



Türkiye İhracat Kredi Bankası Anonim Şirketi

Unconsolidated Financial Statements

As of and For Year Ended 31 December 2013

With Independent Auditors' Report Thereon

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

**Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik
Anonim Şirketi**

13 February 2014

*This report includes "Independent Auditors' Report"
comprising 2 pages and; "Unconsolidated Financial
Statements and Related Disclosures and Footnotes"
comprising 92 pages.*



**Akis Bağımsız Denetim ve Serbest
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Türkiye İhracat Kredi Bankası Anonim Şirketi:

We have audited the unconsolidated balance sheet of Türkiye İhracat Kredi Bankası A.Ş. ("the Bank") as of 31 December 2013 and the unconsolidated income statement, statements of cash flows, statements of changes in shareholders' equity for the year then ended and a summary of significant accounting policies and notes to the financial statements.

Disclosure for the Responsibility of the Bank's Board of Directors:

The Bank's Board of Directors is responsible for establishing and maintaining effective internal control over financial reporting to prevent the misstatements caused by error or fraud, that are material to the financial statements; and for adopting sound accounting policies in compliance with the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published on the Official Gazette no 26333 dated 1 November 2006, Turkish Accounting Standards, Turkish Financial Reporting Standards and other regulations, circular and communiqués published by the Banking Regulation and Supervision Board, and the statements made by the Banking Regulation and Supervision Agency on accounting and financial reporting principles.

Disclosure for the Responsibility of the Authorized Audit Firm:

Our responsibility, as independent auditors, is to express an opinion on these financial statements based on our audit. Our audit is performed in accordance with the "Regulation on the Assignment and Activities of the Banks' Independent Audit Firms" published on the Official Gazette no.26333 dated 1 November 2006 and international standards on auditing. We planned and conducted our audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement. Our audit includes using the audit techniques for the purpose of obtaining evidence supporting the amounts and disclosures in the financial statements. The selection of the audit techniques is made in accordance with our professional judgment by taking the effectiveness of the controls over financial reporting into consideration and assessing the appropriateness of the applied accounting policies. We believe that our audit provides a reasonable basis for our opinion.



Independent Auditor's Opinion:

In our opinion, the accompanying unconsolidated financial statements present fairly, in all material respects, the financial position of Türkiye İhracat Kredi Bankası A.Ş. as of 31 December 2013 and the result of its operations and cash flows for the year then ended in accordance with the accounting principles and standards as per the existing regulations described in Article 37 of (Turkish) Banking Law No 5411 and other regulations, circular and communiqués published by the Banking Regulation and Supervision Board, and the statements made by the Banking Regulation and Supervision Agency on accounting and financial reporting principles.

Other Matter

The financial statements of the Bank as at and for the year ended 31 December 2012 was audited by another auditor who expressed an unmodified opinion on those statements on 14 February 2013.

İstanbul,
13 February 2014

Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik
Anonim Şirketi

Alper Güvenç
Partner

Additional paragraph for convenience translation to English:

As explained in Note 1.4 in Section 3, the accompanying financial statements are not intended to present the financial position and results of operations in accordance with the accounting principles and practices generally accepted in countries and jurisdictions other than Turkey.



**CONVENIENCE TRANSLATION
OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH,
SEE NOTE 1.4 IN SECTION THREE**

**THE UNCONSOLIDATED FINANCIAL REPORT OF
TÜRKİYE İHRACAT KREDİ BANKASI A.Ş. (“TÜRK EXIMBANK”)
AS OF 31 DECEMBER 2012**

Saray Mah. Üntel Sok. No: 19 34768 Ümraniye / İSTANBUL
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The unconsolidated financial report includes the following sections in accordance with the “Communiqué on the Financial Statements and Related Explanation and Notes that will be Publicly Announced” as sanctioned by the Banking Regulation and Supervision Agency.

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION RELATED TO THE FINANCIAL POSITION OF THE BANK
- EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS AND NOTES
- INDEPENDENT AUDITOR’S REPORT

The accompanying unconsolidated financial statements and notes to these financial statements which are expressed, unless otherwise stated, in **thousands of Turkish lira**, have been prepared and presented based on the accounting books of the Bank in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards and Turkish Financial Reporting Standards; the related appendices and interpretations of these financial statements have been independently audited.

13 February 2014

Cavit DAĞDAŞ
Vice Chairman of the Board of
Directors / Member of the
Audit Committee

Doğan ARIKAN
Member of the Board of
Directors / Member of the
Audit Committee

Hayrettin KAPLAN
General Manager

Necati YENİARAS
Executive Vice President

Muhittin AKBAŞ
Head of Accounting and
Reporting Unit

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

Name-Surname/Title: Muhittin AKBAŞ/ Head of Accounting and Reporting Unit

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TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.

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TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.

SECTION ONE

GENERAL INFORMATION

1.1 Reporting period along with the information on the trading name of the Bank as parent company, the address of the head office, the website address and e-mail address.

The commercial title of the Bank:	Türkiye İhracat Kredi Bankası A.Ş.
The Bank's head office address:	Saray Mahallesi Üntel Sok. No:19 34768 Ümraniye / İSTANBUL
The Bank's telephone and fax numbers:	Telephone: (0216) 666 55 00 Facsimile: (0216) 666 55 99
The Bank's web site:	www.eximbank.gov.tr
The Bank's e-mail address:	info@eximbank.gov.tr
Reporting period:	1 Ocak - 31 Aralık 2013

1.2 Bank's date of foundation, initial status, history regarding the changes in this status

Türkiye İhracat Kredi Bankası A.Ş. ("the Bank" or "Eximbank") was established as Turkey's "Official Export Credit Agency" on 25 March 1987 with Act number 3332 as a development and investment bank and accordingly, the Bank does not accept deposits.

1.3 Explanation about the Bank's capital structure and shareholders who are in charge of the management and/or auditing of the Bank directly or indirectly, changes in these matters throughout the year (if any) and the group of the Bank

The total share capital of the Bank is TL 2.200.000.000,00 (two billion and two-hundred million). The Bank's paid-in-capital committed by Turkish Republic Prime Ministry Undersecretariat of Treasury consists of 2.200.000.000 shares of TL 1 nominal each.

1.4 Explanation on the Board of directors, members of the audit committee, president and executive vice presidents and their shareholding at the Bank, if applicable

	<u>Name:</u>	<u>Academic Background:</u>
Deputy Chairman of the Board of Directors:	Cavit DAĞDAŞ	Graduate
Members of the Board of Directors:	Dr. Hayrettin KAPLAN	Postgraduate
	Oğuz SATICI	Undergraduate
	Mehmet BÜYÜKEKŞİ	Undergraduate
	Adnan Ersoy ULUBAŞ	Undergraduate
	A.Doğan ARIKAN	Undergraduate
	Ziya ALTUNYALDIZ	Graduate
Members of the Audit Committee:	A.Doğan ARIKAN	Undergraduate
	Cavit DAĞDAŞ	Graduate
General Manager:	Dr. Hayrettin KAPLAN	Postgraduate
Assistant General Managers:	Necati YENİARAS	Graduate
	Mesut GÜRSOY	Undergraduate
	Enis GÜLTEKİN ⁽¹⁾	Undergraduate
	M.Ertan TANRIYAKUL	Undergraduate
	Ahmet KOPAR	Graduate
	Alaaddin METİN	Undergraduate

⁽¹⁾ Following the appointed of Assistant General Manager Cenani AYKUT as consultant in the head office by Board of Directors' Decision dated 25 November 2013, Enis GÜLTEKİN was appointed to the same role by the Bank Board of Directors on 17 December 2013.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.

GENERAL INFORMATION (Continued)

1.4 Explanation on the Board of directors, members of the audit committee, president and executive vice presidents and their shareholding at the Bank, if applicable (continued)

Dr. Hayrettin KAPLAN is working as the General Manager. Among the assistant general managers: Mesut GÜRSOY is working as the Assistant General Manager in charge of Loans; Necati YENİARAS (Coordination) is working as the Assistant General Manager in charge of Accounting Transactions and Reporting, Economic Research, Risk Analysis and Evaluation; Ahmet KOPAR (Technology/Support) is working as the Assistant General Manager in charge of IT, Social Affairs and Communication, Human Resources and Board of Inspection; Enis GÜLTEKİN is working as the Assistant General Manager in charge of Insurance and Guarantee; Alaaddin METİN is working as the Assistant General Manager in charge of Territory Loans; and Ertan TANRIYAKUL is working as the Assistant General Manager in charge of Risk Analysis and Assessment, Finance and Treasury Transactions.

The Bank's chairman and members of the board of directors, the members of the audit committee, vice president and executive vice presidents do not own shares in the Bank.

1.5 Information on the shareholders owning control shares

Name/Commercial title	Share amount	Share percentage	Paid-in capital	Unpaid portion
Turkish Treasury	All	100%	2.200.000	-

1.6 Brief information on the Bank's service type and fields of operation

The Bank has been mandated to support foreign trade through diversification of the exported goods and services, by increasing the share of exporters and entrepreneurs in international trade, and to create new markets for the exported commodities, to provide exporters and overseas contractors with support to increase their competitiveness and to ensure a risk free environment in international markets.

As a means of aiding export development services, the Bank performs loan, guarantee and insurance services in order to financially support export and foreign currency earning services. While performing the above mentioned operations, the Bank provides short, medium or long term, domestic and foreign currency lending through borrowings from domestic and foreign currency and capital markets and from its own sources

On the other hand, the Bank also performs fund management (treasury) operations related with its core banking operations. These operations are domestic and foreign currency capital market operations, domestic and foreign currency money market operations, foreign currency market operations and derivative transactions, all of which are approved by the Board of Directors. As a result of Decision No. 4106 dated 11 March 2011 of the Banking Regulation and Supervisory Agency published in Official Gazette No. 27876, dated 16 March 2011, permission was granted to the Bank to allow it to be engaged in the purchase and sale of foreign exchange-based options. The losses due to the political risks arising on loan, guarantee and insurance operations of the Bank, are transferred to the Turkish Treasury according to article 4/c of Act number 3332 that was appended by Act number 3659 and according to Act regarding the Public Financing and Debt Management, number 4749, dated 28 March 2002.

1.7 Organisation of the information stated in the financial report in "thousand Turkish Lira"

Amounts in the financial statements and the accompanying explanations and notes are expressed in thousands of Turkish Lira unless otherwise stated.

1.8 Short explanation about those entities subject to full consolidation or proportionate consolidation with the differences regarding the consolidation transactions performed in accordance with the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards, those deducted from the equities or not included in these three methods

There are not any transactions of the Bank subject to consolidation.

1.9 Existing or potential, actual or legal barriers for the immediate transfer of equities among the subsidiaries of the Bank or the repayment of debts

The Bank does not have any subsidiaries.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

- I. Balance sheet (Appendix: 1-A)
- II. Off-balance sheet commitments (Appendix: 1-B)
- III. Income statement (Appendix: 1-C)
- IV. Statements of income and expense items accounted under shareholders' equity (Appendix: 1-D)
- V. Statement of changes in shareholders' equity (Appendix: 1-E)
- VI. Statement of cash flows (Appendix: 1-F)
- VII. Statement of profit distribution table (Appendix: 1-G)

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş. UNCONSOLIDATED BALANCE SHEET

