December 2005, less accumulated amortisation and impairment losses. Intangible assets acquired after 31 December 2005 are reflected at cost, less accumulated amortisation and impairment losses.

Expenditure on internally developed software is recognised as an asset when the Bank is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development. The capitalised costs of internally developed software include all costs directly attributable to developing the software, and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimate useful life of software is 1 to 15 years.

## AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ

### Notes to the Financial Statements

As of and for the Year Ended 31 December 2012

(Currency - In thousands of Turkish Lira ("TL"))

### 3. Significant accounting policies (continued)

#### 3.16 Leased assets – lessee

Leases in terms of which the Bank assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and, the leased assets are not recognised on the Bank's statement of financial position.

#### 3.17 Impairment of non-financial assets

The carrying amounts of the Bank's non-financial assets, other than deferred tax assets, are reviewed on each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### 3.18 Funds borrowed and debt securities issued

Funds borrowed and debt securities issued are initially measured at fair value plus transaction costs, and subsequently measured at their amortised cost using the effective interest method.

#### 3.19 Provisions

A provision is recognised if, as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for restructuring is recognised when the Bank has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Bank from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Bank recognises any impairment loss on the assets associated with that contract.

# AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ

## Notes to the Financial Statements

As of and for the Year Ended 31 December 2012

(Currency - In thousands of Turkish Lira ("TL"))

### 3. Significant accounting policies (continued)

#### 3.20 Employee benefits

##### (i) Reserve for employee severance payments

In accordance with the existing social legislation in Turkey, the Bank is required to make certain lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. Such payments are calculated on the basis of an agreed formula, are subject to certain upper limits and are recognised in the accompanying financial statements as accrued. The reserve has been calculated by estimating the present value of the future obligation of the Bank that may arise from the retirement of the employees.

##### (ii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### 3.21 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective as at 31 December 2012, and have not been applied in preparing these financial statements. Among those new standards, the following are expected to have effect on the financial statements of the Bank:

- Amendments to IAS 1 *Presentation of Items of Other Comprehensive Income* require that an entity present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The amendments are effective for annual periods beginning on or after 1 July 2012.
- IFRS 10 *Consolidated Financial Statements* supersedes IAS 27 (2008) and SIC-12 *Consolidation—Special Purpose Entities* and becomes effective for annual periods beginning on or after 1 January 2013.
- IFRS 11 *Joint Arrangements* supersedes IAS 31 and SIC-13 *Jointly Controlled Entities—Non-Monetary Contributions by Venturers* and becomes effective for annual periods beginning on or after 1 January 2013. IFRS 11 *Joint Arrangements* is expected to have a material impact on the presentation of the Bank's interests in joint ventures. The proportionate consolidation method currently applied to the Bank's interests in joint ventures will be prohibited effective from 1 January 2013 and such interests in joint ventures will be accounted through equity method.
- IFRS 12 *Disclosure of Interests in Other Entities* contains the disclosure requirements for entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities and becomes effective for annual periods beginning on or after 1 January 2013.
- IFRS 13 *Fair Value Measurement* replaces the fair value measurement guidance contained in individual IFRSs with a single source of fair value measurement guidance and becomes effective for annual periods beginning on or after 1 January 2013.
- IAS 27 *Separate Financial Statements (2011)* supersedes IAS 27 *Consolidated and Separate Financial Statements (2008)* and becomes effective for annual periods beginning on or after 1 January 2013.
- IAS 28 *Investments in Associates and Joint Ventures (2011)* supersedes IAS 28 *Investments in Associates (2008)* and becomes effective for annual periods beginning on or after 1 January 2013.

## AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ

### Notes to the Financial Statements

#### As of and for the Year Ended 31 December 2012

(Currency - In thousands of Turkish Lira (“TL”))

### 3. Significant accounting policies (continued)

#### 3.21 New standards and interpretations not yet adopted (continued)

- IFRS 9 *Financial Instruments* could change the classification and measurement of financial assets and becomes effective for annual periods beginning on or after 1 January 2015.
- IAS 19 changes the definition of short-term and other long-term employee benefits (2011) to clarify the distinction between the two. For defined benefit plans, the accounting policy choice for recognition of actuarial gains and losses and corridor method are removed and IAS 19 revised (2011) is effective for annual periods beginning on or after 1 January 2013 with early adoption permitted.
- IFRS 7 *Financial Instruments: Disclosures - Enhanced Derecognition Disclosure Requirements (Amended)*: New disclosures would provide users of financial statements with information that is useful in (a) evaluating the effect or potential effect of netting arrangements on an entity’s financial position and (b) analysing and comparing financial statements prepared in accordance with IFRSs and other generally accepted accounting standards. The amendments are to be retrospectively applied for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods.
- IAS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial liabilities (Amended)*: The amendments clarify the meaning of — currently has a legally enforceable right to set-off and also clarify the application of the IAS 32 offsetting criteria to settlement systems which apply gross settlement mechanisms that are not simultaneous. These amendments are to be retrospectively applied for annual periods beginning on or after 1 January 2014.

# AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ

## Notes to the Financial Statements

As of and for the Year Ended 31 December 2012

(Currency - In thousands of Turkish Lira ("TL"))

### 4. Financial risk management

#### Introduction and overview

The Bank has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risks
- operational risks.

This note presents information about the Bank's exposure to each of the above risks, the Bank's objectives, policies and processes for measuring and managing risk, and the Bank's management of capital.

#### *Risk management framework*

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. The Board has established the Audit Committee and Risk Management Department, which are responsible for developing and monitoring Bank risk management policies in their specified areas. The Audit Committee has non-executive members and report regularly to the Board of Directors on their activities.

The Bank's risk management policies are established to identify and analyse the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Bank, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Audit Committee is responsible for monitoring compliance with the Bank's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Bank. The Audit Committee is assisted in these functions by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

#### **Credit risk**

Credit risk is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Bank's loans and advances to customers and other banks and investment securities. For risk management reporting purposes, the Bank considers and consolidates all elements of credit risk exposure (such as individual obligor default risk, country and sector risk).

For risk management purposes, credit risk arising on trading securities is managed independently, but reported as a component of market risk exposure.

#### *Management of credit risk*

The Bank's credit risk management strategy is based on a three-part methodology that embraces the customer selection, credit allocation, and credit pricing stages. Since it was founded, the Bank has always managed its credit risks by taking a portfolio-logic approach. This sums up the Bank's basic risk management strategy.

In the first stage of the lending process, sectoral weightings are determined and firms that are seeking credit are given a preliminary screening. This initial check is followed by the credit allocation stage in which firms are individually rated and the Bank's guarantee strategy is determined according to the results of this rating. In the final stage of the lending process, prices are determined by taking a risk-premium approach.

**AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ**

**Notes to the Financial Statements**

**As of and for the Year Ended 31 December 2012**

(Currency - In thousands of Turkish Lira ("TL"))

**4. Financial risk management (continued)**

**Credit risk (continued)**

*Exposure to credit risk*

	Note	Cash at banks (excluding cash at Central Bank)		Loans and advances to customers		Investment securities	
		31 December 2012	31 December 2011	31 December 2012	31 December 2011	31 December 2012	31 December 2011
<b>Carrying amount</b>	<i>17, 20, 21</i>	<b>16,155</b>	<b>20,126</b>	<b>2,366,560</b>	<b>1,677,786</b>	<b>571,521</b>	<b>474,464</b>
<b>Assets at amortised cost</b>							
Individually impaired							
- Non-performing financial assets		-	-	16,001	8,953	-	-
<b>Gross amount</b>		-	-	<b>16,001</b>	<b>8,953</b>	-	-
Allowance for impairment		-	-	(16,001)	(8,953)	-	-
Collectively impaired							
- Non-performing financial assets		-	-	2,912	-	-	-
<b>Gross amount</b>		-	-	<b>2,912</b>	-	-	-
Allowance for impairment		-	-	(2,912)	-	-	-
<b>Carrying amount</b>	<i>17, 20, 21</i>	-	-	-	-	-	-
Neither past due nor impaired							
- Low risk		16,155	20,126	1,797,207	1,279,095	-	-
- Medium risk		-	-	373,742	352,268	-	3,838
- High risk		-	-	75,659	18,255	-	-
- Non graded		-	-	119,952	28,168	-	-
<b>Carrying amount amortised cost</b>	<i>17, 20, 21</i>	<b>16,155</b>	<b>20,126</b>	<b>2,366,560</b>	<b>1,677,786</b>	-	<b>3,838</b>
<b>Available for sale assets</b>							
Individually impaired							
- Non-performing financial assets		-	-	-	-	-	-
<b>Gross amount</b>		-	-	-	-	-	-
Allowance for impairment		-	-	-	-	-	-
<b>Carrying amount</b>	<i>21</i>	-	-	-	-	-	-
Neither past due nor impaired							
- Low risk		-	-	-	-	571,521	456,918
- Medium risk		-	-	-	-	-	13,708
- High risk		-	-	-	-	-	-
- Non graded		-	-	-	-	-	-
<b>Carrying amount fair value</b>	<i>21</i>	-	-	-	-	<b>571,521</b>	<b>470,626</b>
<b>Total carrying amount</b>	<i>17, 20, 21</i>	<b>16,155</b>	<b>20,126</b>	<b>2,366,560</b>	<b>1,677,786</b>	<b>571,521</b>	<b>474,464</b>

**AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ****Notes to the Financial Statements****As of and for the Year Ended 31 December 2012***(Currency - In thousands of Turkish Lira ("TL"))***4. Financial risk management (continued)****Credit risk (continued)***Impaired loans and advances to customers and investment securities*

Impaired loans and advances to customers and investment debt securities are those for which the Bank determines that it is probable that it will be unable to collect all principal and interest due to according to the contractual terms of the loans and investment debt securities.