ASSETS		Notes (Section V)	THOUSANDS OF TURKISH LIRA					
			CURRENT PERIOD 31/12/2013			PRIOR PERIOD 31/12/2012		
			TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH CENTRAL BANK	(1.1)	280	-	280	551	19,625	20,176	
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT/LOSS (Net)		97,016	75,030	172,046	476,982	34,370	511,352	
2.1 Trading Financial Assets		97,016	75,030	172,046	476,982	34,370	511,352	
2.1.1 Government Debt Securities		49,189	64,081	113,270	475,382	8,189	483,571	
2.1.2 Share Certificates		-	-	-	-	-	-	
2.1.3 Trading Derivative Financial Assets	(1.3)	47,827	10,949	58,776	1,600	26,181	27,781	
2.1.4 Other Marketable Securities		-	-	-	-	-	-	
2.2 Financial Assets Designated at Fair Value through Profit or (Loss)		-	-	-	-	-	-	
2.2.1 Government Debt Securities		-	-	-	-	-	-	
2.2.2 Share Certificates		-	-	-	-	-	-	
2.2.3 Loans		-	-	-	-	-	-	
2.2.4 Other Marketable Securities		-	-	-	-	-	-	
III. BANKS	(1.4)	195,178	823,927	1,019,105	118,516	680,420	798,936	
IV. MONEY MARKETS		-	-	-	396,439	-	396,439	
4.1 Interbank Money Market Placements		-	-	-	-	-	-	
4.2 Receivables from Istanbul Stock Exchange Money Market		-	-	-	396,439	-	396,439	
4.3 Receivables from Reverse Repurchase Agreements		-	-	-	-	-	-	
V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)	(1.6)	17,351	-	17,351	19,220	-	19,220	
5.1 Share Certificates		17,351	-	17,351	19,220	-	19,220	
5.2 Government Debt Securities		-	-	-	-	-	-	
5.3 Other Marketable Securities		-	-	-	-	-	-	
VI. LOANS	(1.7)	5,325,907	17,709,129	23,035,036	3,191,152	10,160,908	13,352,060	
6.1 Loans		5,325,907	17,709,129	23,035,036	3,191,152	10,160,908	13,352,060	
6.1.1 Loans to Bank's risk group		-	-	-	-	-	-	
6.1.2 Government Debt Securities		-	-	-	-	-	-	
6.1.3 Other		5,325,907	17,709,129	23,035,036	3,191,152	10,160,908	13,352,060	
6.2 Loans under Follow-up		117,478	-	117,478	112,383	-	112,383	
6.3 Specific Provisions (-)		(117,478)	-	(117,478)	(112,383)	-	(112,383)	
VII. FACTORING RECEIVABLES		-	-	-	-	-	-	
VIII. HELD-TO-MATURITY SECURITIES (Net)	(1.8)	193,318	45,053	238,371	258,398	41,951	300,349	
8.1 Government Debt Securities		193,318	45,053	238,371	258,398	41,951	300,349	
8.2 Other Marketable Securities		-	-	-	-	-	-	
IX. INVESTMENTS IN ASSOCIATES (Net)	(1.9)	-	-	-	-	-	-	
9.1 Consolidated Based on Equity Method		-	-	-	-	-	-	
9.2 Unconsolidated		-	-	-	-	-	-	
9.2.1 Financial Investments in Associates		-	-	-	-	-	-	
9.2.2 Non-Financial Investments in Associates		-	-	-	-	-	-	
X. SUBSIDIARIES (Net)	(1.10)	-	-	-	-	-	-	
10.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-	
10.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-	
XI. JOINT VENTURES (Net)	(1.11)	-	-	-	-	-	-	
11.1 Consolidated Based on Equity Method		-	-	-	-	-	-	
11.2 Unconsolidated		-	-	-	-	-	-	
11.2.1 Financial Joint Ventures		-	-	-	-	-	-	
11.2.2 Non-Financial Joint Ventures		-	-	-	-	-	-	
XII. FINANCIAL LEASE RECEIVABLES	(1.12)	-	-	-	-	-	-	
12.1 Financial Lease Receivables		-	-	-	-	-	-	
12.2 Operating Lease Receivables		-	-	-	-	-	-	
12.3 Other		-	-	-	-	-	-	
12.4 Unearned Income (-)		-	-	-	-	-	-	
XIII. HEDGING DERIVATIVE FINANCIAL ASSETS	(1.13)	-	13,803	13,803	-	-	-	
13.1 Fair Value Hedge		-	13,803	13,803	-	-	-	
13.2 Cash Flow Hedge		-	-	-	-	-	-	
13.3 Foreign Net Investment Hedge		-	-	-	-	-	-	
XIV. PROPERTY AND EQUIPMENT (Net)	(1.14)	18,066	-	18,066	18,575	-	18,575	
XV. INTANGIBLE ASSETS (Net)	(1.15)	540	-	540	458	-	458	
15.1 Goodwill		-	-	-	-	-	-	
15.2 Other		540	-	540	458	-	458	
XVI. INVESTMENT PROPERTY (Net)	(1.16)	-	-	-	-	-	-	
XVII. TAX ASSET		-	-	-	-	-	-	
17.1 Current Tax Asset		-	-	-	-	-	-	
17.2 Deferred Tax Asset	(1.17)	-	-	-	-	-	-	
XVIII. ASSETS HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(1.18)	2,532	-	2,532	1,227	-	1,227	
18.1 Held for Sale Purpose		2,532	-	2,532	1,227	-	1,227	
18.2 Related to Discontinued Operations		-	-	-	-	-	-	
XIX. OTHER ASSETS	(1.19)	72,230	220,402	292,632	26,424	23,251	49,675	
TOTAL ASSETS		5,922,418	18,887,344	24,809,762	4,507,942	10,960,525	15,468,467	

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

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş. UNCONSOLIDATED BALANCE SHEET

LIABILITIES	Notes (Section V)	THOUSANDS OF TURKISH LIRA					
		CURRENT PERIOD			PRIOR PERIOD		
		31/12/2013			31/12/2012		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(2.1)	-	-	-	-	-	-
1.1 Deposits of Bank's risk group		-	-	-	-	-	-
1.2 Other		-	-	-	-	-	-
II. TRADING DERIVATIVE FINANCIAL LIABILITIES	(2.2)	1,257	44,954	46,211	10,340	18,718	29,058
III. BORROWINGS	(2.3.1)	-	17,127,725	17,127,725	-	8,944,730	8,944,730
IV. MONEY MARKETS		163,945	-	163,945	10,006	-	10,006
4.1 Funds from Interbank Money Market		-	-	-	-	-	-
4.2 Funds from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3 Funds Provided Under Repurchase Agreements		163,945	-	163,945	10,006	-	10,006
V. MARKETABLE SECURITIES ISSUED (Net)	(2.3.3)	-	2,604,828	2,604,828	-	2,238,610	2,238,610
5.1 Bills		-	-	-	-	-	-
5.2 Asset Backed Securities		-	-	-	-	-	-
5.3 Bonds		-	2,604,828	2,604,828	-	2,238,610	2,238,610
VI. FUNDS		28	-	28	45	-	45
6.1 Borrower funds		-	-	-	-	-	-
6.2 Other		28	-	28	45	-	45
VII. MISCELLANEOUS PAYABLES		33,555	400,552	434,107	19,425	107,249	126,674
VIII. OTHER LIABILITIES	(2.4)	2,403	154,380	156,783	5,602	106,158	111,760
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. FINANCIAL LEASE PAYABLES (Net)	(2.5)	-	-	-	-	-	-
10.1 Financial Lease Payables		-	-	-	-	-	-
10.2 Operational Lease Payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Financial Lease Expenses (-)		-	-	-	-	-	-
XI. HEDGING DERIVATIVE FINANCIAL LIABILITIES	(2.6)	-	39,272	39,272	-	-	-
11.1 Fair Value Hedge		-	39,272	39,272	-	-	-
11.2 Cash Flow Hedge		-	-	-	-	-	-
11.3 Foreign Net Investment Hedge		-	-	-	-	-	-
XII. PROVISIONS	(2.7)	172,115	-	172,115	165,391	-	165,391
12.1 General Loan Loss Provision		130,214	-	130,214	130,214	-	130,214
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Rights		20,953	-	20,953	21,171	-	21,171
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5 Other Provisions		20,948	-	20,948	14,006	-	14,006
XIII. TAX LIABILITY	(2.7.5)	3,908	-	3,908	3,067	-	3,067
13.1 Current Tax Liability		3,908	-	3,908	3,067	-	3,067
13.2 Deferred Tax Liability		-	-	-	-	-	-
XIV. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)		-	-	-	-	-	-
14.1 Held for Sale Purpose		-	-	-	-	-	-
14.2 Related to Discontinued Operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS	(2.7.5)	-	158,975	158,975	-	163,762	163,762
XVI. SHAREHOLDERS' EQUITY	(2.7.6)	3,901,830	35	3,901,865	3,675,297	67	3,675,364
16.1 Paid-in capital		2,200,000	-	2,200,000	2,000,000	-	2,000,000
16.2 Capital Reserves		607,439	35	607,474	609,872	67	609,939
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Marketable Securities Valuation Differences		8,186	35	8,221	10,215	67	10,282
16.2.4 Property and Equipment Revaluation Differences		-	-	-	-	-	-
16.2.5 Intangible Fixed Assets Revaluation Differences		-	-	-	-	-	-
16.2.6 Revaluation Differences of Investment Property		-	-	-	-	-	-
16.2.7 Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-
16.2.8 Hedging Funds (Effective portion)		-	-	-	-	-	-
16.2.9 Value increase of Non-current Asset Held for Sale and Discounted Operations		-	-	-	-	-	-
16.2.10 Other Capital Reserves		599,253	-	599,253	599,657	-	599,657
16.3 Profit Reserves		848,464	-	848,464	844,234	-	844,234
16.3.1 Legal Reserves		268,093	-	268,093	256,388	-	256,388
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		557,628	-	557,628	565,103	-	565,103
16.3.4 Other Profit Reserves		22,743	-	22,743	22,743	-	22,743
16.4 Profit or Loss		245,927	-	245,927	221,191	-	221,191
16.4.1 Prior Years' Profit/Loss		-	-	-	-	-	-
16.4.2 Current Year Profit/Loss		245,927	-	245,927	221,191	-	221,191
16.5 Non Controlling Interest		-	-	-	-	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		4,279,041	20,530,721	24,809,762	3,889,173	11,579,294	15,468,467

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

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş. UNCONSOLIDATED OFF-BALANCE SHEET COMMITMENTS							
THOUSANDS OF TURKISH LIRA							
	Notes (Section V)	CURRENT PERIOD 31/12/2013			PRIOR PERIOD 31/12/2012		
		TL	FC	TOTAL	TL	FC	TOTAL
A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)		2,768,648	11,721,449	14,490,097	2,081,096	7,737,858	9,818,954
I. GUARANTEES AND WARRANTIES	(3.2)	-	1,219,632	1,219,632	-	682,148	682,148
1.1. Letters of Guarantee		-	-	-	-	-	-
1.1.1. Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2. Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3. Other Letters of Guarantee		-	-	-	-	-	-
1.2. Bank Acceptances		-	-	-	-	-	-
1.2.1. Import Letter of Acceptance		-	-	-	-	-	-
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letters of Credit		-	-	-	-	-	-
1.3.1. Documentary Letters of Credit		-	-	-	-	-	-
1.3.2. Other Letters of Credit		-	-	-	-	-	-
1.4. Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of the Republic of Turkey		-	-	-	-	-	-
1.5.2. Other Endorsements		-	-	-	-	-	-
1.6. Securities Issue Purchase Guarantees		-	-	-	-	-	-
1.7. Factoring Guarantees		-	-	-	-	-	-
1.8. Other Guarantees		-	1,219,632	1,219,632	-	682,148	682,148
1.9. Other Collaterals		-	-	-	-	-	-
II. COMMITMENTS		1,125,511	3,464,680	4,590,191	1,225,602	1,842,304	3,067,906
2.1. Irrevocable Commitments		-	291,430	291,430	-	-	-
2.1.1. Asset Purchase and Sale Commitments		-	-	-	-	-	-
2.1.2. Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3. Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4. Loan Granting Commitments		-	-	-	-	-	-
2.1.5. Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6. Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7. Commitments for Cheques		-	-	-	-	-	-
2.1.8. Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9. Commitments for Credit Card Limits		-	-	-	-	-	-
2.1.10. Commitments for Credit Cards and Banking Services Promotions		-	-	-	-	-	-
2.1.11. Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12. Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13. Other Irrevocable Commitments		-	291,430	291,430	-	-	-
2.2. Revocable Commitments		1,125,511	3,173,250	4,298,761	1,225,602	1,842,304	3,067,906
2.2.1. Revocable Loan Granting Commitments		1,125,511	3,173,250	4,298,761	1,225,602	1,842,304	3,067,906
2.2.2. Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		1,643,137	7,037,137	8,680,274	855,494	5,213,406	6,068,900
3.1. Hedging Derivative Financial Instruments		-	4,698,408	4,698,408	-	-	-
3.1.1. Transactions for Fair Value Hedge		-	4,698,408	4,698,408	-	-	-
3.1.2. Transactions for Cash Flow Hedge		-	-	-	-	-	-
3.1.3. Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2. Trading Transactions		1,643,137	2,338,729	3,981,866	855,494	5,213,406	6,068,900
3.2.1. Forward Foreign Currency Buy/Sell Transactions		1,345,080	1,351,067	2,696,147	507,719	493,947	1,001,666
3.2.1.1. Forward Foreign Currency Transactions-Buy		-	1,351,067	1,351,067	38,105	456,377	494,482
3.2.1.2. Forward Foreign Currency Transactions-Sell		1,345,080	-	1,345,080	469,614	37,570	507,184
3.2.2. Swap Transactions Related to Foreign Currency and Interest Rates		289,987	978,919	1,268,906	347,775	4,719,459	5,067,234
3.2.2.1. Foreign Currency Swap-Buy		-	550,264	550,264	89,977	470,562	560,539
3.2.2.2. Foreign Currency Swap-Sell		289,987	284,739	574,726	257,798	319,033	576,831
3.2.2.3. Interest Rate Swap-Buy		-	71,958	71,958	-	1,964,932	1,964,932
3.2.2.4. Interest Rate Swap-Sell		-	71,958	71,958	-	1,964,932	1,964,932
3.2.3. Foreign Currency, Interest rate and Securities Options		8,070	8,743	16,813	-	-	-
3.2.3.1. Foreign Currency Options-Buy		8,070	-	8,070	-	-	-
3.2.3.2. Foreign Currency Options-Sell		-	8,743	8,743	-	-	-
3.2.3.3. Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4. Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5. Securities Options-Buy		-	-	-	-	-	-
3.2.3.6. Securities Options-Sell		-	-	-	-	-	-
3.2.4. Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1. Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2. Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5. Interest Rate Futures		-	-	-	-	-	-
3.2.5.1. Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2. Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6. Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		121,136	11,646,032	11,767,168	67,262	7,426,052	7,493,314
IV. ITEMS HELD IN CUSTODY		-	-	-	-	-	-
4.1. Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2. Investment Securities Held in Custody		-	-	-	-	-	-
4.3. Cheques Received for Collection		-	-	-	-	-	-
4.4. Commercial Notes Received for Collection		-	-	-	-	-	-
4.5. Other Assets Received for Collection		-	-	-	-	-	-
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items Under Custody		-	-	-	-	-	-
4.8. Custodians		-	-	-	-	-	-
V. PLEDGES RECEIVED		22,413	198,950	221,363	23,232	180,975	204,207
5.1. Marketable Securities		-	14,223	14,223	-	11,983	11,983
5.2. Guarantee Notes		-	-	-	-	-	-
5.3. Commodity		-	-	-	-	-	-
5.4. Warranty		-	-	-	-	-	-
5.5. Immovable		9,400	83,954	93,354	10,220	87,299	97,519
5.6. Other Pledged Items		13,013	100,773	113,786	13,012	81,693	94,705
5.7. Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		98,723	11,447,082	11,545,805	44,030	7,245,077	7,289,107
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		2,889,784	23,367,481	26,257,265	2,148,358	15,163,910	17,312,268