*Allowance for impairment*

The Bank establishes an allowance for impairment losses on assets carried at amortised cost that represents its estimate of incurred losses in its loan and investment debt security portfolio. This allowance is a specific loss component that relates to individually significant exposures.

*Write-off policy*

The Bank writes off a loan or investment debt security balance, and any related allowances for impairment losses, when Bank determines that the loan or security is uncollectible. This determination is reached after considering information such as occurrence of significant changes in the borrower's / issuer's financial position such that the borrower / issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure.

Set out below is an analysis of the gross and net (of allowances for impairment) amounts of individually and collectively impaired assets by risk grade.

	Loans and advances to customers		Investment securities	
	Gross	Net	Gross	Net
<b>31 December 2012</b>				
Individually impaired	16,001	-	-	-
Collectively impaired	2,912	-	-	-
<b>31 December 2011</b>				
Individually impaired	8,953	-	-	-

The Bank holds collateral against loans and advances to customers in the form of mortgage interests over machinery, other registered securities over assets, and guarantees.

Cash loans	31 December 2012	31 December 2011
Against neither past due nor impaired		
- Cash blockage	168,597	23,551
- Pledge on assets	140,690	86,426
- Cheques and notes	-	1,069
Against past due but impaired		
- Cash blockage	-	268
- Pledge on assets	5,326	-
Against individually impaired		
- Pledge on assets	848	1,072
<b>Total</b>	<b>315,461</b>	<b>112,386</b>

**AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ****Notes to the Financial Statements****As of and for the Year Ended 31 December 2012***(Currency - In thousands of Turkish Lira ("TL"))***4. Financial risk management (continued)****Credit risk (continued)**

The Bank also holds collateral against non-cash loans as stated below:

<b>Non-cash loans</b>	<b>31 December 2012</b>	<b>31 December 2011</b>
Cash blockage	134,249	22,696
Pledge on assets	11,622	23,591
Cheques and notes	-	623
	<b>145,871</b>	<b>46,910</b>

In addition to collaterals stated above, the Bank holds customer sureties amounting against its cash loans and advances to customers and against its non-cash loans.

*Concentration risk by location*

The Bank's total risk for loans and advances to customers and investment debt securities (held-to-maturity portfolio) is mainly concentrated on Turkey.

*Trading assets and investment securities (available-for-sale portfolio)*

The Bank held trading assets, investment securities (available-for-sale portfolio) including derivative assets of TL 576,247 (31 December 2011: TL 471,707). An analysis of the credit quality of the maximum credit exposure is as follows:

	<i>Note</i>	<b>31 December 2012</b>	<b>31 December 2011</b>
Government bonds, treasury bills and investment funds			
- Rated BB- (trading portfolio)	19	551	610
- Rated BB- (available-for-sale portfolio)	21	571,521	456,918
Corporate bonds			
- Rated B (available-for-sale portfolio)	21	-	13,708
Derivative assets:			
- Bank and financial institution counterparties	19	4,175	471
<b>Total</b>		<b>576,247</b>	<b>471,707</b>



**AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ****Notes to the Financial Statements****As of and for the Year Ended 31 December 2012***(Currency - In thousands of Turkish Lira ("TL"))***4. Financial risk management (continued)****Credit risk (continued)***Concentration risk by sector*

The Bank monitors concentrations of credit risk for cash loans and advances to customer and non-cash loans to customers by sector. An analysis of concentrations of credit risk at the reporting date is shown below:

Sector	31 December 2012				31 December 2011			
	Cash loans	%	Non-cash loans	%	Cash loans	%	Non-cash loans	%
Construction	198,444	8	449,183	40	105,830	6	307,932	26
Financial institution	80,335	3	68,832	-	43,558	3	98,795	8
General services	964,680	41	99,464	15	684,741	41	77,500	7
Media	-	-	51,888	5	-	-	48,841	4
Automotive	-	-	25,569	2	-	-	31,689	3
Textile	70,602	3	25,305	2	62,743	4	32,588	3
IT industry	35,061	1	-	-	-	-	-	-
Electricity industry	28,313	1	11,493	1	9,906	1	356,253	31
Iron and steel industry	192,209	8	7,955	1	-	-	16,263	1
Public	126	-	5,000	-	3,034	-	10,800	1
Machinery and equipment	7,611	1	1,437	-	11,900	1	3,380	1
Energy industry	23,466	1	308,176	27	32,131	2	100,895	9
Trade	37,312	2	14,821	1	45,901	3	51,437	4
Other <sup>(*)</sup>	728,401	31	66,010	6	678,042	39	27,555	2
	<b>2,366,560</b>	<b>100</b>	<b>1,135,133</b>	<b>100</b>	<b>1,677,786</b>	<b>100</b>	<b>1,163,928</b>	<b>100</b>

<sup>(\*)</sup> Includes consumer loans, unclassified loans and leasing receivables.

**Liquidity risk**

Liquidity risk is the risk that the Bank will encounter difficulty in meeting obligations from its financial liabilities.

*Management of liquidity risk*

The Bank's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Bank's reputation.

The Bank funds its short-term liquidity with interbank. In the case of long-term liquidity need, the Bank utilises capital market instruments. Additionally, the Bank also funds itself from the domestic and foreign market when it needs additional funds.

*Exposure to liquidity risk*

The key measure used by the Bank for managing liquidity risk is the ratio of net liquid assets to short-term funds borrowed. For this purpose net liquid assets are considered as including cash and cash equivalents and trading debt securities for which there is an active and liquid market less any short-term funds borrowed and commitments. A similar, but not identical, calculation is used to measure the Bank's compliance with the liquidity limit established by the BRSA.

	31 December 2012	31 December 2011
At the end of the year	147%	125%
Average for the year	197%	155%
Maximum for the year	267%	234%
Minimum for the year	113%	104%

**AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ**

**Notes to the Financial Statements**

**As of and for the Year Ended 31 December 2012**

(Currency - In thousands of Turkish Lira ("TL"))

**4. Financial risk management (continued)**

**Residual contractual maturities of financial liabilities**

	<i>Note</i>	<b>Carrying amount</b>	<b>Gross nominal inflow / (outflow)</b>	<b>On demand</b>	<b>Less than 1 month</b>	<b>1-3 months</b>	<b>3 months to 1 year</b>	<b>1-5 years</b>	<b>More than 5 years</b>
<b>31 December 2012</b>									
<i>Non-derivative liabilities</i>									
Obligations under repurchase agr.	26	398,586	(399,823)	-	(363,061)	(29,608)	(7,154)	-	-
Debt securities issued	27	1,501,596	(1,532,860)	-	(630,436)	(378,078)	(524,346)	-	-
Funds borrowed	28	524,015	(531,483)	-	(80,851)	(235,017)	(196,987)	(18,628)	-
Customer accounts <sup>(*)</sup>	30	523,758	(523,812)	(523,812)	-	-	-	-	-
<i>Derivative financial instruments</i>									
Outflow	19	4,175	(589,495)	-	(284,258)	(233,780)	(71,457)	-	-
Inflow	19	(3,244)	588,818	-	284,240	233,525	71,053	-	-
		<b>2,948,886</b>	<b>(2,988,655)</b>	<b>(523,812)</b>	<b>(1,074,366)</b>	<b>(642,958)</b>	<b>(728,891)</b>	<b>(18,628)</b>	<b>-</b>

(\*) Included in other liabilities.

	<i>Note</i>	<b>Carrying amount</b>	<b>Gross nominal inflow / (outflow)</b>	<b>On demand</b>	<b>Less than 1 month</b>	<b>1-3 months</b>	<b>3 months to 1 year</b>	<b>1-5 years</b>	<b>More than 5 years</b>
<b>31 December 2011</b>									
<i>Non-derivative liabilities</i>									
Obligations under repurchase agr.	26	351,532	(351,883)	-	(351,883)	-	-	-	-
Debt securities issued	27	837,445	(848,318)	-	(391,887)	(404,493)	(51,938)	-	-
Funds borrowed	28	429,852	(432,428)	-	(165,532)	(238,128)	(28,768)	-	-
Current accounts <sup>(*)</sup>	30	507,461	(507,542)	(485,915)	(21,627)	-	-	-	-
<i>Derivative financial instruments</i>									
Outflow	19	471	(87,981)	-	(87,981)	-	-	-	-
Inflow	19	(69)	87,706	-	87,706	-	-	-	-
		<b>2,126,692</b>	<b>(2,140,446)</b>	<b>(485,915)</b>	<b>(931,204)</b>	<b>(642,621)</b>	<b>(80,706)</b>	<b>-</b>	<b>-</b>

(\*) Included in other liabilities.