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş. UNCONSOLIDATED INCOME STATEMENT

INCOME AND EXPENSE ITEMS	Notes (Section V)	THOUSANDS OF TURKISH LIRA	
		CURRENT PERIOD (01/01/2013-31/12/2013)	PRIOR PERIOD (01/01/2012-31/12/2012)
I. INTEREST INCOME	(4.1)	603,088	573,737
1.1 Interest on loans		546,059	467,415
1.2 Interest Received from Reserve Requirements		-	-
1.3 Interest Received from Banks		8,957	22,239
1.4 Interest Received from Money Market Transactions		12,255	13,014
1.5 Interest Received from Marketable Securities Portfolio		34,720	70,610
1.5.1 Trading Financial Assets		16,037	39,259
1.5.2 Financial Assets Designated at Fair Value Through Profit or (loss)		-	-
1.5.3 Available-for-sale Financial Assets		-	-
1.5.4 Held to maturity Investments		18,683	31,351
1.6 Financial Lease Income		-	-
1.7 Other Interest Income		1,097	459
II. INTEREST EXPENSE	(4.2)	218,900	178,037
2.1 Interest on Deposits		-	-
2.2 Interest on Funds Borrowed		80,928	80,444
2.3 Interest Expense on Money Market Transactions		-	-
2.4 Interest on Securities Issued		133,021	90,785
2.5 Other Interest Expenses		4,951	6,808
III. NET INTEREST INCOME/EXPENSE (I - II)		384,188	395,700
IV. NET FEES AND COMMISSIONS INCOME		(1,174)	(1,182)
4.1 Fees and Commissions Received		4,159	4,968
4.1.1 Non-cash Loans		-	-
4.1.2 Other		4,159	4,968
4.2 Fees and Commissions Paid		(5,333)	(6,150)
4.2.1 Non-cash Loans		-	-
4.2.2 Other		(5,333)	(6,150)
V. DIVIDEND INCOME	(4.4)	-	-
VI. TRADING INCOME/LOSS (Net)	(4.5)	(47,699)	(58,981)
6.1 Trading Gains /Losses on Securities		2,390	6,833
6.2 Trading Gains /Losses on Derivative Financial Assets		170,377	10,452
6.3 Foreign Exchange Gains /Losses		(220,466)	(76,266)
VII. OTHER OPERATING INCOME	(4.6)	86,838	88,270
VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)		422,153	423,807
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(4.7)	36,653	61,565
X. OTHER OPERATING EXPENSES (-)	(4.8)	139,573	141,051
XI. NET OPERATING INCOME/LOSS (VIII-IX-X)		245,927	221,191
XII. EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-
XIII. INCOME/LOSS FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		-	-
XIV. INCOME/LOSS ON NET MONETARY POSITION		-	-
XV. PROFIT/LOSS BEFORE TAXES ON INCOME FROM CONTINUED OPERATIONS (XI+.....+XIV)	(4.9)	245,927	221,191
XVI. PROVISION FOR TAXES ON INCOME FROM CONTINUED OPERATIONS(±)		-	-
16.1 Current Tax Provision		-	-
16.2 Deferred Tax Provision		-	-
XVII. NET PROFIT/LOSS FROM CONTINUED OPERATIONS (XV±XVI)		245,927	221,191
XVIII. INCOME FROM DISCONTINUED OPERATIONS		-	-
18.1 Income from Non-current Assets Held for Sale		-	-
18.2 Profit from Sales of Associates, Subsidiaries and Joint Ventures (business partners)		-	-
18.3 Other Income from Discontinued Operations		-	-
XIX. EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
19.1 Expenses for Non-current Assets Held for Sale		-	-
19.2 Loss from Sales of Associates, Subsidiaries and Joint Ventures (business partners)		-	-
19.3 Other Expenses from Discontinued Operations		-	-
XX. PROFIT/LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII - XIX)		-	-
XXI. PROVISION FOR INCOME TAXES FROM DISCONTINUED OPERATIONS (±)		-	-
21.1 Current Tax Provision		-	-
21.2 Deferred Tax Provision		-	-
XXII. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX ± XXI)		-	-
XXIII. NET PROFIT/LOSS (XVII+XXII)	(4.10)	245,927	221,191
23.1 Profit/Losses of the Group		-	-
23.2 Non Controlling Interest		-	-
Earnings/Loss per share		0.11430	0.11060

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

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
STATEMENTS OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY

INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY	THOUSANDS OF TURKISH LIRA	
	CURRENT PERIOD 31.12.2013	PRIOR PERIOD 31.12.2012
I. ADDITIONS TO THE MARKETABLE SECURITIES VALUATION DIFFERENCES FROM AVAILABLE FOR SALE FINANCIAL ASSETS	(2,029)	6,714
II. PROPERTY AND EQUIPMENT REVALUATION DIFFERENCES	-	-
III. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV. CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	-	-
V. PROFIT/LOSS ON CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS (Effective part of the fair value changes)	-	-
VI. PROFIT/LOSS ON FOREIGN INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective part of fair value changes)	-	-
VII. EFFECT OF CHANGES IN ACCOUNTING POLICY AND ADJUSTMENT OF ERRORS	-	-
VIII. OTHER INCOME/EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY ACCORDING TO TAS	(404)	-
IX. DEFERRED TAX RELATED TO VALUATION DIFFERENCES	-	-
X. NET PROFIT/LOSS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)	(2,433)	6,714
XI. CURRENT YEAR PROFIT/LOSS	(32)	(62)
11.1 Net change in fair value of marketable securities (Transfer to Profit/Loss)	(32)	(62)
11.2 Part of Cash Flow Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	-	-
11.3 Part of Foreign Investment Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	-	-
11.4 Other	-	-
XII. TOTAL PROFIT/LOSS RELATED TO CURRENT PERIOD (X±XI)	(2,465)	6,652

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

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş. UNCONSOLIDATED STATEMENTS OF CHANGES IN THE SHAREHOLDERS' EQUITY

THOUSANDS OF TURKISH LIRA

	Notes (Section V)	THOUSANDS OF TURKISH LIRA																		
		Paid-in Capital	Adjustment to Share Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Profit Reserves	Current Year Net Profit/(Loss)	Prior Years' Net Profit/(Loss)	Marketable Securities Value Increase Fund	Property and Equipment Fixed Assets Revaluation Fund	Bonus Shares from Subsidiaries and Joint Ventures	Hedging Funds	Non-current Discontinued Operations	Total Shareholders' Minority Rights	Non Controlling Interest	Total Shareholders' Equity	
CHANGES IN THE SHAREHOLDERS' EQUITY																				
PRIOR PERIOD																				
(31/12/2012)																				
I.	Period Opening Balance	2,000,000	-	-	-	225,995	-	564,975	622,400	-	230,256	3,630	-	-	-	-	3,647,256	-	3,647,256	
II.	Changes in Accounting Policies according to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.1	Effects of errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.2	Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
III.	New Balance (I-II)	2,000,000	-	-	-	225,995	-	564,975	622,400	-	230,256	3,630	-	-	-	-	3,647,256	-	3,647,256	
Changes in the period																				
IV.	Increase/Decrease due to the Merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
V.	Marketable Securities Valuation Differences	-	-	-	-	-	-	-	-	-	-	6,652	-	-	-	-	6,652	-	6,652	
VI.	Hedging Transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6.1	Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6.2	Foreign Net Investment Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VII.	Property and Equipment Revaluation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VIII.	Intangible Fixed Assets Revaluation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
IX.	Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
X.	Foreign Exchange Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XI.	Changes due to the Disposal of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XII.	Changes due to the Reclassification of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XIII.	Effect of Changes in Equity of Investments in Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XIV.	Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
14.1	Cash increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
14.2	Internal Resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XV.	Share Premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XVI.	Share Cancellation Profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XVII.	Paid-in-capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XVIII.	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XIX.	Current Year Net Profit or Loss	-	-	-	-	-	-	-	221,191	-	-	-	-	-	-	-	221,191	-	221,191	
XX.	Profit Distribution	-	-	-	-	30,393	-	128	-	-	(230,256)	-	-	-	-	-	(199,735)	-	(199,735)	
20.1	Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20.2	Transfer to Reserves	-	-	-	-	30,393	-	128	-	-	(199,735)	-	-	-	-	-	-	-	-	
20.3	Other	-	-	-	-	-	-	-	-	-	(30,521)	-	-	-	-	-	-	-	-	
	Period End Balance (III+IV+V+...+XVIII+XIX+XX)	2,000,000	-	-	-	256,388	-	565,103	622,400	-	221,191	10,282	-	-	-	-	3,675,364	-	3,675,364	
CURRENT PERIOD																				
(31/12/2013)																				
I.	Prior Period End Balance	2,000,000	-	-	-	256,388	-	565,103	622,400	-	221,191	10,282	-	-	-	-	3,675,364	-	3,675,364	
Changes in the period																				
II.	Increase/Decrease due to the Merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
III.	Marketable Securities Valuation Differences	-	-	-	-	-	-	-	-	-	-	(2,061)	-	-	-	-	(2,061)	-	(2,061)	
IV.	Hedging Transactions Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4.1	Cash flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4.2	Foreign Net Investment Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
V.	Property and Equipment Revaluation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VI.	Intangible Fixed Assets Revaluation Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VII.	Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VIII.	Foreign Exchange Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
IX.	Changes due to the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
X.	Changes due to the reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XI.	Effect of Changes in Equity of Investments in Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XII.	Capital Increase	200,000	-	-	-	-	-	(7,475)	-	-	(192,525)	-	-	-	-	-	-	-	-	
12.1	Cash increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12.2	Internal Resources	200,000	-	-	-	-	-	(7,475)	-	-	(192,525)	-	-	-	-	-	-	-	-	
XIII.	Share Premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XIV.	Share Cancellation Profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XV.	Paid-in-capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XVI.	Other	-	-	-	-	-	-	-	(404)	-	-	-	-	-	-	-	(404)	-	(404)	
XVII.	Current Year Net Profit or Loss	-	-	-	-	-	-	-	245,927	-	-	-	-	-	-	-	245,927	-	245,927	
XVIII.	Profit Distribution	-	-	-	-	-	-	-	-	-	(28,660)	-	-	-	-	-	(16,961)	-	(16,961)	
18.1	Dividends Paid	-	-	-	-	11,705	-	-	-	-	(16,961)	-	-	-	-	-	-	-	-	
18.2	Transfers to Reserves	-	-	-	-	-	-	-	-	-	(11,705)	-	-	-	-	-	-	-	-	
18.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Period End Balance (I+II-III+...+XVI+XVII+XVIII)	2,200,000	-	-	-	268,093	-	557,628	621,996	245,927	192,525	8,221	-	-	-	-	3,901,865	-	3,901,865	