The gross nominal inflow / (outflow) disclosed in the table above is the contractual, undiscounted cash flow on the financial liability or commitment.

**AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ****Notes to the Financial Statements****As of and for the Year Ended 31 December 2012**

(Currency - In thousands of Turkish Lira ("TL"))

**4. Financial risk management (continued)****Liquidity risk (continued)****Market risk**

Market risk is the risk that, measured by changes in market prices, such as interest rate, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's / issuer's credit standing) which will affect the Bank's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Overall authority for market risk is vested in Asset and Liability Committee ("ALCO").

*Exposure to market risks – trading portfolios*

The principal tool used to measure and control market risk exposure within the Bank's portfolios is Standard Method.

A summary of the Standard Method position of the Bank's portfolios on 31 December 2012 and 2011 and during the period is as follows:

	<b>At the end of the year</b>	<b>Average</b>	<b>Maximum</b>	<b>Minimum</b>
<b>31 December 2012</b>				
Foreign currency risk	90	167	408	80
Interest rate risk	10,174	8,411	11,719	3,381
Counterparty	1,181	1,011	1,318	710
Equity risk	66	75	86	65
	<b>11,511</b>	<b>9,664</b>	<b>13,531</b>	<b>4,236</b>
<b>31 December 2011</b>				
Foreign currency risk	181	216	388	104
Interest rate risk	5,394	7,070	8,362	5,324
Equity risk	82	81	82	80
	<b>5,657</b>	<b>7,367</b>	<b>8,832</b>	<b>5,508</b>

**AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ**

**Notes to the Financial Statements**

**As of and for the Year Ended 31 December 2012**

(Currency - In thousands of Turkish Lira ("TL"))

**4. Financial risk management (continued)**

**Market risk (continued)**

*Exposure to interest rate risk – non-trading portfolios*

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instrument because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands. The ALCO is the monitoring body for compliance with these limits and is assisted by Risk Management Department of the Bank in its day-to-day monitoring activities. A summary of the Bank's interest rate gap position on non-trading portfolios is as follows:

	Note	Carrying amount	Unallocated	On demand	Less than 3 months	3-6 months	6-12 months	1-5 years	More than 5 years
<b>31 December 2012</b>									
Cash and cash equivalents	17	376,119	-	369,109	7,010	-	-	-	-
Reserve deposits at Central Bank	18	151,602	-	151,602	-	-	-	-	-
Trading assets	19	4,726	-	-	3,949	777	-	-	-
Loans and advances to customers	20	2,366,560	-	-	1,562,717	37,791	126,086	584,225	55,741
Investment securities – AFS	21	571,521	-	-	84,705	137,284	77,347	246,855	25,330
		<b>3,470,528</b>	<b>-</b>	<b>520,711</b>	<b>1,658,381</b>	<b>175,852</b>	<b>203,433</b>	<b>831,080</b>	<b>81,071</b>
Obligations under repurchase agr.	26	398,586	-	-	391,636	6,950	-	-	-
Debt securities issued	27	1,501,596	-	-	1,000,797	272,564	228,235	-	-
Funds borrowed	28	524,015	-	-	313,531	107,437	85,210	17,837	-
		<b>2,424,197</b>	<b>-</b>	<b>-</b>	<b>1,705,964</b>	<b>386,951</b>	<b>313,445</b>	<b>17,837</b>	<b>-</b>
<b>Interest rate gap</b>		<b>1,046,331</b>	<b>-</b>	<b>520,711</b>	<b>(47,583)</b>	<b>(211,099)</b>	<b>(110,012)</b>	<b>813,243</b>	<b>81,071</b>
<b>31 December 2011</b>									
Cash and cash equivalents	17	274,776	-	274,776	-	-	-	-	-
Reserve deposits at Central Bank	18	89,578	-	89,578	-	-	-	-	-
Trading assets	19	1,081	-	-	1,081	-	-	-	-
Loans and advances to customers	20	1,677,786	-	-	933,019	41,275	93,792	543,640	66,060
Investment securities – AFS	21	470,626	-	-	23,916	201,943	189,362	25,820	29,585
Investment securities – HTM	21	3,838	-	-	3,838	-	-	-	-
		<b>2,517,685</b>	<b>-</b>	<b>364,354</b>	<b>961,854</b>	<b>243,218</b>	<b>283,154</b>	<b>569,460</b>	<b>95,645</b>
Obligations under repurchase agr.	26	351,532	-	-	351,532	-	-	-	-
Debt securities issued	27	837,445	-	-	787,144	34,241	16,060	-	-
Funds borrowed	28	429,852	-	-	401,489	28,363	-	-	-
		<b>1,618,829</b>	<b>-</b>	<b>-</b>	<b>1,540,165</b>	<b>62,604</b>	<b>16,060</b>	<b>-</b>	<b>-</b>
<b>Interest rate gap</b>		<b>898,856</b>	<b>-</b>	<b>364,354</b>	<b>(578,311)</b>	<b>180,614</b>	<b>267,094</b>	<b>569,460</b>	<b>95,645</b>

**AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ**

**Notes to the Financial Statements**

**As of and for the Year Ended 31 December 2012**

(Currency - In thousands of Turkish Lira ("TL"))

**4. Financial risk management (continued)**

**Market risk (continued)**

*Interest rate sensitivity*

The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Bank's financial assets and liabilities to various standard and non-standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 100 basis point (bp) parallel fall or rise in all yield curves. An analysis of the Bank's sensitivity to an increase or decrease in market interest rates (assuming no asymmetrical movement in yield curves and a constant statement of financial position) is as follows:

At 31 December 2012	Profit or loss		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Trading securities	-	-	-	-
Investment securities – available-for-sale	-	-	(5,864)	6,124
	-	-	<b>(5,864)</b>	<b>6,124</b>

At 31 December 2011	Profit or loss		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Trading securities	(1)	1	(1)	1
Investment securities – available-for-sale	-	-	(3,719)	3,907
	<b>(1)</b>	<b>1</b>	<b>(3,720)</b>	<b>3,908</b>

*Summary of average interest rates*

As at 31 December 2012 and 2011, the summary of average interest rates for different assets and liabilities are as follows:

	31 December 2012			31 December 2011		
	Euro	USD	TL	Euro	USD	TL
<b>Assets</b>						
Cash and cash equivalents	-	-	6.75	-	-	-
Trading assets	-	-	-	-	-	7.87
Loans and advances to customers	7.83	6.79	11.35	6.73	6.43	16.17
Investment securities – AFS	5.13	11.88	9.43	5.13	9.97	8.05
Investment securities – HTM	-	-	-	-	8.50	-
<b>Liabilities</b>						
Obligations under repurchase agreements	3.61	1.00	6.11	-	5.50	7.39
Debt securities issued	4.06	4.17	9.56	5.31	4.00	11.66
Funds borrowed	1.83	3.02	5.84	2.58	2.62	8.80

**AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ**

**Notes to the Financial Statements**

**As of and for the Year Ended 31 December 2012**

(Currency - In thousands of Turkish Lira ("TL"))

**4. Financial risk management (continued)**

**Operational risk**

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Bank cannot expect to eliminate all operational risks, but through a control framework and by monitoring and responding to potential risks, the Bank is able to manage the risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, including the use of audit.

**Foreign currency risk**

<b>31 December 2012</b>	<b>Euro</b>	<b>USD</b>	<b>Other</b>	<b>Total</b>
Cash and cash equivalents	21,999	5,205	2,104	29,308
Reserve deposits at Central Bank	88,037	63,565	-	151,602
Loans and advances to customers	293,133	362,191	-	655,324
Investment securities – AFS	13,718	19,430	-	33,148
Other assets	2,145	19	-	2,164
Funds borrowed	(140,137)	(248,824)	-	(388,961)
Obligations under repurchase agreements	(2,939)	(8,917)	-	(11,856)
Debt securities issued	(68,540)	(89,124)	-	(157,664)
Other liabilities	(261,081)	(38,744)	(9,305)	(309,130)
<b>Net statement of financial position</b>	<b>(53,665)</b>	<b>64,801</b>	<b>(7,201)</b>	<b>3,935</b>
Forward exchange contracts	53,500	(65,813)	8,238	(4,075)
<b>Net total position</b>	<b>(165)</b>	<b>(1,012)</b>	<b>1,037</b>	<b>(140)</b>
<b>31 December 2011</b>	<b>Euro</b>	<b>USD</b>	<b>Other</b>	<b>Total</b>
Cash and cash equivalents	115,720	23,563	2,573	141,856
Reserve deposits at Central Bank	89,578	-	-	89,578
Loans and advances to customers	280,084	126,592	-	406,676
Investment securities – AFS	12,188	31,105	-	43,293
Investment securities – HTM	-	3,838	-	3,838
Other assets	31	24	-	55
Funds borrowed	(157,027)	(121,422)	-	(278,449)
Obligations under repurchase Agreements	-	(19,206)	-	(19,206)
Debt securities issued	(12,133)	(383)	-	(12,516)
Other liabilities	(318,738)	(58,257)	(35,794)	(412,789)
<b>Net statement of financial position</b>	<b>9,703</b>	<b>(14,146)</b>	<b>(33,221)</b>	<b>(37,664)</b>
Forward exchange contracts	(10,970)	14,651	34,416	38,097
<b>Net total position</b>	<b>(1,267)</b>	<b>505</b>	<b>1,195</b>	<b>433</b>

**AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ****Notes to the Financial Statements****As of and for the Year Ended 31 December 2012***(Currency - In thousands of Turkish Lira (“TL”))***4. Financial risk management (continued)****Foreign currency risk (continued)****Sensitivity analysis**

A 10 percent weakening of TL against the foreign currencies on 31 December 2012 and 2011 would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

<b>31 December 2012</b>	<b>Equity</b>	<b>Profit or loss</b>
Euro	(17)	83
USD	(101)	51
Other currencies	104	104
	<b>(14)</b>	<b>238</b>
<b>31 December 2011</b>	<b>Equity</b>	<b>Profit or loss</b>
Euro	(127)	(97)
USD	51	112
Other currencies	120	120
	<b>44</b>	<b>135</b>

A 10 percent strengthening of the TL against the foreign currencies on 31 December 2012 and 2011 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

**Capital management**

The Bank’s lead regulator, BRSA sets and monitors capital requirements for the Bank as a whole.

The capital adequacy ratio calculations are made in accordance with the “Regulation on Measurement and Evaluation of Capital Adequacy of Banks” published in Official Journal No 28337 of 28 June 2012 from 1 July 2012. Standard Method is used to calculate market risk which is included in computation of capital adequacy ratio.

In implementing current capital requirements of BRSA requires the Bank to maintain an 8% ratio of total capital to total risk-weighted assets.

As at 31 December 2012, the Bank’s capital adequacy ratio is 12.34%.

## **AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ**

### **Notes to the Financial Statements**

#### **As of and for the Year Ended 31 December 2012**

*(Currency - In thousands of Turkish Lira ("TL"))*

#### **5. Use of estimates and judgements**

Management decides to the development, selection and disclosure of the Bank's critical accounting policies and estimates, and the application of these policies and estimates.

These disclosures supplement the commentary on financial risk management (see note 4).

#### **Key sources of estimation uncertainty**

##### *Allowances for credit losses*

Assets accounted for at amortised cost are evaluated for impairment on a basis described in accounting policy 3.9.

The Bank reviews its loan portfolio to assess impairment at least on a monthly basis. In determining whether an impairment loss should be recorded in the profit or loss, the Bank makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans and individual loans. All loans with principal and/or interest overdue for more than 90 days are considered as impaired and individually assessed. Other evidence for impairment may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group, or national or local economic conditions that correlate with defaults on assets in the Bank.

Due to the increase in the consumer loan portfolio of the Bank and the availability of the historical trends of the probability of default, starting from 1 January 2012, the Bank started to provide collective loan loss allowance established for groups of homogeneous assets in respect of losses that have been incurred but have not been identified except for loans and receivables subject to individual assessment for impairment.

##### *Determining fair values*

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in accounting policy 3.9. For financial instruments that require varying degrees of judgement depending liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument. See also "Valuation of financial instruments" below.

#### **Critical accounting judgements in applying the Bank's accounting policies**

Critical accounting judgements made in applying the Bank's accounting policies include:

##### *Impairment of investment in equity securities*

Investments in equity securities are evaluated for impairment on the basis described in accounting policy 3.9.

For an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment: In this respect, the Bank regards a decline in fair value in excess of 20 percent to be "significant" and a decline in a quoted market price that persists for nine months or longer to be "prolonged".



## AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ

### Notes to the Financial Statements

#### As of and for the Year Ended 31 December 2012

(Currency - In thousands of Turkish Lira ("TL"))

#### 5. Use of estimates and judgements (continued)

##### Critical accounting judgements in applying the Bank's accounting policies (continued)

###### Valuation of financial instruments

The Bank's accounting policy on fair value measurements is discussed in accounting policy 3.9.

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Quoted market price (unadjusted) in an active market for identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments using valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Bank determines fair values using valuation techniques.

Valuation techniques include net present value and discounted cash flow models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.

The Bank uses widely recognised valuation models for determining the fair value of common and more simple financial instruments, like forwards and currency swaps that use only observable market data and require little management judgement and estimation. Observable prices and model inputs are usually available in the market for listed debt securities. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

**AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ****Notes to the Financial Statements****As of and for the Year Ended 31 December 2012***(Currency - In thousands of Turkish Lira ("TL"))***5. Use of estimates and judgements (continued)****Critical accounting judgements in applying the Bank's accounting policies (continued)***Valuation of financial instruments (continued)*

This table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

<b>At 31 December 2012</b>	<b>Note</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Trading assets	19	551	4,175	-	4,726
Investment securities – AFS portfolio	21	571,521	-	-	571,521
		<b>572,072</b>	<b>4,175</b>	<b>-</b>	<b>576,247</b>
Trading liabilities	19	-	(3,244)	-	<b>(3,244)</b>
		<b>572,072</b>	<b>931</b>	<b>-</b>	<b>573,003</b>
<b>At 31 December 2011</b>		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Trading assets	19	610	471	-	1,081
Investment securities – AFS portfolio	21	470,626	-	-	470,626
		<b>471,236</b>	<b>471</b>	<b>-</b>	<b>471,707</b>
Trading liabilities	19	-	(69)	-	(69)
		<b>471,236</b>	<b>402</b>	<b>-</b>	<b>471,638</b>

*Financial asset and liability classification*

The Bank's accounting policies provide scope for assets and liabilities to be designated on inception into different accounting categories in certain circumstances:

In classifying financial assets and liabilities as "trading", the Bank has determined that it meets the description of trading assets and liabilities set out in accounting policy 3.11.

**AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ**

**Notes to the Financial Statements**

**As of and for the Year Ended 31 December 2012**

(Currency - In thousands of Turkish Lira ("TL"))

**6. Financial assets and liabilities**

**Accounting classification and fair values**

The determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations for financial instruments traded in active markets or valuation techniques. However, the Bank expects no significant difference between the fair value and carrying value of the financial instruments below since most of the financial instruments' maturities are short-term except for the loans and advances to customers and investment securities-HTM.

Valuation technique used for determining the fair value of the loans and advances to customers is net present value model. Assumptions and inputs used in net present value model include benchmark interest rates, credit spreads or other premium used in estimating discount rates. The fair value of the investment securities – HTM is determined based on the quoted market prices. The objective of valuation technique is to arrive at a fair value determination that reflects the prices of the loans and advances to customers and investment securities-HTM at the reporting date that would have been determined by market participants acting at arm's length.

The table below sets out the Bank's classification of each class of financial assets and liabilities and their fair values.

	<i>Note</i>	<b>Trading</b>	<b>Loans and receivables</b>	<b>Available -for-sale</b>	<b>Held-to-maturity</b>	<b>Other amortised cost</b>	<b>Total carrying amount</b>	<b>Fair value</b>
<b>31 December 2012</b>								
Cash and cash equivalents	17	-	376,119	-	-	-	376,119	376,119
Reserve deposits at Central Bank	18	-	151,602	-	-	-	151,602	151,602
Trading assets	19	4,726	-	-	-	-	4,726	4,726
Loans and advances to customers	20	-	2,366,560	-	-	-	2,366,560	2,366,615
Investment securities – AFS	21	-	-	571,521	-	-	571,521	571,521
		<b>4,726</b>	<b>2,894,281</b>	<b>571,521</b>	<b>-</b>	<b>-</b>	<b>3,470,528</b>	<b>3,470,583</b>
Trading liabilities	19	3,244	-	-	-	-	3,244	3,244
Obligations under rep. agr.	26	-	-	-	-	398,586	398,586	398,586
Debt securities issued	27	-	-	-	-	1,501,596	1,501,596	1,501,596
Funds borrowed	28	-	-	-	-	524,015	524,015	524,015
		<b>3,244</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,424,197</b>	<b>2,427,441</b>	<b>2,427,441</b>
<b>31 December 2011</b>								
Cash and cash equivalents	17	-	274,776	-	-	-	274,776	274,776
Reserve deposits at Central Bank	18	-	89,578	-	-	-	89,578	89,578
Trading assets	19	1,081	-	-	-	-	1,081	1,081
Loans and advances to customers	20	-	1,677,786	-	-	-	1,677,786	1,533,286
Investment securities – AFS	21	-	-	470,626	-	-	470,626	470,626
Investment securities – HTM	21	-	-	-	3,838	-	3,838	3,917
		<b>1,081</b>	<b>2,042,140</b>	<b>470,626</b>	<b>3,838</b>	<b>-</b>	<b>2,517,685</b>	<b>2,373,264</b>
Trading liabilities	19	69	-	-	-	-	69	69
Obligations under rep. agr.	26	-	-	-	-	351,532	351,532	351,532
Debt securities issued	27	-	-	-	-	837,445	837,445	837,445
Funds borrowed	28	-	-	-	-	429,852	429,852	429,852
		<b>69</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,618,829</b>	<b>1,618,898</b>	<b>1,618,898</b>

**AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ****Notes to the Financial Statements****As of and for the Year Ended 31 December 2012***(Currency - In thousands of Turkish Lira ("TL"))***7. Segment reporting**

The Bank is operating mainly in retail banking, corporate banking and investment banking.

<b>31 December 2012</b>	<b>Retail banking</b>	<b>Corporate banking</b>	<b>Investment banking</b>	<b>Other</b>	<b>Total</b>
<b>Operating income</b>	<b>90,574</b>	<b>285,733</b>	<b>45,611</b>	-	<b>421,918</b>
Undistributed costs <sup>(1)</sup>	(55,895)	(85,963)	-	(162,352)	(304,210)
Income from subsidiaries	-	-	-	-	-
Profit before tax	34,679	199,770	45,611	(162,352)	117,708
Tax provision	-	-	-	(22,664)	(22,664)
Profit after tax	34,679	199,770	45,611	(185,016)	95,044
<b>Net profit</b>	<b>34,679</b>	<b>199,770</b>	<b>45,611</b>	<b>(185,016)</b>	<b>95,044</b>
<b>Total assets</b>	<b>643,509</b>	<b>1,723,051</b>	<b>1,103,968</b>	<b>47,067</b>	<b>3,517,595</b>
<b>Total liabilities and equity</b>	<b>577,710</b>	<b>1,444,732</b>	<b>925,845</b>	<b>569,308</b>	<b>3,517,595</b>

**Other segment items**

Capital investment <sup>(2)</sup>	-	-	-	-	11,121
Depreciation <sup>(2)</sup>	-	-	-	-	4,702
Impairment losses <sup>(2)</sup>	-	-	-	-	10,003

<sup>(1)</sup> Costs that cannot be allocated according to consistent base.<sup>(2)</sup> Other segment costs could not be distributed.

<b>31 December 2011</b>	<b>Retail banking</b>	<b>Corporate banking</b>	<b>Investment banking</b>	<b>Other</b>	<b>Total</b>
<b>Operating income</b>	<b>55,351</b>	<b>199,445</b>	<b>54,168</b>	-	<b>308,964</b>
Undistributed costs <sup>(1)</sup>	(11,739)	-	-	(207,635)	(219,374)
Profit before tax	-	-	-	-	-
Loss from discontinued operations (net of income tax)	43,612	199,445	54,168	(207,635)	89,590
Tax provision	-	-	-	(24,044)	(24,044)
Profit after tax	43,612	199,445	54,168	(231,679)	65,546
<b>Net profit</b>	<b>43,612</b>	<b>199,445</b>	<b>54,168</b>	<b>(231,679)</b>	<b>65,546</b>
<b>Total assets</b>	<b>556,685</b>	<b>1,121,101</b>	<b>839,899</b>	<b>35,125</b>	<b>2,552,810</b>
<b>Total liabilities and equity</b>	<b>352,367</b>	<b>992,539</b>	<b>781,453</b>	<b>426,451</b>	<b>2,552,810</b>

**Other segment items**

Capital investment <sup>(2)</sup>	-	-	-	-	73,296
Depreciation <sup>(2)</sup>	-	-	-	-	3,370
Impairment losses <sup>(2)</sup>	-	-	-	-	4,560

<sup>(1)</sup> Costs that cannot be allocated according to consistent base.<sup>(2)</sup> Other segment costs could not be distributed.

**AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ****Notes to the Financial Statements****As of and for the Year Ended 31 December 2012***(Currency - In thousands of Turkish Lira ("TL"))***8. Net interest income**

	<b>2012</b>	<b>2011</b>
<b>Interest income</b>		
Loans and advances to customers <sup>(1)</sup>	286,594	139,288
Investment securities	41,620	37,275
Cash and cash equivalents	3,248	5,517
Other	348	140
<b>Total interest income</b>	<b>331,810</b>	<b>182,220</b>
<b>Interest expense</b>		
Debt issued	141,858	51,966
Funds borrowed	23,708	28,371
Money market transactions	21,239	10,556
Other	2,257	1,675
<b>Total interest expense</b>	<b>189,062</b>	<b>92,568</b>
<b>Net interest income</b>	<b>142,748</b>	<b>89,652</b>

<sup>(1)</sup> Includes interest income from factoring receivables.**9. Net fee and commission income**

	<b>2012</b>	<b>2011</b>
<b>Fees and commission income</b>		
Remittance fee	6,512	50,450
Financial guarantee contracts issued	12,724	23,456
Intermediary commissions	15,683	16,097
Insurance fee	14,930	8,445
Other	9,533	14,308
<b>Total fees and commission income</b>	<b>59,382</b>	<b>112,756</b>
<b>Fees and commission expense</b>		
Other	11,614	9,583
<b>Total fees and commission expense</b>	<b>11,614</b>	<b>9,583</b>
<b>Net fees and commission income</b>	<b>47,768</b>	<b>103,173</b>

**10. Net trading income**

	<b>2012</b>	<b>2011</b>
Foreign exchange gain	6,945	10,259
Fixed income	2,086	692
Gain/(loss) from derivative financial instruments	(5,977)	383
<b>Total</b>	<b>3,054</b>	<b>11,334</b>

**AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ****Notes to the Financial Statements****As of and for the Year Ended 31 December 2012***(Currency - In thousands of Turkish Lira ("TL"))***11. Other income**

	<b>2012</b>	<b>2011</b>
Gain on sale of assets	19,119	895
Reversal of general provision	5,000	-
Other	3,553	1,759
<b>Total</b>	<b>27,672</b>	<b>2,654</b>

**12. Net impairment on financial assets**

	<b>2012</b>	<b>2011</b>
Specific provision for loans	7,048	3,415
Collective impairment provision for loans	2,912	-
Provision for non-cash loans	-	1,140
Other	43	5
<b>Total</b>	<b>10,003</b>	<b>4,560</b>

**13. Personnel expenses**

	<b>2012</b>	<b>2011</b>
Wages and salaries	35,974	33,363
Bonus provision	12,625	11,600
Compulsory social security obligations	3,331	2,695
Employee termination indemnity and vacation pay liability	728	411
Other	3,134	2,015
<b>Total</b>	<b>55,792</b>	<b>50,084</b>

**14. Administrative expenses**

	<b>2012</b>	<b>2011</b>
Rent expenses	4,482	3,893
Taxes and dues other than on income	4,381	3,672
Publicity expenses	2,856	1,652
Expenses on vehicles	2,680	2,192
Communication expenses	2,142	2,200
Consultancy expenses	1,761	722
Travelling expenses	1,397	1,237
Software maintenance expenses	1,149	1,060
Representation expenses	974	931
Reuters expenses	459	467
Subscription expenses	149	113
Maintenance expenses	138	63
Others	949	1,014
<b>Total</b>	<b>23,517</b>	<b>19,216</b>

**AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ****Notes to the Financial Statements****As of and for the Year Ended 31 December 2012***(Currency - In thousands of Turkish Lira ("TL"))***15. Other operating expenses**

	<b>2012</b>	<b>2011</b>
Provision for possible losses	-	30,000
Other	9,520	9,993
<b>Total</b>	<b>9,520</b>	<b>39,993</b>

**16. Taxation****General information**

The Bank is subject to taxation in accordance with the tax procedures and the legislation effective in Turkey.

In Turkey, effective from 1 January 2006 corporate tax rate is 20%. The tax legislation provides for a temporary tax of 20% to be calculated and paid based on earnings generated for each quarter. The amounts which are calculated and paid are offset against the final corporate tax liability for the year.

Corporate tax losses can be carried forward for a maximum period of five years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years. Corporate tax returns are required to be filed by the twenty-fifth day of the fourth month following the year-end balance sheet date and taxes must be paid in one instalment by the end of the fourth month.