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

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş. UNCONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes (Section V)	THOUSANDS OF TURKISH LIRA	
		CURRENT PERIOD 31/12/2013	PRIOR PERIOD 31/12/2012
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit before changes in operating assets and liabilities		467,710	303,917
1.1.1 Interest received		600,464	562,061
1.1.2 Interest paid		(195,951)	(164,277)
1.1.3 Dividend received		-	-
1.1.4 Fees and commissions received		4,159	4,969
1.1.5 Other income		159,835	84,953
1.1.6 Collections from previously written-off loans and other receivables		24,699	21,137
1.1.7 Payments to personnel and service suppliers		(83,221)	(77,690)
1.1.8 Taxes paid		(841)	(1,740)
1.1.9 Other		(41,433)	(125,496)
1.2 Changes in operating assets and liabilities		(788,225)	(970,571)
1.2.1 Net (increase) / decrease in trading securities		353,632	(136,910)
1.2.2 Net (increase) / decrease in fair value through profit/(loss) financial assets		-	-
1.2.3 Net (increase) / decrease in due from banks		934	(18)
1.2.4 Net (increase) / decrease in loans		(9,676,712)	(5,299,591)
1.2.5 Net (increase) / decrease in other assets		(242,957)	(14,334)
1.2.6 Net increase / (decrease) in bank deposits		-	-
1.2.7 Net increase / (decrease) in other deposits		-	-
1.2.8 Net increase / (decrease) in funds borrowed		8,245,796	4,290,669
1.2.9 Net increase / (decrease) in payables		-	-
1.2.10 Net increase / (decrease) in other liabilities		531,082	189,613
I. Net cash provided from banking operations		(320,514)	(666,654)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from investing activities		75,468	191,556
2.1 Cash paid for acquisition of associates, subsidiaries and joint ventures (Business Partners)		-	-
2.2 Cash obtained from disposal of associates, subsidiaries and joint ventures (Business Partners)		-	-
2.3 Purchases of property and equipment	(1.14)	(6,394)	(12,061)
2.4 Disposals of property and equipment		20,503	7,408
2.5 Cash paid for purchase of available-for-sale investments		-	(1,211)
2.6 Cash obtained from sale of available-for-sale investments		-	-
2.7 Cash paid for purchase of investment securities	(1.8.4)	(100,026)	(88,308)
2.8 Cash obtained from sale of investment securities	(1.8.4)	161,732	287,169
2.9 Other		(347)	(1,441)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from financing activities		(47,461)	1,064,781
3.1 Cash obtained from funds borrowed and securities issued		-	1,264,516
3.2 Cash used for repayment of funds borrowed and securities issued		(30,500)	-
3.3 Issued capital instruments		-	-
3.4 Dividends paid		(16,961)	(199,735)
3.5 Payments for finance leases		-	-
3.6 Other		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents		97,275	(42,039)
V. Net increase in cash and cash equivalents		(195,232)	547,644
VI. Cash and cash equivalents at the beginning of the year	(6.1.2)	1,214,557	666,913
VII. Cash and cash equivalents at the end of the year	(6.1.2)	1,019,325	1,214,557

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

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş. UNCONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION TABLE			
		THOUSANDS OF TURKISH LIRA	
		CURRENT PERIOD 31/12/2013(*)	PRIOR PERIOD 31/12/2012
I.	DISTRIBUTION OF CURRENT YEAR INCOME		
1.1	CURRENT YEAR INCOME	250,852	225,705
1.2	TAXES AND DUTIES PAYABLE (-)	4,925	4,514
1.2.1	Corporate Tax (Income tax)	-	-
1.2.2	Income withholding tax	-	-
1.2.3	Other taxes and duties	4,925	4,514
A.	NET INCOME FOR THE YEAR (1.1-1.2)	245,927	221,191
1.3	PRIOR YEAR LOSSES (-)	-	-
1.4	FIRST LEGAL RESERVES (-)	-	11,060
1.5	OTHER STATUTORY RESERVES (-)	-	-
B.	NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5))]	-	210,131
1.6	FIRST DIVIDEND TO SHAREHOLDERS (-)	-	10,507
1.6.1	To Owners of Ordinary Shares	-	10,507
1.6.2	To Owners of Privileged Shares	-	-
1.6.3	To Owners of Preferred Shares	-	-
1.6.4	To Profit Sharing Bonds	-	-
1.6.5	To Holders of Profit and Loss Sharing Certificates	-	-
1.7	DIVIDENDS TO PERSONNEL (-)	-	4,600
1.8	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9	SECOND DIVIDEND TO SHAREHOLDERS (-)	-	1,854
1.9.1	To Owners of Ordinary Shares	-	1,854
1.9.2	To Owners of Privileged Shares	-	-
1.9.3	To Owners of Preferred Shares	-	-
1.9.4	To Profit Sharing Bonds	-	-
1.9.5	To Holders of Profit and Loss Sharing Certificates	-	-
1.10	SECOND LEGAL RESERVES (-)	-	645
1.11	STATUTORY RESERVES (-)	-	-
1.12	EXTRAORDINARY RESERVES (-)	-	192,525
1.13	OTHER RESERVES	-	-
1.14	SPECIAL FUNDS	-	-
II.	DISTRIBUTION OF RESERVES		
2.1	APPROPRIATED RESERVES	-	-
2.2	SECOND LEGAL RESERVES (-)	-	-
2.3	DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1	To Owners of Ordinary Shares	-	-
2.3.2	To Owners of Privileged Shares	-	-
2.3.3	To Owners of Preferred Shares	-	-
2.3.4	To Profit Sharing Bonds	-	-
2.3.5	To Holders of Profit and Loss Sharing Certificates	-	-
2.4	DIVIDENDS TO PERSONNEL (-)	-	-
2.5	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III.	EARNINGS PER SHARE		
3.1	TO OWNERS OF ORDINARY SHARES	0.114	0.111
3.2	TO OWNERS OF ORDINARY SHARES (%)	11	11
3.3	TO OWNERS OF PRIVILEGED SHARES	-	-
3.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV.	DIVIDEND PER SHARE		
4.1	TO OWNERS OF ORDINARY SHARES	-	-
4.2	TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3	TO OWNERS OF PRIVILEGED SHARES	-	-
4.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(*) As at report date, no resolution has been decided regarding about 2013 profit distribution. Accordingly, net profit available for distribution has not been presented.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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

SECTION THREE

ACCOUNTING POLICIES

1 The basis of presentation

1.1 The preparation of the financial statements and related notes and explanations in accordance with the Turkish Accounting Standards and Regulation on the Accounting Applications for Banks and Safeguarding of Documents

The unconsolidated financial statements, related explanations and disclosures in this report are prepared in accordance with the Turkish Accounting Standards (“TAS”), Turkish Financial Reporting Standards (“TFRS”), Communiqué on “Banks’ Accounting Practice and Maintaining Documents” and other communiqués, regulations and general instructions on accounting and financial reporting published by Banking Regulation and Supervision Agency (“BRSA”) and interpretations of Banking Regulation and Supervision Agency (“BRSA”) on accounting and financial reporting.

Accounting policies applied and valuation methods used in the preparation of the unconsolidated financial statements are expressed in detail below.

Amounts in financial statements and related explanations and disclosures are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.

The financial statements are prepared as Turkish Lira (“TL”) in accordance with the historical cost basis except for the financial assets at fair value through profit or loss, available-for-sale financial assets whose fair value can be reliably measured, derivative financial liabilities held for trading purpose and derivative financial assets and liabilities held for cash flow hedges.

The preparation of the unconsolidated financial statements in conformity with TAS requires the Bank management to use of certain make assumptions and estimates on the assets and liabilities of the balance sheet and contingent issues as of the balance sheet date. These estimates are reviewed regularly and, when necessary, corrections are made and the effects of these corrections are reflected to the income statement.

1.2 Accounting policies and valuation principles applied in the preparation of the financial statements

The accounting policies and valuation principles applied in the preparation of the financial statements are determined and applied in accordance with the principles of TAS. These accounting policies and valuation principles are explained in Notes 2.1 to 2.22 below.

1.3 The items subject to different accounting policies in the preparation process of consolidated financial statements and their proportion to the total items in the consolidated financial statements

None.

1.4 Additional paragraph for convenience translation to English

The differences between accounting principles, as described in the preceding paragraphs, and the accounting principles generally accepted in countries, in which the accompanying financial statements are to be distributed, and International Financial Reporting Standards (“IFRS”), may have significant influence on the accompanying financial statements. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations in accordance with the accounting principles generally accepted in such countries and IFRS.

2 Explanations on accounting policies

2.1 Explanations on strategy of using financial instruments and explanations on foreign currency transactions

The Bank uses derivatives to balance its foreign currency asset liability positions for managing its exposure to currency risk

Foreign currency denominated monetary assets and liabilities are translated with the exchange rates of the Bank prevailing at the balance sheet date. Gains and losses arising from such transactions are recognized in the income statement under the account of “foreign exchange gains/losses”.

As of 31 December 2013, the exchange rates used in translation of foreign currency denominated balances into Turkish Lira are TL 2,1164 for US dollar, TL 2,9143 for EUR, TL 2,0129 for 100 JPY and TL 3,4971 for GBP.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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

ACCOUNTING POLICIES (Continued)

2.2 Changes in standards and comments

Except for the new standards summarised below, the accounting policies applied for the year ended 31 December 2012 have been applied consistently for the year ended 31 December 2013 in preparing these financial statements.

- TFRS 13 Fair Value Measurement (see (i))
- TAS 19 Employee Benefits (2011) (see (ii))

The details and effect of changes are explained below.

(i) *Fair Value Measurement*

TFRS 13 Fair Value Measurement establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other TFRSs.

It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including TFRS 7 Financial Instruments: Disclosures.

In accordance with the transitional provisions of TFRS 13, the Bank has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impact on the measurements of the Bank's assets and liabilities.

(ii) *Employee Benefits*

As a result of the amendments to TAS 19 (2011), all actuarial gains and losses are recognised in other comprehensive income.

Prior to these amendments, all actuarial gains and losses had been recognised in profit or loss. As they do not have significant impact on the comparative financial statements for the year ended 31 December 2012, they have not been restated.

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Bank are set out below:

- TFRS 9 Financial Assets (see (i))
- TAS 32 Financial Assets: Presentation (change): Offsetting of Financial Assets and Liabilities (see (ii))

(i) *Financial Assets*

TFRS 9 – *Financial instruments*, is published by Turkish Accounting Standards Board in April 2010 as a part of a wider project that aims to bring new regulations to replace TAS 39 – Financial Instruments: Recognition and Measurement.

Developing a new standard for the financial reporting of financial assets that is principle-based and less complex is aimed by this project. The objective of TFRS 9, being the first phase of the project, is to establish principles for the financial reporting of financial assets that will present relevant and useful information to users of financial statements for their assessment of amounts, timing and uncertainty of the entity's future cash flows. With TFRS 9 an entity shall classify financial assets as subsequently measured at either amortized cost or fair value on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristic of the financial assets. The guidance in TAS 39 on impairment of financial assets and hedge accounting continues to apply.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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

ACCOUNTING POLICIES (Continued)

2.2 Changes in standards and comments (continued)

(i) *Financial Assets (continued)*

An entity shall apply TFRS 9 for annually for the years beginning on or after 1 January 2015. An earlier application is permitted. If an entity adopts this TFRS in its financial statements for a period beginning before 1 January 2012, then prior periods are not needed to be restated.

(ii) *TAS 32 Financial Instruments: Presentation (amendment): Offsetting financial assets and financial liabilities*

The amendments to TAS 32 clarify the offsetting criteria in TAS 32 by explaining when an entity currently has a legally enforceable right to set-off and when gross settlement is equivalent to net settlement. The amendments are effective for annual periods beginning on or after 1 January 2014 and interim periods within those annual periods. Early application is permitted whether if the explanations related to changes in TFRS 7 are disclosed.

The Bank does not plan to early implement the standard the standard do not have significant impact on the financial statements of the Bank.

2.3 Presentation of the information regarding the consolidated affiliates

None.

2.4 Explanations on forward transactions, options and derivative instruments

The Bank uses derivative financial instruments in order to avoid exposed to foreign currency and interest rate risks.

As of the balance sheet date, there are outstanding currency and interest rate swap purchases, sales contracts and forward transactions in TL and foreign currency issuer of the Bank.

Derivatives are initially recorded with their fair values and related transaction costs as of the contract date are recorded on gain or loss. The following periods of initial reporting, they are measured with their fair values. The result of this assessment, offsetting debit and credits stemming from each contract debit and credits are reflected to the financial statements as a contract-based single asset and liability. The method of accounting gain or loss changes according to related derivative transaction whether to be held for cash flow hedges or not and to the content of hedge account.

The Bank notifies in written the relationship between hedging instrument and related account, risk management aims of hedge and strategies and the methods using to measure of the hedge effectiveness. The Bank evaluates the method of hedge whether to be effective on the expected changes in fair values in this process or not or each result of hedge effectiveness whether to be between the range of 80% and 125%.

Changes in fair values of derivative transactions determined as hedge for fair value are recorded in profit or loss together with changes in hedging asset or liability. The difference in current values of derivative transactions fair value hedge is shown in "Trading Gains/Losses on derivative financial instruments" account. In the balance sheet, change in fair value of hedge asset or liability during the hedge accounting to be effective is shown with the related asset or liability. In case of inferring hedge accounting, corrections made to the value of hedge account using straight-line amortization method within the days to maturity are reflected to "Trading Gains/Losses on derivative financial instruments" account in income statement.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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

ACCOUNTING POLICIES (Continued)

2.4 Explanations on forward transactions, options and derivative instruments (continued)

The Bank classifies its derivative instruments except for derivatives held for cash flow hedges as “Held-for-hedging” or “Held-for-trading” in accordance with “Financial Instruments: Turkish Accounting Standard for Recognition and Measurement (“TAS 39”)”. According to this, certain derivative transactions while providing effective economic hedges under the Bank’s risk management position, are recorded under the specific rules of TAS 39 and are treated as derivatives “Held-for-trading”.

Payables and receivables arising from the derivative instruments are followed in the off-balance sheet accounts at their contractual values. Derivative instruments are remeasured at fair value after initial recognition. If the fair value of a derivative financial instrument is positive, it is disclosed under the main account “Financial assets at fair value through profit or loss” in “Trading derivative financial instruments” and if the fair value difference is negative, it is disclosed under “Trading derivative financial liabilities”. Differences in the fair value of trading derivative instruments are accounted under “trading income/loss” in the income statement. The fair values of the derivative financial instruments are calculated using quoted market prices or by using discounted cash flow models.

2.5 Explanations on interest income and expense

Interest income and expenses are recognized in profit or loss on an accrual basis.

The Bank ceases accruing interest income on non-performing loans. Interest income is recorded for non-performing loans when the collection is made.

2.6 Explanations on fee and commission income and expenses

All fees and commission income/expenses are recognized on an accrual basis, except for certain commission incomes and fees for various banking services which are recorded as income at the time of collection.

2.7 Explanations on financial assets

The Bank categorizes and recognitions its financial assets as “Fair value through profit/loss”, “Available-for-sale”, “Loans and receivables” or “Held-to-maturity”. The appropriate classification of financial assets of the Bank is determined at the time of purchase by the Bank management, taking into consideration the purpose of holding the investment.

Financial assets at the fair value through profit or loss category have two sub categories: “Trading financial assets” and “Financial assets designated at fair value through profit/loss at initial recognition.”

Trading financial assets are initially recognized at cost. Acquisition and sale transactions of trading financial assets are recognized and derecognized at the settlement date.

The government bonds and treasury bills recognized under trading financial assets which are traded on the Borsa İstanbul AŞ (“BIST”) are valued with weighted average prices settled on the BIST as of the balance sheet date; and those government bonds and treasury bills traded on the BIST but which are not subject to trading on the BIST as of the balance sheet date are valued with weighted average prices at the latest trading date.

The financial assets classified under trading financial assets and whose fair values cannot be measured reliably are carried at amortized cost using the “effective yield method”. The difference between the purchase cost and the amortized cost at the selling date is recorded as interest income.

If the selling price of a trading financial asset is above its amortized cost as of the sale date, the positive difference between the selling price and the amortized cost is recognized as income under trading gains on securities and if the selling price of a trading security is lower than its amortized cost as of the sale date, the negative difference between the selling price and the amortized cost is recognized as expense under trading losses on securities.

Derivative financial instruments are classified as trading financial assets unless they are designated as hedging instruments. The principles regarding the accounting of derivative financial instruments are explained in detail in Note 2.4 of Section Three.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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

ACCOUNTING POLICIES (Continued)

2.7 Explanations on financial assets (continued)

The Bank has no financial assets designated as financial assets at fair value through profit or loss.

Held-to-maturity financial assets are assets that are not classified under loans and receivables with fixed maturities and fixed or determinable payments where management has the intent and ability to hold the financial assets to maturity. Loans and receivables are financial assets that are originated by the Bank by providing money, services or goods to borrowers other than trading financial assets and financial assets held for the purpose of short-term profit making. Available for sale financial assets are financial assets other than loans and receivables, held to maturity financial assets and financial assets at fair value through profit or loss. Held-to-maturity financial assets and available-for-sale financial assets are initially recognized at cost.

All regular way purchases and sales of financial assets are recognized and derecognized at the settlement date. The Bank holds Government Bonds, Treasury Bills and foreign currency bonds issued in Turkey and abroad by Turkish Treasury under the held-to-maturity portfolio.

Held-to-maturity financial assets are initially recognized at cost and are subsequently carried at amortized cost using the effective yield method. Interest earned from held-to-maturity financial assets is recorded as interest income. All regular way purchases and sales of held-to-maturity financial assets are accounted at the settlement date.

There are no financial assets that were previously classified as held-to-maturity but which cannot be subject to this classification for two years due to the contradiction of classification principles.

Available-for-sale financial assets are financial assets other than “Held-to-maturity investments” and “Trading securities”. Available-for-sale financial assets are subsequently remeasured at fair value. Available-for-sale financial assets that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are carried at amortized cost, less provision for impairment.

“Unrealized gains and losses” arising from changes in the fair value of securities classified as available-for-sale are recognized under shareholders’ equity as “Marketable securities value increase fund”, until the collection of the fair value of financial assets, the sale of the financial assets, permanent impairment in the fair values of such assets or the disposal of the financial assets. When these securities are disposed of or the fair value of such securities is collected, the accumulated fair value differences in the shareholders’ equity are reflected to profit or loss.

2.8 Explanations on impairment of financial assets

Where the estimated recoverable amount of the financial asset, being the present value of the expected future cash flows discounted based on the “Effective yield method”, or the fair value if one exists is lower than its carrying value, then it is concluded that the asset under consideration is impaired. A provision is made for the diminution in value of the impaired financial asset and this is charged against the income for the year.

2.9 Explanations on offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Bank has a legally enforceable right to offset the recognized amounts and there is an intention to collect/pay related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously. Otherwise, no offsetting is performed in relation with the financial assets and liabilities.

2.10 Explanations on sales and repurchase agreements and securities lending transactions

The Bank has no sales and repurchase agreements and securities lending transactions at the balance sheet date.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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

ACCOUNTING POLICIES (Continued)

2.11 Explanations on assets held for sale and discontinued operations and explanations on liabilities related with these assets

Assets which meet the criteria to be classified as held for sale are measured by the book value and no more amortization is made for these assets; and these assets are shown separately on the balance sheet. In order to classify an asset as an asset held for sale, the related asset (or the group of assets to be disposed of) should be able to be sold immediately and the probability of sale for such assets (or group of assets to be disposed of), should be high under current conditions. In order for the sale to be highly probable, a plan should have been made by the suitable management for the sale of the asset (or group of assets to be disposed of) and an active program should have been started to determine the buyers and to carry out the plan.

Furthermore, the asset (or group of assets to be disposed of) should be actively marketed at a price consistent with its fair value. Various events and conditions may extend the period for the completion of the sales process to more than a year. If there is enough evidence that the related delay has occurred beyond the Bank's control and that the Bank's plans for selling the related asset (or group of assets to be disposed of) is still in progress, the related assets are continued to be classified as assets held for sale.

A discontinued operation is a division of a bank that is either disposed or held for sale. Results of discontinued operations are included in the income statement separately.

2.12 Explanations on goodwill and other intangible assets

As of 31 December 2013 and 31 December 2012, the Bank has no goodwill in its accompanying financial statements.

Intangible assets consist of computer software licenses. Intangible assets result in net book value as of the balance sheet date by deducting their acquisition cost to accumulated amortization. Intangible assets are amortized by the straight-line method, considering their useful life and amortization rates published by Republic of Turkey Ministry of Finance. During the current year there has been no change in the depreciation method. The Bank does not expect any changes in accounting estimates, useful lives, depreciation method and residual value during the current and the following periods.

Implemented yearly redemption rates as follows;

Intangible assets: 33%

2.13 Explanations on property and equipment

All property and equipment are initially recognized at cost. Subsequently property and equipment are carried at cost less accumulated depreciation at the balance sheet date. Depreciation is calculated over the cost of property and equipment using the straight-line method over its estimated useful life. There has been no change in the depreciation method during the current period.

The depreciation rates are as follows;

Buildings : 2-3%

Furniture, fixtures and vehicles : 6-33%

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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

ACCOUNTING POLICIES (Continued)

2.13 Explanations on property and equipment (continued)

The depreciation charge for items remaining in property and equipment for less than an accounting period at the balance sheet date is calculated in proportion to the period the item remained in property and equipment. Gains and losses on the disposal of property and equipment are booked to the income statement accounts for the period at an amount equal to the book value. Where the carrying amount of an asset is greater than its estimated "Recoverable amount", it is written down to its "Recoverable amount" and the provision for the diminution in value is charged to the income statement. Expenditures for the repair and renewal of property and equipment are recognized as expense. The capital expenditures made in order to increase the capacity of the tangible asset or to increase the future benefit of the asset are capitalized over the cost of the tangible asset. The capital expenditures include the cost components that increase the useful life, capacity of the asset or quality of the product or that decrease the costs.

There are no pledges, mortgages or any other contingencies and commitments over property and equipment that restrict their usage. The Bank does not expect any changes in accounting estimates that will have a material impact in future periods in relation with the property and equipment.

2.14 Explanations on leasing transactions

Assets acquired under finance lease agreements are capitalized at the inception of the lease at the "Lower of the fair value of the leased asset or the present value of the lease instalments that are going to be paid for the leased asset". Leased assets are included in the property and equipment and depreciation is charged on a straight-line basis over the useful life of the asset. If there is any diminution in value of the leased asset, a "Provision for value decrease" is recognized. Liabilities arising from the leasing transactions are included in "Finance lease payables" in the balance sheet. Interest and foreign exchange expenses regarding lease transactions are charged to the income statement. The Bank does not perform financial leasing transactions as a "Lessor".

Transactions regarding operational agreements are accounted on an accrual basis in accordance with the terms of the related contracts.

2.15 Explanations on provisions and contingent liabilities

Provisions and contingent liabilities except for the specific and general provisions recognized for loans and other receivables are accounted in accordance with "Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets" ("TAS 37").

Provisions are recognized when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The provision for contingent liabilities arising from past events should be recognized in the same period of occurrence in accordance with the "Matching principle". When the amount of the obligation cannot be estimated reliably it is considered that a "Contingent" liability exists. When the amount of the obligation can be estimated reliably and when there is a high possibility of an outflow of resources from the Bank, the Bank recognizes a provision for such liability.

As of the balance sheet date, there is no contingent liability based on past events for which there is a possibility of an outflow of resources and whose obligation can be reliably estimated.

2.16 Explanations on obligations related to employee rights

Under the Turkish Labor Law, the Bank is required to pay a specific amount to employees who have retired or whose employment is terminated other than for the reasons specified in the Turkish Labor Law.

Obligations related to employee termination and vacation rights are calculated for in accordance with "Turkish Accounting Standard for Employee Rights" ("TAS 19").

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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

ACCOUNTING POLICIES (Continued)

2.16 Explanations on obligations related to employee rights (continued)

Revised TAS 19 becomes valid publishing on the Official Gazette dated 12 March 2013 by Public Oversight Accounting and Auditing Standards Authority. According to revised TAS 19, once the Actuarial Gains and Losses occur it is recorded under equity and not associated with income statement. Benefit costs arising interest cost due to being 1 year more closer to the payment of benefit and service cost as a result of given service by worker are required to be shown in income statement.

404 TL accounted as actuarial valuation difference is recorded under equity, 653 TL accounted as service and interest cost is associated with income statement accounts. Assumptions used in the calculation are shown below.

Assumptions	
Discount ratio	9,40%
Inflation	6,40%
Change in salary	7,40%

As of 31 December 2013, the calculated employment termination obligation amounts to TL 12.193.

For the year ending 31 December 2013, the Bank also provided a 100% provision for vacation pay liability relating to prior periods amounting to TL 8.760.

2.17 Explanations on taxation

According to Act number 3332 and article 4/b of Act number 3659, dated 25 March 1987 and 26 September 1990, respectively, the Bank is exempt from Corporate Tax. Due to the 3rd Article of the same act; the above mentioned exemption became valid from 1 January 1988. In accordance with clause 9 of the Provisional Article 1 of Corporate Tax Law No. 5520, which states "The provision of Article 35 shall not apply to exemptions, allowances and deductions included in other laws in relation to Corporation Tax prior to the effective date of the Law No. 5520", the exemption from Corporation Tax continues. Accordingly, deferred tax asset or liability is not recognized in these financial statements.