As at 31 December 2012 and 2011, the current tax liability is as follows:

	<b>31 December 2012</b>	<b>31 December 2011</b>
Income tax liability	27,704	24,295
Prepaid taxes	(18,505)	(22,795)
<b>Income taxes payable</b>	<b>9,199</b>	<b>1,500</b>

For the year ended 31 December 2012 and 2011, the income tax expense recognised in profit or loss and income tax recognised directly in equity are as follows:

**Recognised in profit or loss**

	<b>2012</b>	<b>2011</b>
Current tax expense from continuing operations	(24,922)	(26,291)
Deferred tax from continuing operations	2,258	2,247
- <i>Origination and reversal of temporary differences</i>	2,258	2,247
<b>Total income tax</b>	<b>(22,664)</b>	<b>(24,044)</b>

**Income tax recognised directly in equity**

	<b>31 December 2012</b>	<b>31 December 2011</b>
Available-for-sale investment securities		
- Deferred tax	(1,101)	569
- Current tax	(2,702)	1,993
	<b>(3,803)</b>	<b>2,562</b>

**AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ**

**Notes to the Financial Statements**

**As of and for the Year Ended 31 December 2012**

(Currency - In thousands of Turkish Lira ("TL"))

**16. Taxation (continued)**

**Reconciliation of effective tax rate**

Reconciliation between tax expense and the accounting profit multiplied by the statutory income tax rate of the Bank for the year ended 31 December 2012 and 2011 is as follows:

	2012	Rate %	2011	Rate %
Profit for the year	95,044		65,546	
Total income tax expense	22,664		24,044	
<b>Profit before income tax</b>	<b>117,708</b>		<b>89,590</b>	
Income tax using the domestic corporation tax rate 20%	(23,542)	(20.00)	(17,918)	(20.00)
Non-deductible expenses	(219)	(0.18)	(7,010)	(7.82)
Tax exempt income	1,097	0.93	884	0.99
<b>Total income tax in the profit or loss</b>	<b>(22,664)</b>	<b>(19.25)</b>	<b>(24,044)</b>	<b>(26.83)</b>

**Deferred tax**

**Recognised deferred tax assets and liabilities**

The deferred tax included in the statement of financial position and recognised in profit or loss and in equity are as follows:

	31 December 2012			31 December 2011		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Available-for-sale investment securities	-	(640)	(640)	549	-	549
Held-to-maturity investment securities	-	-	-	33	-	33
Derivative financial instruments	649	(835)	(186)	14	(94)	(80)
Retirement pay liability	70	-	70	22	-	22
Unused vacation liability	303	-	303	223	-	223
Tangible assets and intangible assets	-	(284)	(284)	-	(252)	(252)
Bonus provision	2,663	-	2,663	2,320	-	2,320
Unearned income commissions	1,267	-	1,267	-	-	-
Other	920	-	920	205	(64)	141
<b>Deferred tax assets</b>	<b>5,872</b>	<b>(1,759)</b>	<b>4,113</b>	<b>3,366</b>	<b>(410)</b>	<b>2,956</b>

Recognised in the statement of financial position as follows:

	31 December 2012	31 December 2011
Deferred tax assets	4,113	2,956
	<b>4,113</b>	<b>2,956</b>



**AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ**

**Notes to the Financial Statements**

**As of and for the Year Ended 31 December 2012**

(Currency - In thousands of Turkish Lira ("TL"))

**16. Taxation (continued)**

**Deferred tax (continued)**

**Movements in temporary differences during the year**

<b>31 December 2012</b>	<b>Opening balance</b>	<b>Recognised in profit or loss</b>	<b>Recognised in equity</b>	<b>Closing balance</b>
Available-for-sale investment securities	549	(88)	(1,101)	(640)
Held-to-maturity investment securities	33	(33)	-	-
Derivative financial instruments	(80)	(106)	-	(186)
Retirement pay liability	22	48	-	70
Unused vacation liability	223	80	-	303
Tangible assets and intangible assets	(252)	(32)	-	(284)
Bonus provision	2,320	343	-	2,663
Unearned income commissions	-	1,267	-	1,267
Other	141	779	-	920
	<b>2,956</b>	<b>2,258</b>	<b>(1,101)</b>	<b>4,113</b>

<b>31 December 2011</b>	<b>Opening balance</b>	<b>Recognised in profit or loss</b>	<b>Recognised in equity</b>	<b>Closing balance</b>
Available-for-sale investment securities	78	(98)	569	549
Held-to-maturity investment securities	24	9	-	33
Derivative financial instruments	3	(84)	-	(81)
Tax loss carry-forwards				
Retirement pay liability	18	4	-	22
Unused vacation liability	165	58	-	223
Tangible assets and intangible assets	(306)	54	-	(252)
Bonus provision	-	2,320	-	2,320
Other	158	(16)	-	142
	<b>140</b>	<b>2,247</b>	<b>569</b>	<b>2,956</b>

**AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ****Notes to the Financial Statements****As of and for the Year Ended 31 December 2012***(Currency - In thousands of Turkish Lira (“TL”))***17. Cash and cash equivalents**

	<b>31 December 2012</b>	<b>31 December 2011</b>
Cash and balances with Central Bank	359,964	254,650
- <i>Cash on hand</i>	<i>15,144</i>	<i>3,017</i>
- <i>Unrestricted balances with Central Bank</i>	<i>344,820</i>	<i>251,633</i>
Placements with other banks	16,155	20,126
<b>Cash and cash equivalents in the statement of financial position</b>	<b>376,119</b>	<b>274,776</b>
Less: Interest income accruals on cash and cash equivalents	(11)	-
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>376,108</b>	<b>274,776</b>

**18. Reserve deposits at Central Bank**

	<b>31 December 2012</b>	<b>31 December 2011</b>
Foreign currency	151,602	89,578
	<b>151,602</b>	<b>89,578</b>

According to the regulations of the Central Bank of Turkish Republic (the “Central Bank”), banks are obliged to reserve a portion of certain liability accounts as specified in the related decree. Such mandatory reserves are not available for use in the Bank’s day to day operations.

The banks operating in Turkey keep reserve deposits for Turkish currency and foreign currency liabilities in TL and USD or EUR at the rates of 8-11% and 9-11%, respectively according to their maturity terms as per the Communiqué no. 2005/1 “Reserve Deposits” of the Central Bank of Turkey (31 December 2011 – 5-11% for TL and 6-11% for USD or EUR).

As at 31 December 2012 and 2011, TL reserve deposits and foreign currency reserve deposits are non-interest earning.

**AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ****Notes to the Financial Statements****As of and for the Year Ended 31 December 2012***(Currency - In thousands of Turkish Lira ("TL"))***19. Trading assets and liabilities****Trading assets**

	<b>31 December 2012</b>	<b>31 December 2011</b>
<b>Trading securities</b>		
- Government bonds and treasury bills	-	93
- Investment funds	551	517
<b>Derivative assets</b>		
- Foreign exchange	4,175	471
-Swap contracts	51	414
-Forward contracts	4,122	57
-Options	2	-
	<b>4,726</b>	<b>1,081</b>

**Trading liabilities**

	<b>31 December 2012</b>	<b>31 December 2011</b>
<b>Derivative liabilities</b>		
- Foreign exchange	3,244	69
-Swap contracts	150	69
-Forward contracts	3,092	-
-Options	2	-
	<b>3,244</b>	<b>69</b>

As at 31 December 2012 and 2011, no trading securities are kept for legal requirements and as a guarantee for stock exchange and money market operations.

As at 31 December 2012 and 2011, no trading debt securities pledged under repurchase agreements.

As at 31 December 2012 and 2011, all trading debt securities have fixed interest rates.

On the reporting date, the total notional amount of outstanding forward foreign exchange contracts to which the Bank is committed are as follows:

	<b>31 December 2012</b>	<b>31 December 2011</b>
Forward foreign exchange contracts – buy <sup>(*)</sup>	542,969	13,520
Forward foreign exchange contracts – sell <sup>(*)</sup>	542,189	13,480
Swap foreign exchange contracts – buy	44,732	81,869
Swap foreign exchange contracts – sell	44,834	81,604
Option contracts-buy	3,558	-
Option contracts-sell	3,558	-

<sup>(\*)</sup> Included spot and forward transactions.

**AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ**

**Notes to the Financial Statements**

**As of and for the Year Ended 31 December 2012**

(Currency - In thousands of Turkish Lira ("TL"))

**20. Loans and advances to customers**

As at 31 December 2012 and 2011, all loans and advances to customers are at amortised cost.

	Gross amount	Impairment allowance	Carrying amount	Gross amount	Impairment allowance	Carrying amount
	31 December 2012			31 December 2011		
Corporate customers:						
- Finance leases	1,542	-	1,542	31	-	31
- Other lending	2,383,931	(18,913)	2,365,018	1,686,708	(8,953)	1,677,755
<i>Corporate loans</i>	1,730,420	(6,796)	1,723,624	1,127,009	(7,458)	1,119,551
<i>Consumer loans</i>	652,692	(12,117)	640,575	558,180	(1,495)	556,685
<i>Factoring receivables</i>	819	-	819	1,519	-	1,519
	<b>2,385,473</b>	<b>(18,913)</b>	<b>2,366,560</b>	<b>1,686,739</b>	<b>(8,953)</b>	<b>1,677,786</b>

As at 31 December 2012 TL 638,967 (31 December 2011: TL 609,700) of loan and advances to customers are expected to be recovered more than 12 months after the reporting date.