2.18 Additional explanations on borrowings

Trading financial liabilities and derivative instruments are carried at their fair values and other financial liabilities including debt securities in issue are carried at "Amortized cost" using the "Effective interest method".

In October 2011, the Bank issued bonds worth USD 500 million (TL 1.058.200). The bond is subject to annual fixed interest payment of 5.37% every six months and the total maturity is five years and also, the bond issued on April 2012 with an amount of USD 500 million (TL 1.058.200) is subject to biannual fixed payment of 5.87% and its total maturity is seven years. In addition to this bond, there was a bond increase corresponding to USD 250 million (TL 529.100) as of October 2012.

The Bank applied hedge accounting for the derivative financial instruments which are related to the bonds issued and accounted USD 26.263 thousands (TL 55.582) for hedge accounting during this period.

2.19 Explanations on issuance of share certificates

The Bank has not issued shares in the current year and accordingly there is no cost related to such a transaction. As the Bank's total paid-in capital is owned by Turkish Treasury, there is no cost related to share issuance. Profit appropriation of the Bank is resolved at the General Assembly meeting. As of 29 March 2013, dividend distribution for 2012 was approved by Banking Regulation and Supervision Agency and Vice Prime Minister who has the authorities of General Assembly.

2.20 Explanations on avalized drafts and acceptances

The Bank keeps its guarantee bills and acceptances in the off-balance liabilities.

2.21 Explanations on government grants

As of the balance sheet date, the Bank has no government grant.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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

ACCOUNTING POLICIES (Continued)

2.22 Explanations on segment reporting

The Bank emphasizes the scope of business method for segment reporting by considering the Bank's main source and character of risks and earnings. The Bank's activities mainly concentrate on corporate and investment banking.

2.23 Explanations on other issues

The Bank does not accept deposits. The Bank has been mandated to export loan operations, export loan insurance and export grants. On the other hand, the Bank also performs domestic and foreign currency capital market operations within the context of Fund management (Treasury) operations.

The Bank engages in derivative transactions, currency and interest rate swaps, forward and option transactions and obtains funds by means of syndicated loans, subordinated loans, bond issuance and bank borrowings.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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

SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK

1 Capital adequacy ratio

1.1 Information related to capital adequacy ratio

As of the balance sheet date, the capital adequacy ratio of the Bank is 26,19%.

1.2 Measurement methods used in the determination for capital adequacy ratio

For the calculation of the capital adequacy ratio, the Bank classifies the risk weighted assets and non-cash loans according to the risk weights defined by the regulations and calculates "Total risk weighed assets" which is the sum of market risk on securities and the Bank's currency risk. The standard method is used for credit and market risk while the basic indicator approach is applied for the calculation of operational risk.

Thousand(TL)	RISK WEIGHTS											
	BANK											
	0%	10%	20%	20% Not Rated	50% Guaranteed with Real Estate Mortgages	50%	50% Not Rated	75%	100%	100% Not Rated	150%	200%
THE AMOUNT TAKEN AS A BASIS OF CREDIT RISK (TOTALS)	670.853	-	-	1.025.285	11.069	267.130	22.724.106	5.470	331.122	1.200.443	-	-
Conditional or Unconditional Receivables from Central Administrations or Central Banks	433.910	-	-	-	-	267.130	-	-	-	-	-	-
Conditional or Unconditional Receivables from Regional Administrations or Local Administrations	-	-	-	-	-	-	-	-	-	-	-	-
Conditional or Unconditional Receivables from Administrative Units and Non-commercial Ventures	-	-	-	-	-	-	-	-	-	-	-	-
Conditional or Unconditional Receivables from Multi-lateral Development Banks	-	-	-	-	-	-	-	-	-	-	-	-
Conditional or Unconditional Receivables from International Organizations	-	-	-	-	-	-	-	-	-	-	-	-

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

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

Thousand(TL)	RISK WEIGHTS											
	BANK											
	0%	10%	20%	20% Not Rated	50% Guaranteed with Real Estate Mortgages	50%	50% Not Rated	75%	100%	100% Not Rated	150%	200%
Conditional or Unconditional Receivables from Banks and Intermediary Institutions	-	-	-	1.025.285	-	-	22.724.106	-	-	-	-	-
Conditional and Unconditional Corporate Receivables	-	-	-	-	-	-	-	-	-	1.196.753	-	-
Conditional and Unconditional Retail Receivables	-	-	-	-	-	-	-	5.470	-	-	-	-
Conditional and Unconditional Receivables Guaranteed with Real Estate Mortgages	-	-	-	-	11.069	-	-	-	-	3.690	-	-
Non-performing Receivables (Net)	-	-	-	-	-	-	-	-	-	-	-	-
Receivables determined to have high levels of risk by the Board	-	-	-	-	-	-	-	-	-	-	-	-
Securities with Mortgage Guarantees	-	-	-	-	-	-	-	-	-	-	-	-
Securitization Positions	-	-	-	-	-	-	-	-	-	-	-	-
Short Term Receivables from Banks and Intermediary Institutions and Short Term Corporate Receivables	-	-	-	-	-	-	-	-	-	-	-	-
Investments in the Nature of Collective Investment Organisation	-	-	-	-	-	-	-	-	-	-	-	-
Other receivables (Net)	236.943	-	-	-	-	-	-	-	331.122	-	-	-

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

1.3 Summary information related to capital adequacy ratio

	Bank	
	Current Period 31.12.2013	Prior Period 31.12.2012
Capital Liability Required for Credit Risk (Amount Subject to Credit Risk*0.08) A(ASCR)	1.059.350	1.042.485
B Amount Subject to Market risk (ASMR)	125.588	112.860
C Amount Subject to Operational Risk (ASOR)	48.194	55.951
Shareholders' Equity	4.036.256	3.803.588
Shareholders' Equity/((ASCR+ASMR+ASOR)*12.5) *100	26,19%	25,12%

1.4 Information about shareholders' equity items

	Current Period 31.12.2013	Prior Period 31.12.2012
CORE CAPITAL		
Paid-in capital	2.200.000	2.000.000
Nominal capital	2.200.000	2.000.000
Capital commitments (-)	-	-
Inflation Adjustment to Share Capital	599.253	599.657
Share Premium	-	-
Share Cancellation Profits	-	-
Legal Reserves	848.464	844.234
Differences caused by the adjustment of legal reserves according to inflation	-	-
Profit	245.927	221.191
Net income for the period	245.927	221.191
Prior period profit	-	-
Provisions for Probable Risks up to 25% of Core Capital	20.948	14.006
Profit on Disposal of Associates, Subsidiaries and Immovable	-	-
Primary Subordinated Loans	-	-
Uncovered Portion of Loss with Reserves (-)	-	-
Net loss for the period	-	-
Prior period loss	-	-
Costs regarding the development of operating leasing (-)	11.709	9.883
Intangible Assets (-)	540	458
Deferred Tax Asset Amount Exceeding 10% of Core Capital (-)	-	-
Limit Exceeding Amount regarding the Third Clause of the Article 56 of the Law (-)	-	-
Total Core Capital	3.902.343	3.668.747

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

	Current Period 31.12.2013	Prior Period 31.12.2012
SUPPLEMENTARY CAPITAL		
General Provisions	130.214	130.214
45% of the Movables Revaluation Fund	-	-
45% of the Immovables Revaluation Fund	-	-
Bonus Shares of Investment in Associates, Subsidiaries and Joint Ventures	-	-
Primary Subordinated Loans that are not Considered in the Calculation of Core Capital	-	-
Secondary Subordinated Loans		
45% of value increase amount related to the available-for-sale securities along with the affiliates and subsidiaries	3.699	4.627
Inflation Adjustment to Capital Reserve, Profit Reserve and Prior Years' Income or Loss (Except Inflation Adjustment to Legal Reserves, Status Reserves and Extraordinary Reserves)	-	-
Total Supplementary Capital	133.913	134.841
CAPITAL	4.036.256	3.803.588
DEDUCTIONS FROM CAPITAL		
Investments in unconsolidated Financial Institutions (Foreign) and Banks in which 10% or more equity interest exercised	-	-
Investments in Financial Institutions (Domestic, foreign) and Banks, in which less than 10% equity interest exercised and that exceeds the 10% and more of the total core and supplementary capital of the Bank	-	-
The Secondary Subordinated Loans extended to Banks, Financial Institutions (Domestic or Foreign) or Significant Shareholders of the Bank and the Debt Instruments of a Primary or Secondary Subordinated Loan Nature, Purchased From Them	-	-
Loans Extended as Contradictory to the Article 50 and 51 of the Law	-	-
Excess of 50% of the Bank's Immovables' Total Net Book Value and Net Book Value of Immovables Obtained Against Bank's Receivables that Must be Disposed According to Article 57 of the Banking Law which Could not be Disposed Although Five Years Have Passed Since the Acquisition Date	-	-
Securitisation positions to be deducted from the equities	-	-
Other	-	-
TOTAL SHAREHOLDERS' EQUITY	4.036.256	3.803.588

2

Market risk

The market risk means the possibility of damage arising from interest, exchange and price changes due to the fluctuations in financial markets affecting the Bank's on and off balance positions and as a result of this, the possible changes occurring in the Bank's income and expense items along with its return on equity. The Bank marks to market all its Turkish Lira and Foreign Currency marketable security positions as a result of its daily financial activities in order to be able to hedge market risk (mark to market). In order to limit any probable losses from market risk, the Bank applies a maximum daily transaction and stop/loss limits for all trading Turkish lira and foreign currency transactions including marketable security transactions; such limits are approved by the Board of Directors of the Bank calculates an amount subject to market risk, including "Currency Risk" and "Interest Rate Risk (The Bank does not carry common stock position) in the Capital Adequacy Analysis Form in accordance with "Communiqué Related to Market Risk Measurement by Standard Method" ("Standard Method") issued by BRSA. In accordance with such method, currency risk is calculated on a weekly basis and market risk including both "currency risk" and "interest risk" is calculated on a monthly basis.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

2.1 Information on market risk

	AMOUNT
(I) Capital to be Employed for General Market Risk - Standard Method	26.568
(II) Capital to be Employed for Specific Risk - Standard Method	1.025
Capital Liability Required for Specific Risk regarding Securitisation Positions - Standard Method	-
(III) Capital to be Employed for Currency Risk - Standard Method	95.533
(IV) Capital to be Employed for Commodity Risk - Standard Method	-
(V) Capital to be Employed for Exchange Risk-Standard Method	-
(VI) Capital to be Employed for Market Risk Due to Options-Standard Method	160
(VII) Capital Liability Calculated for Credit Risk of Counter-Party - Standard Method	2.302
(VIII) Total Capital to be Employed for Market Risk for Banks Applying Risk Measurement Model	-
(IX) Total Capital to be Employed for Market Risk (I+II+III+IV+V+VI)	125.588
(X) Amount Subject to Market Risk (12,5xVIII) or (12,5xVII)	1.569.850

2.2 Market risk table of calculated month-end market risk during the year

	Current Period 31.12.2013			Prior Period 31.12.2012		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	32.870	66.972	19.954	37.378	69.709	15.751
Share Certificate Risk	-	-	-	-	-	-
Currency Risk	74.075	102.685	55.333	47.260	58.785	36.642
Commodity Risk	-	-	-	-	-	-
Settlement Risk	-	-	-	-	-	-
Operational Risk	30	166	16	14	148	18
Counterparty Credit Risk	2.322	2.645	1.934	887	2.787	2.511
Total Amount Subject to Risk	1.366.213	2.155.850	965.463	1.069.238	1.642.863	686.525

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

3 Credit risk

According to article numbered 25 of the decree (regulating the “Articles of Association” of the Bank) of the Council of Ministers dated 17 June 1987; the scope of the annual operations of the Bank is determined by the Bank’s Annual Program that is approved by the Supreme Advisory and Credit Guidance Committee (“SCLGC”). The SCLGC is chaired by the Prime Minister or State Minister appointed by the Prime Minister and includes executive managers. The Board of Directors of the Bank is authorized to allocate the risk limits of loans and guarantee and insurance premiums to country, sector and commodity groups, within the boundaries of the Annual Program.

The Bank is not subject to the clauses stated in article number 77 of the Banking Law number 5411. However, the Bank applies general loan restrictions stated in the 54th article of Banking Law.

Limit controls on the basis of the company and bank, financial statements provided for the related credits, profit and loss statements as the appendix of these statements, along with cash/non-cash guarantees given for the relevant transactions are regularly inspected by the Internal Control and Monitoring Unit. Credit ratings for the credits and other receivables are followed by the Risk Analysis and Evaluation Division together with the Credit and Risk Assessment Directorate.