**Allowance for impairment**

	31 December 2012	31 December 2011
<b>Specific allowances for impairment</b>		
Balance on 1 January	8,953	5,538
Impairment loss for the year	7,048	3,415
- Charge for the year	8,250	3,653
- Recoveries	(1,202)	(238)
<b>Balance on 31 December</b>	<b>16,001</b>	<b>8,953</b>
<b>Collective allowances for impairment</b>		
Balance on 1 January	-	-
Impairment loss for the year	2,912	-
- Charge for the year	2,912	-
<b>Balance on 31 December</b>	<b>2,912</b>	<b>-</b>
<b>Total allowances for impairment</b>	<b>18,913</b>	<b>8,953</b>

**Finance lease receivables**

Loans and advances to customers include the following finance lease receivables.

	31 December 2012	31 December 2011
Gross investment in finance leases, receivable:		
- Less than one year	-	36
- Between one and five years	1,752	-
	<b>1,752</b>	<b>36</b>
Unearned future income on finance leases	(210)	(5)
<b>Net investment in finance leases</b>	<b>1,542</b>	<b>31</b>
The net investment in finance leases comprises:		
- Less than one year	-	31
- Between one and five years	1,542	-
	<b>1,542</b>	<b>31</b>

**AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ****Notes to the Financial Statements****As of and for the Year Ended 31 December 2012***(Currency - In thousands of Turkish Lira ("TL"))***21. Investment securities**

	<b>31 December 2012</b>			<b>31 December 2011</b>
	<b>Interest rate %</b>	<b>Latest maturity</b>	<b>Carrying amount</b>	<b>Carrying amount</b>
<b>Held-to-maturity investment securities</b>				
- Corporate bonds	-	-	-	3,838
<b>Available-for-sale investment securities</b>				
- Government bonds	5.13-11.73	15.01.2030	571,521	456,918
- Corporate bonds	-		-	13,708
			<b>571,521</b>	<b>474,464</b>

As at 31 December 2012, TL 85,228 and TL 431,617 of investment securities is given as collateral for performing transaction at stock exchange and repurchase agreement, respectively (31 December 2011: TL 41,488 and TL 356,660, respectively).

As at 31 December 2012, TL 6,297 investment securities are blocked for asset backed securitisation funds.

**22. Investment in associate**

As at 31 December 2012 and 2011, the Bank has no investment in associate.

**AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ**

**Notes to the Financial Statements**

**As of and for the Year Ended 31 December 2012**

(Currency - In thousands of Turkish Lira ("TL"))

**23. Tangible assets**

	<b>Machinery and equipment</b>	<b>Furniture and fixtures</b>	<b>Leasehold improvements</b>	<b>Motor vehicles</b>	<b>Other fixed assets</b>	<b>Total</b>
<b>Cost</b>						
Balance on 1 January 2011	3,898	1,884	2,623	-	492	8,897
Additions	942	115	397	32	95	1,581
Disposals	(31)	-	-	-	(2)	(33)
<b>Balance on 31 December 2011</b>	<b>4,809</b>	<b>1,999</b>	<b>3,020</b>	<b>32</b>	<b>585</b>	<b>10,445</b>
Balance on 1 January 2012	4,809	1,999	3,020	32	585	10,445
Additions	3,170	311	650	-	274	4,405
Disposals	-	-	-	-	(142)	(142)
<b>Balance on 31 December 2012</b>	<b>7,979</b>	<b>2,310</b>	<b>3,670</b>	<b>32</b>	<b>717</b>	<b>14,708</b>
<b>Depreciation and impairment</b>						
Balance on 1 January 2011	1,793	1,126	1,272	-	59	4,250
Depreciation for the year	743	274	394	1	78	1,490
Disposals	(10)	-	-	-	-	(10)
<b>Balance on 31 December 2011</b>	<b>2,526</b>	<b>1,400</b>	<b>1,666</b>	<b>1</b>	<b>137</b>	<b>5,730</b>
Balance on 1 January 2012	2,526	1,400	1,666	1	137	5,730
Depreciation for the year	1,019	300	487	5	96	1,907
Disposals	(6)	-	-	-	(38)	(44)
<b>Balance on 31 December 2012</b>	<b>3,539</b>	<b>1,700</b>	<b>2,153</b>	<b>6</b>	<b>195</b>	<b>7,593</b>
<b>Carrying amounts</b>						
Balance on 1 January 2011	2,105	758	1,351	-	433	4,647
Balance on 31 December 2011	2,283	599	1,354	31	448	4,715
Balance on 31 December 2012	4,440	610	1,517	26	522	7,115

There is no capitalised borrowing costs related to the acquisition of the tangible assets during the year (2011: None).

**AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ****Notes to the Financial Statements****As of and for the Year Ended 31 December 2012***(Currency - In thousands of Turkish Lira ("TL"))***24. Intangible assets**

	<b>Software</b>	<b>Development costs</b>	<b>Total</b>
<b>Cost</b>			
Balance on 1 January 2011	6,123	10,095	16,218
Additions	1,614	-	1,614
Internally developed	-	3,101	3,101
<b>Balance on 31 December 2011</b>	<b>7,737</b>	<b>13,196</b>	<b>20,933</b>
Balance on 1 January 2012	7,737	13,196	20,933
Additions	2,853	-	2,853
Internally developed	-	3,863	3,863
<b>Balance on 31 December 2012</b>	<b>10,590</b>	<b>17,059</b>	<b>27,649</b>
<b>Amortisation</b>			
Balance on 1 January 2011	2,671	715	3,386
Amortisation for the year	462	1,418	1,880
<b>Balance on 31 December 2011</b>	<b>3,133</b>	<b>2,133</b>	<b>5,266</b>
Balance on 1 January 2012	3,133	2,133	5,266
Amortisation for the year	570	2,225	2,795
<b>Balance on 31 December 2012</b>	<b>3,703</b>	<b>4,358</b>	<b>8,061</b>
<b>Carrying amounts</b>			
Balance on 1 January 2011	3,452	9,380	12,832
Balance on 31 December 2011	4,604	11,063	15,667
Balance on 31 December 2012	6,887	12,701	19,588

There is no capitalised borrowing costs related to the internally development of software during the year (2011: None).

**25. Other assets**

	<b>31 December 2012</b>	<b>31 December 2011</b>
Guarantees given <sup>(*)</sup>	9,350	9,350
Transitory accounts	2,266	1,185
Prepaid expenses	1,929	958
Receivables from clearing house	78	155
Advances given	26	22
Others	2,602	117
	<b>16,251</b>	<b>11,787</b>

<sup>(\*)</sup> This balance consist of the guarantees given for the Bank's asset backed securitisation fund named Aktif Yatırım Bankası A.Ş (1) No'lu Varlık Finansman Fonu.

**AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ****Notes to the Financial Statements****As of and for the Year Ended 31 December 2012***(Currency - In thousands of Turkish Lira ("TL"))***26. Obligations under repurchase agreements**

	<b>31 December 2012</b>	<b>31 December 2011</b>
Obligations under repurchase agreements-TL	386,730	332,326
Obligations under repurchase agreements-FC	11,856	19,206
	<b>398,586</b>	<b>351,532</b>

Investment securities are pledged under repurchase agreements as at 31 December 2012: TL 392,931 of investment securities (31 December 2011: TL 356,660 of investment securities).

**27. Debt securities issued**

As at 31 December 2012 and 2011, all debt securities issued are at amortised cost.

	<b>31 December 2012</b>	<b>31 December 2011</b>
Debt securities issued-TL	1,343,932	824,929
Debt securities issued-FC	157,664	12,516
	<b>1,501,596</b>	<b>837,445</b>

	<b>31 December 2012</b>	<b>31 December 2011</b>
Nominal of debt securities issued	1,569,780	885,248
Unaccrued interest expense	(68,184)	(47,803)
	<b>1,501,596</b>	<b>837,445</b>

In 2012, the Bank issued TL debt securities with maturities between 2 January 2013 and 18 December 2013 (2011: 6 January 2012-6 December 2012). The interest rate for TL debt securities is between 8.33%-13% (2011: 9%-13.85%). In 2012, the Bank issued foreign currency debt securities with maturities between 2 January 2013 and 3 July 2013 (2011: 2 July 2012). The interest rate for foreign currency debt securities is between 3.40%-5% (2011: 3.5%-5.90%).

**28. Funds borrowed**

	<b>31 December 2012</b>	<b>31 December 2011</b>
Domestic banks – TL	20,043	47,088
Domestic banks – Foreign currency	105,819	9,824
Foreign banks – TL	115,011	104,315
Foreign banks – Foreign currency	283,142	268,625
	<b>524,015</b>	<b>429,852</b>

As at 31 December 2012, TL 17,837 of funds borrowed is expected to be settled more than 12 months after the reporting date (31 December 2011: None).



**AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ****Notes to the Financial Statements****As of and for the Year Ended 31 December 2012***(Currency - In thousands of Turkish Lira ("TL"))***29. Provisions**

	<b>31 December 2012</b>	<b>31 December 2011</b>
Provision for possible losses <sup>(*)</sup>	25,000	30,000
Bonus provision	13,316	11,600
Vacation pay liability	1,513	1,112
Employee termination benefits	351	112
Provision for non-cash loans	2	2,747
<b>Total</b>	<b>40,182</b>	<b>45,571</b>

<sup>(\*)</sup> As at 31 December 2012, TL 5,000 of a general provision amounting to TL 30,000, which was provided during prior period by the Bank management for the possible result of the negative circumstances which may arise from any changes in the economy or market conditions has been reversed and recognised in the current period statement of the comprehensive income as an income.

**Employee termination benefits**

In accordance with existing social legislation in Turkey, the Bank is required to make lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. In Turkey, such payments are calculated on the basis of 30 days' pay (limited to a maximum of TL 3.03 and TL 2.73 on 31 December 2012 and 2011, respectively) per year of employment at the rate of pay applicable on the date of retirement or termination. In the financial statements as at 31 December 2012 and 2011, the Bank reflected a liability calculated using the hypothetical method and based upon factors derived using their experience of personnel terminating their services and being eligible to receive retirement pay and discounted by using the current market yield on government bonds on the reporting date.

The principal actuarial assumptions used on the reporting dates are as follows:

	<b>31 December 2012</b>	<b>31 December 2011</b>
Discount rate	2.38%	4.66%

The movement in provision for employee termination benefits is as follows:

	<b>31 December 2012</b>	<b>31 December 2011</b>
Opening balance	112	90
Interest cost	16	11
Service cost	85	52
Payment during the year	(88)	(28)
Actuarial difference	226	(13)
<b>Balance at the end of the year</b>	<b>351</b>	<b>112</b>

**AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ****Notes to the Financial Statements****As of and for the Year Ended 31 December 2012***(Currency - In thousands of Turkish Lira ("TL"))***30. Other liabilities**

	<b>31 December 2012</b>	<b>31 December 2011</b>
Customer accounts <sup>(*)</sup>	523,758	507,461
Transitory accounts	17,081	5,087
Cash collaterals received	10,670	603
Guarantees given	9,350	9,350
Unearned income	7,981	7,416
Taxes and due payable	5,378	4,412
Expense accrual	2,247	2,154
Payables to clearing house	1,298	225
Payables to compulsory government funds	1,039	937
Other	3,679	1,147
	<b>582,481</b>	<b>538,792</b>

<sup>(\*)</sup> The Bank is not entitled to collect deposits. The customer accounts represent the current balances of loan customers. As at 31 December 2012 there is no time customer accounts (31 December 2011: The maturity of this account is between 9 and 26 January 2012 for TL and 26 January 2012 for USD, and interest rate range for TL is between 8.00% and 8.50% and interest rate for USD is 4.5%).

**31. Capital and reserves**

	<b>31 December 2012</b>	<b>31 December 2011</b>
<b>Number of common shares</b> , TL 1,000 (in full TL), par value (Authorised and issued)	230.000	230.000

As at 31 December 2012, all issued shares are fully paid and there is no preference shares assigned to shareholders of the Bank.

**Share capital and share premium**

As at 31 December 2012 and 2011, the composition of shareholders and their respective percentage of ownership are summarised as follows:

	<b>31 December 2012</b>		<b>31 December 2011</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
Çalık Holding A.Ş.	227,688	98.99	227,688	98.99
GAP Güneydoğu Tekstil San. ve Tic. A.Ş.	1,224	0.53	1,224	0.53
Ahmet Çalık	544	0.24	544	0.24
Başak Enerji Elektrik Üretim San. ve Tic. A.Ş.	272	0.12	272	0.12
Irmak Enerji Elektrik Üretim Madencilik San. ve Tic. A.Ş.	272	0.12	272	0.12
<b>Total paid-in-capital</b>	<b>230,000</b>	<b>100.00</b>	<b>230,000</b>	<b>100.00</b>
Restatement effect per IAS 29	5,448		5,448	
<b>Total share capital</b>	<b>235,448</b>		<b>235,448</b>	

There is no increase in paid in capital in 2012 (The paid in capital has been increased by TL 18,500 and TL 48,500 on 24 November 2011 and 30 December 2011, respectively. The increase has been paid in cash by Çalık Holding A.Ş.).

# AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ

## Notes to the Financial Statements

As of and for the Year Ended 31 December 2012

(Currency - In thousands of Turkish Lira ("TL"))

### 31. Capital and reserves (continued)

#### Reserves

##### Fair value reserve

This reserve includes the cumulative net change in the fair value of available-for-sale investment securities until the investment is derecognised or impaired.

##### Other reserves

Other reserves consist of legal reserves and other restricted reserves.

The legal reserves consist of first and second legal reserves in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of the statutory profits at the rate of 5%, until the total reserve reaches a maximum of 20% of the entity's share capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the entity's share capital. The first and second legal reserves are not available for distribution unless they exceed 50% of the share capital, but may be used to absorb losses in the event that the general reserve is exhausted. In the accompanying financial statements, the total of the legal reserves are amounting to TL 6,931 (31 December 2011: TL 4,429).

According to the Corporate Tax Law, 75% of the capital gains arising from the sale of tangible assets and investments owned for at least two years are exempted from corporate tax on the condition that such gains are reflected in the other restricted reserves in equity with the intention to be utilised in a share capital increase within five years from the date of the sale. The remaining 25% of such capital gains are subject to corporate tax. As at 31 December 2011, the Bank has transferred a gain from sale of investment amounting to TL 25,660 to the other restricted reserves in equity.

### 32. Related parties

#### Parent and ultimate controlling party

The Bank is controlled by Çalık Holding A.Ş. which owns 98.99% of ordinary shares (31 December 2011 – 98.99%).

#### Compensation of key management personnel of the Bank

Total salaries and other benefits paid to the Board of Members and top management during the year is TL 10,658 (31 December 2011: TL 6,960).

#### Balances with related parties

<b>31 December 2012</b>	<b>Related party balances</b>	<b>Total balance</b>	<b>Rate (%)</b>
Loans and advances to customers	1,275,177	2,369,472	53.82
Other liabilities (Customer accounts)	13,786	523,758	2.63
Debt securities issued	41,152	1,501,596	2.74

  

<b>31 December 2011</b>	<b>Related party balances</b>	<b>Total balance</b>	<b>Rate (%)</b>
Loans and advances to customers	814,424	1,677,786	48.54
Other liabilities (Customer accounts)	8,507	507,461	1.68
Debt securities issued	28,721	837,445	3.43

**AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ****Notes to the Financial Statements****As of and for the Year Ended 31 December 2012***(Currency - In thousands of Turkish Lira ("TL"))***32. Related parties (continued)****Balances with related parties (continued)****Off statement of financial position balances with related parties**

<b>31 December 2012</b>	<b>Related party balances</b>	<b>Total balance</b>	<b>Rate (%)</b>
Non-cash loans	665,036	1,135,133	58.59

<b>31 December 2011</b>	<b>Related party balances</b>	<b>Total balance</b>	<b>Rate (%)</b>
Non-cash loans	750,699	1,163,928	64.50

**Transactions with related parties**

	<b>31 December 2012</b>	<b>31 December 2011</b>
Interest income on loans	142,076	43,691
Fee and commission income	7,809	9,572
Rent expenses	3,386	3,124
Accommodation expenses	1,697	1,437

**33. Commitments and contingencies**

	<b>2012</b>	<b>2011</b>
Letters of guarantee	1,029,256	1,038,928
Letters of credit	80,501	97,284
Acceptance credits	459	5,099
Other guarantees	24,917	22,617
<b>Total non-cash loans</b>	<b>1,135,133</b>	<b>1,163,928</b>
Check limits	2,449	2,057
Other commitments	1,534,149	848,983
<b>Total</b>	<b>2,671,731</b>	<b>2,014,968</b>

## **AKTİF YATIRIM BANKASI ANONİM ŞİRKETİ**

### **Notes to the Financial Statements**

#### **As of and for the Year Ended 31 December 2012**

*(Currency - In thousands of Turkish Lira ("TL"))*

#### **34. Subsequent events**

By the board of directors decision dated 11 January 2013 and numbered 1565, the paid in capital of the Bank's investment "E-Post Elektronik Perakende Otomasyon Satış Ticaret A.Ş." has been decided to increase by TL 45,000 from 330 TL to 45,330 TL which will be paid fully by the Bank.

The Bank has established "Sigortayeri Sigorta ve Reasürans Brokerliği A.Ş." on 11 January 2013 with a capital of TL 1,000,000 which will be paid fully by the Bank.

The bank has established "Emlak Girişim Danışmanlığı A.Ş." on 11 January 2013 with a capital of TL 1,000,000 which will be paid fully by the Bank.

The Bank's subsidiary "Emlak Girişim Danışmanlığı A.Ş." has participated by 5% by paying a capital of TL 50,000 to "İFM İstanbul Finans Merkezi İnşaat Taahhüt A.Ş." which was established on 25 January 2013.

By the board of directors decision dated 14 January 2013 and numbered 1566, the Bank has decided to establish "Aktif Yatırım Bankası A.Ş. (1) No'lu Faktoring Varlık Finansman Fonu".

By the board of directors decision dated 6 February, the Bank decided to make 2012 annual general assembly meeting on 27 February 2013.