In line with the Bank's limits, forward and swap transactions are performed with the banks. There are not any control limits regarding the option transactions. For interest swaps and cross currency (money and interest) swaps, guaranteed transactions are performed by applying cash blockage. Because these tools are assessed daily through current rates (market to market) in the market, the credit risk undertaken is managed with the potential risks arising due to the market movements.

In line with the objective regarding the principles of related law and establishment conditions, Turkish Eximbank is not exposed to high market risk due to the fact that the Bank provides a significant part of its resources to meet the export sector's credit need. And also, in the view of the fact that the market risk will increase due to the conditions where there is lack of market depth and effectiveness regarding the derivatives, these derivatives on the market basis are performed with the exporters and all of them are closed through applying reverse transactions in the interbank market and/or via derivatives exchange (hedging is performed) as a general strategy to minimize the relevant risks. In accordance with this, it is thought that the Bank has undertaken minimal risk just for the put option transactions and does not benefit from mitigating its total risks by terminating future, option, and similar contracts in a short time for the cases where the credit risk reaches a high level. On the other hand, because there is not any forward transaction for the exporters, considering that the Bank is not currently exposed to any "credit and settlement" risk (although the Bank meets the requirement, the counter party avoids meeting it) and providing that the said service will be performed, the guarantee will be requested from the exporters to mitigate the credit risk and by considering the time differences in the markets to eliminate the settlement risk, the Bank will carry out its payment to the exporters on the next working day following their timely payment and the limit of the exporters will be decreased on the transaction amount basis till the related transaction is finalized. Moreover, for the "hedge" transactions of the Bank, the above mentioned principles are applied, the limits of the Bank for which transactions are carried out are decreased on the transaction amount basis, and the liabilities of the Bank, other than exceptional cases, are performed on the first working day on which the transaction is finalized.

In accordance with the collateralization policy of the Bank, the Bank is taking the risks of short-term loans to domestic banks.

The cash and non-cash limits of domestic banks for short-term credits are approved by the Board of Directors.

The Bank’s Board of Directors authorised loan extensions to real and corporate persons in the scope of the Article 5 of the Regulation for Banks' Loan Transactions ("Loan Transactions Regulation") and these authorisation levels were determined as restricted by loans made available with certain collateral mentioned in the Article 5 of the Loan Transactions Regulation.

The risk limits of the foreign country loans are determined by annual programs which are approved by the SCLGC within the foreign economic policy.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

3

Credit risk (continued)

Country loans are granted with the approval of the Board of Directors and the approval of the Minister and the Council of Ministers, according to article 10 of Act number 4749 dated 28 March 2002 related to the regulation of Public Finance and Debt Management.

The fundamental collateral of the foreign country loans are the government guarantees of the counter country and the guarantees of banks that the Bank accepts as accredited.

The limit of a country is restricted by both the maximum limit that can be undertaken and the maximum amount that can be used annually which are determined by the Bank's Annual Program.

Each year, 70% of 90% of the commercial and politic risks that emerge in the Short Term Export Insurance Program is transferred to international reinsurance companies under renewed agreements.

According to article 4/C of Act number 3332 that was appended by Act number 3659 and the Act number 4749 regarding the regulation of Public Financing and Debt Management dated 28 March 2002, the losses incurred by the Bank in its credit, guarantee and insurance transactions as a result of political risks are covered by the Turkish Treasury.

The Bank reviews reports of OECD country risk groupings, reports of the members of the International Union of Credit (Berne - Union) and Investment Insurers, reports of independent credit rating institutions and the financial statements of the banks during the assessment and review of loans granted. At the same time, the Bank benefits from the reports prepared in-house related with the country loans and short-term country risk groupings.

In accordance with the collateralization policy of the Bank, the Bank is taking the risks of short-term loans to domestic banks.

The cash and non-cash limits of the Bank for transactions in terms of foreign currency and the other financial instruments are approved by the Board of Directors.

Business and geographic distribution of the loan risks run parallel with the export composition of Turkey and this is followed up by the Bank regularly.

Non-cash loans turned into cash loans are classified under follow-up accounts with the approval of the Loan Committee. Uncollected non-cash loans are subject to the same risk weights as cash loans and classified under the relevant follow-up accounts in relation to their collateral.

The Bank provides a 100% impairment provision for non-performing loans and other receivables without considering the relevant collaterals in line with the principles of conservatism.

In accordance with the letter sent by Turkish Treasury No.B.02.0.1.HM.KİT.03.02.52321/4-51898 dated 6 November 1997 and the "Application Procedures of Amounts Transferred by the Undersecretariat of Treasury to Türkiye İhracat Kredi Bankası A.Ş." each year, the Bank's political risks arising on loan, guarantee and insurance operations and deferred receivables are communicated to the Turkish Treasury by the end of each September.

According to the decision of the Executive Committee dated 21 July 2011, due dated loans and other receivables (except for country credits) will be kept under the "Standard Loans and Other Receivables Account" for 30 days and under the "Closely Monitored Credits and Other Receivables Account" for 60 days following the maturity date if the principle and interest of the loan has not been paid as of the maturity date. However, if it is deemed necessary in terms of negative changes to the financial structure of the debt and in terms of protecting the interests of the Bank, all receivables related to the uncollected amounts (except country credits) can be transferred to the "Non-Performing Receivables Account" without waiting until 90 days after the maturity by taking the insufficiencies in the guarantee amount and recourse periods into account. Also, it was decided that if the amount leading to the transfer to the "Closely Monitored Credits and Other Receivables Account" is fully paid, then other undue loans will be classified again after being evaluated.

In accordance with the decision of Executive Committee, as there has been no improvement in the collection of the receivables amounting to USD 4,868,428 (followed under miscellaneous receivables account) from the Ministry of Internal Affairs General Headquarters of Gendarmerie and Ministry of Defense under the scope of Russian Federation Deferred Loan, the Bank has provided 100% impairment provision of the TL equivalent amounting to TL 10.304 (31 December 2012: TL 8.681) as of 31 December 2013.

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

3 Credit risk (continued)

As of 31 December 2013, the Bank booked provisions amounting to TL 10.644 (31 December 2012: TL 5.325) considering probable compensation payments in relation to the insured export receivables.

As of 31 December 2013, even though the Bank does not have credits restructured in the accounts of standard credits and other receivables and linked to a redemption plan, it has credits corresponding to TL 288.772 and has applied changes in their terms of contracts which are under standard credits and other receivables accounts along with the ones amounting to TL 39.687 under close monitoring and other receivables accounts.

For transactions in the frame of 25 March 1987 dated and 3332 numbered Law, "General and special provision rates are considered to be zero" clause according to Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables" published in the Official Gazette No.26333 dated 1 November 2006 exemptions entitled article 13, although the Bank is within the exemption up to date by prudence within the scope of statute transaction occurs and within the context of exemption as of 1 January 2013 the Bank is applied to BRSA and in accordance with the confirmation general provision amount of TL 62.475 cancelled which is made as a provision till 30 June 2013.

The proportion of the Bank's top 100 cash loan balances (whose risk belongs to the Bank) in total cash loans portfolio is 66% and 72% as of 31 December 2013 and 2012, respectively.

The proportion of the Bank's top 200 cash loan balances (whose risk belongs to the Bank) in total cash loans portfolio is 78% and 85% as of 31 December 2013 and 2012, respectively.

The proportion of the Bank's top 100 non-cash loan balances (whose risk belongs to the Bank) in total cash loans portfolio is 63% and 72% as of 31 December 2013 and 2012, respectively.

The proportion of the Bank's top 200 non-cash loan balances (whose risk belongs to the Bank) in total cash loans portfolio is 76% and 1% as of 31 December 2013 and 2012, respectively.

As of 31 December 2013 and 2012, the share of cash and non-cash receivable amounts belonging to its top 100 and 200 credit customers in the total balance sheet and the assets monitored under off-balance sheets are 72% and 72% respectively.

The Bank grants loans only to corporate customers in line with its mandate and follows its credit portfolio under categories specified below:

	Current Period 31.12.2013		Prior Period 31.12.2012	
	Corporate	Personnel loans	Corporate	Personnel loans
Standard loans	22.989.869	5.480	13.292.996	2.619
Loans under close monitoring	39.687	-	56.445	-
Loans under legal follow-up	117.478	-	112.383	-
Gross	23.147.034	5.480	13.461.824	2.619
Special provision	(117.478)	-	(112.383)	-
Net	23.029.556	5.480	13.349.441	2.619

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

3

Credit risk (continued)

As of 31 December 2013 and 2012, there are no past due loans classified under standard loans and the details of the loans under close monitoring are as follows:

	Current Period 31.12.2013	Prior Period 31.12.2012
Past due up to 30 days		2.845
Past due 30-60 days	39.687	-
Past due 60-90 days		53.600
Total	39.687	56.445

As of 31 December 2013 and 2012, the fair value of collaterals held for loans granted by the Bank are as follows:

	Current Period 31.12.2013	Prior Period 31.12.2012
Loans under close monitoring	48.872	65.946
Loans under legal follow-up	416.166	643.937
Total	465.038	709.883

As of 31 December 2013, the bank does not have repossessed collaterals (31 December 2012: None).

Bank's loan rating system

Risk evaluation of Banks and other financial institutions:

The Bank requests independent auditor's report (financial statements and notes) and net foreign currency position from banks and other financial institutions on a quarterly basis.

Financial statement information derived from the independent audit or review reports of banks and other financial institutions is recorded to a database into a standard format and percentage changes and ratios related with capital adequacy, asset quality, liquidity and profitability of banks and other financial institutions are calculated. In addition, the standard ratio percentages for capital adequacy, asset quality, liquidity and profitability ratios are redefined periodically considering the operations of the banking groups and acceptable intervals for standards ratios are defined.

In relation with the standard ratios, the financial analysis groups are defined by assigning grades from 1 to 4 to banks and other financial institutions. Group with grade 1 consists of the lowest risk profile of banks and financial institutions and group with grade 4 consists of the highest risk profile of banks and financial institutions.

In accordance with the financial analysis group of the Banks and other financial institutions, the final risk groups are determined by considering some qualitative criteria like shareholding structure, group companies, credit ratings from international credit rating institutions, quality of management and information obtained from media.

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

3

Credit risk (continued)

As of 31 December 2013, loans granted by the Bank to domestic banks and other financial institutions amount to TL 4.934.019 (31 December 2012: TL 3.727.755). The concentration level of the loans to Banks and other financial institutions customers in accordance with the defined financial analysis groups of the Bank are as follows:

		Current Period 31 December 2013	Prior Period 31 December 2012
	Rating Class	Concentration Level (%)	Concentration Level (%)
Low	1-2	69%	59%
Medium	3	18%	23%
High	4	13%	18%

The risk evaluation of companies:

In the risk evaluation of the companies, the Bank obtains financial and organizational information both from the companies and also from various sources (such as CBRT records, Trade Registry Gazette, Chamber of Trade records, information obtained from the Undersecretariat of Foreign Trade, Banks, companies operating in the same sector) and uses comprehensive investigation and verification methods. In addition to the analysis of last three year financial statements of companies, the Bank also analyzes the current status of the sectors in which the companies operate, economic and political changes affecting the target sectors in the international markets, the advantages and disadvantages of the companies compared to their rival companies operating in or outside Turkey. In case the company is a member of a group of companies not organized as holding companies, the developments that affect the group's operations are monitored and outstanding bank debts of group are also assessed and company analysis reports are prepared taking into account the group risk as well. The Bank does not utilize a separate rating system regarding the risk assessment of the companies.

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

As of 31 December 2013 and 2012, the classification of the loans to Banks and other financial institutions and companies and individuals are as follows:

	Current Period 31.12.2013		Prior Period 31.12.2012	
	Loans	Specific Provision (%)	Loans	Specific Provision (%)
Standard loans	99,32%	-	98,75%	-
Loans under close monitoring	0,17%	-	0,42%	-
Loans under legal follow-up	0,51%	100%	0,83%	100%
Total	100%	0,51%	100%	0,83%

The Bank's maximum exposure to credit risk as of 31 December 2013 and 2012:

	Current Period 31.12.2013	Prior Period 31.12.2012
Banks	1.019.105	798.936
Interbank Money Market Placements	-	396.439
Loans to Domestic Banks and Other Financial Institutions	4.934.019	3.727.755
Loans to Foreign Banks and Other Financial Institutions	202.620	182.011
Loans to Companies and Individuals	17.898.397	9.442.294
Financial Assets at Fair Value Through Profit or Loss ⁽¹⁾	113.270	483.571
Trading Derivative Financial Assets	58.776	27.781
Held-to-Maturity Investments	238.371	300.349
Other Assets	31.154	38.440
Credit risk exposures relating to off-balance sheet items:		
Financial guarantees	1.219.632	682.148
Commitments	-	-
Total	25.715.344	16.079.724

⁽¹⁾ Except derivative financial assets held for trading .

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

The Risk Profile According to Substantial Regions

		Risk Groups ⁽¹⁾																
	Current Period	Conditional or Unconditional Receivables from Central Administrations or Central Banks	Conditional or Unconditional Receivables from Regional Administrations or Local Administrations	Conditional or Unconditional Receivables from Administrative Units and Non-commercial Ventures	Conditional or Unconditional Receivables from Multi-lateral Development Banks	Conditional or Unconditional Receivables from International Organizations	Conditional or Unconditional Receivables from Banks and Intermediary Institutions	Conditional and Unconditional Corporate Receivables	Conditional and Unconditional Retail Receivables	Conditional and Unconditional Receivables Guaranteed with Real Estate Mortgages	Non-performing Receivables	Receivables determined to have high levels of risk by the Board	Securities with Mortgage Guarantees	Securitization Positions	Current Receivables from Banks and Intermediary Institutions and Current Corporate Receivables	Investments in the Nature of Collective Investment Organization	Other Receivables(Net)	Total
1	Domestic	478.001	-	-	-	-	5.891.276	17.431.174	420.442	14.759	-	-	-	-	-	-	568.065	24.803.717
2	European Union Countries ⁽¹⁾	-	-	-	-	-	32.950	701.771	-	-	-	-	-	-	-	-	-	734.721
3	OECD Countries ⁽¹⁾	-	-	-	-	-	38.539	88.500	-	-	-	-	-	-	-	-	-	127.039
4	Offshore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	USA, Canada	-	-	-	-	-	12.171	74.255	-	-	-	-	-	-	-	-	-	86.426
6	Other Countries	109.019	-	-	-	-	42.328	332.227	-	-	-	-	-	-	-	-	-	483.574
7	Affiliate, Subsidiary and Jointly Controlled Partnerships	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Undistributed Assets/Liabilities ⁽²⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Total	587.020	-	-	-	-	6.017.264	18.627.927	420.442	14.759	-	-	-	-	-	-	568.065	26.235.477

(1) EU countries, OECD countries except USA and Canada

(2) Assets and liabilities allocated to groups without a consistent basis

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

The Risk Profile According to Sector or Third Party

	Sectors and third parties	Conditional or Unconditional Receivables from Central Administrations or Central Banks	Conditional or Unconditional Receivables from Regional Administrations or Local Administrations	Conditional or Unconditional Receivables from Administrative Units and Non-commercial Ventures	Conditional or Unconditional Receivables from Multi-lateral Development Banks	Conditional or Unconditional Receivables from International Organizations	Conditional or Unconditional Receivables from Banks and Intermediary Institutions	Conditional and Unconditional Corporate Receivables	Conditional and Unconditional Retail Receivables	Conditional and Unconditional Receivables Guaranteed with Real Estate Mortgages	Non-performing Receivables	Receivables determined to have high levels of risk by the Board	Securities with Mortgage Guarantees	Securitization Positions	Current Receivables from Banks and Intermediary Institutions and Current Corporate Receivables	Investments in the Nature of Collective Investment Organization	Other Receivables (Net)	TL	FC	Total
1	Agriculture																			
1.1	Farming and Livestock	-	-	-	-	-	593.876	2.078.445	49.545	-	-	-	-	-	-	-	28.287	627.912	2.122.241	2.750.153
1.2	Forestry	-	-	-	-	-	59.186	207.141	4.938	-	-	-	-	-	-	-	2.819	62.578	211.506	274.084
1.3	Fishery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Industry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Mining and Quarry Sector	-	-	-	-	-	153.368	536.759	12.795	-	-	-	-	-	-	-	7.305	162.158	548.069	710.227
2.2	Manufacturing Industry	-	-	-	-	-	4.039.602	14.137.795	337.011	-	-	-	-	-	-	-	192.412	4.271.120	14.435.700	18.706.820
2.3	Electric, Gas and Water	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Construction	109.019	-	-	-	-	-	-	-	14.759	-	-	-	-	-	-	-	-	123.778	123.778
4	Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1	Wholesale and retail trade	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Hotel and Restaurant Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.3	Transportation and Communications	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.4	Financial institutions	-	-	-	-	-	1.019.045	-	-	-	-	-	-	-	-	-	-	195.136	823.909	1.019.045
4.5	Real Estate and Leasing Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.6	Real Estate and Leasing Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.7	Training Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.8	Health and Social Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Other	478.001	-	-	-	-	152.187	1.667.787	16.153	-	-	-	-	-	-	-	337.242	441.651	2.209.719	2.651.370
6	Total	587.020	-	-	-	-	6.017.264	18.627.927	420.442	14.759	-	-	-	-	-	-	568.065	5.760.555	20.474.922	26.235.477

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

Distribution of the Risks related to Maturity by Remaining Periods to Maturity

Risk Groups	Remaining Period to Maturity				
	1 month	1-3 Months	3-6 Months	6-12 Months	More than 1 Year
Conditional or Unconditional Receivables from Central Administrations or Central Banks	35.886	10.595	11.658	55.245	473.635
Conditional or Unconditional Receivables from Regional Administrations or Local Administrations	-	-	-	-	-
Conditional or Unconditional Receivables from Administrative Units and Non-commercial Ventures	-	-	-	-	-
Conditional or Unconditional Receivables from Multi-lateral Development Banks	-	-	-	-	-
Conditional or Unconditional Receivables from International Organisations	-	-	-	-	-
Conditional or Unconditional Receivables from Banks and Intermediary Institutions	1.258.097	485.286	783.578	2.672.501	817.802
Conditional and Unconditional Corporate Receivables	1.483.244	2.007.875	6.663.800	5.060.574	3.412.498
Conditional and Unconditional Retail Receivables	34.317	41.186	148.651	109.760	86.528
Conditional and Unconditional Receivables Guaranteed with Real Estate Mortgages	-	-	-	-	14.759
Non-performing Receivables(net)	-	-	-	-	-
Receivables determined to have high levels of risk by the Board	-	-	-	-	-
Securities with Mortgage Guarantees	-	-	-	-	-
Securitisation Positions	-	-	-	-	-
Current Receivables from Banks and Intermediary Institutions and Current Corporate Receivables	-	-	-	-	-
Investments in the Nature of Collective Investment Organisation	-	-	-	-	-
Other Receivables(net)	20	-	-	-	568.044

There are not any companies assigned for credit rating or export credit.

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

Risk Amounts by Risk Weights

Risk Weight	0%	10%	20%	50%	75%	100%	150%	The ones deducted from the equities
The amount before credit risk mitigation	670.853	-	525.817	5.644.558	5.470	19.388.780	-	-
The amount after credit risk mitigation	670.853	-	1.025.285	23.002.305	5.470	1.531.565	-	-

Various Information by Significant Sectors or Counter-Party Types

	Significant Sectors/Counter Parties	Loans		Value Adjustments	Provisions
		Impaired	Non-performed		
1	Agriculture	-	3.528	-	3.528
2	Energy	-	576	-	576
3	Food	-	3.897	-	3.897
4	Textile	-	41.505	-	41.505
5	Paper and related products	-	773	-	773
6	Chemistry and related products	-	78	-	78
7	Metal Industry	-	1.479	-	1.479
8	Electrical household appliances	-	1.757	-	1.757
9	Ship	-	42.416	-	42.416
10	Motor Vehicles	-	425	-	425
11	Furniture	-	179	-	179
12	Construction	-	150	-	150
13	Shipping	-	18	-	18
14	Consulting	-	288	-	288
15	Other	-	20.409	-	20.409
	Toplam	-	117.478	-	117.478

Information Regarding Value Adjustments and Change of Credit Provisions

		Opening Balance	Provision amounts allocated within the period	Cancellation of Provisions	Other Adjustments	Ending Balance
1	Special Provisions	112.383	30.232	25.137	-	117.478
2	General Provisions	130.214	62.475	62.475	-	130.214

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

Information regarding the credit risk of counter-party

Transaction limits for the credit risk of counter-party are determined by the Board of Directors and monitored by the Treasury Directorate. The allocation and distribution of internal capital are not performed.

In accordance with the limits of the bank, forward and swap transactions are maintained with other banks. There are not any control limits regarding the option transactions. For interest swaps and cross currency swaps, guaranteed transactions are performed through applying cash blockage.

There is no policy regarding the reverse trend risk.

The guarantee is not received for the derivatives and repo transactions stated in the credit risk of the counter-party.

In the table of "Quantitative Information regarding the Counter-Party Risk", gross positive fair value is indicated. Because the "Standard Method" and the "Internal Model Method" indicated in the forth and fifth sections of Appendix-2 of the regulation on the Measurement and Evaluation of Capital Adequacy are not used, there are not any offsetting transactions.

"Valuation Method According to Positive Fair Value" stated in the third section of Appendix-2 of the regulation on the Measurement and Evaluation of Capital Adequacy is practised.

Because "Internal Model Method" indicated in the forth and fifth sections of Appendix-2 of the regulation on the Measurement and Evaluation of Capital Adequacy is not practised, a value can not be estimated.

Quantitative Information regarding the Counter-Party Risk

	Amount
Agreements on the basis of Interest Rate	2.717.458
Agreements on the basis of Exchange Rate	1.613.442
Agreements on the basis of Commodity	-
Agreements on the basis of Share	-
Other	-
Gross Positive Fair Value	84.614
Benefits of Offsetting	-
Offset Current Risk Amount	-
Guarantees Held	-
Net Position Regarding Derivatives	-

The capital requirement is not calculated via a risk measurement model which is allowed to be used. There is not any model for the use of risk measurement.

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

4 Operational risk

The points regarding the operational risk are as follows;

The Bank practices basic indicator approach for the calculation of operational risk. According to this method, the operational risk is calculated once per a year.

The information on the realization of the basic indicator method is as follows:

	2 Payment Amount	1 Payment Amount	Current Value Amount	Total/Number of Year regarding Positive Gross Income	Ratio (%)	Total
Gross income	340.903	323.149	299.822	3/3	15	48.194
The Amount Taken as a Basis of the Operational Risk (Total*12.5)						602.425

5 Currency risk

5.1 If the parent bank is subject to the exchange risk, the effects of such occurrence are estimated and the Board of Directors determines the limits regarding the positions monitored daily

The Bank's foreign exchange position is followed daily, and the transactions are performed in accordance with the expectations in the market and within the limits determined by the Risk Management Principles approved by the Board of Directors of the Bank.

5.2 The scale of the hedging performed through hedge-oriented derivatives for debt instruments in foreign currency and net foreign currency investments

The basic principle for foreign currency assets and liabilities is to secure a balance between currency type, maturity and interest type. For this purpose, borrowing strategies are determined in accordance with the Bank's asset structure to the extent possible. When this determination is not possible, the Bank aims to change the asset structure or utilize derivative instruments such as "cross currency" (currency and interest) and currency swaps. Main currencies of the Bank's assets are USD and EUR and the funding currencies of these assets are USD and EUR. As of 31 December 2013, the balance of long-term interest swaps is USD 19.000.000; while the balance of basis swaps is USD 15.000.000.

Moreover, short-term currency swaps for the liquidity and exchange risks are performed, and as of 31 December 2013 currency swap purchase are USD 260.000.000; currency swap sales are EUR 97.703.957. As of August 2011, forward purchase-sale transactions were initiated in order to finance the Pre-shipment Rediscount Credits made available by the Central Bank rediscount credits and to protect them from foreign exchange rate risk. Balance of these transactions as of 31 December 2013 is TL 1.345.080 in forward sales transactions and USD 638.380.000 in forward purchase transactions.

As of the balance sheet date, the Bank has used "Fair Value Hedge Accounting" beginning from 1 January 2013.

Financial derivatives which are used for Fair Value Hedge Accounting are cross currency and interest swaps.

	31 December 2013		
	Principal ⁽¹⁾	Asset	Liability
Derivative Financial Instruments			
Swap interest transactions	4.698.408	13.803	39.272
Total	4.698.408	13.803	39.272

⁽¹⁾ Sum of purchase and sale.

The method of derivatives' fair value measurement shown above is explained in section three no 2.4 accounting policy.

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

5.2 The scale of the hedging performed through hedge-oriented derivatives for debt instruments in foreign currency and net foreign currency investments (continued)

Starting from 1 January 2013, the Bank hedged the possible fair value effects of changes in libor interest rates on 5.375% and 5.875% fixed interest rate debt securities amounting 500 million with maturity 5 years and 610 million US dollars with maturity 7 years funding by using interest rate swaps.

USD debt securities issued in total amount to USD 750 million with 8.875% fixed interest rate and maturity 7 years by the Bank. Remaining risk amount to USD 140 million hedged with cross currency swaps in year 2012 but this remaining portion is not subject to fair value hedge accounting.

The impact of application fair value hedge accounting is summarized below:

31 December 2013					
Hedging Instrument	Asset liability hedging	Risk Hedge	Fair value of hedged asset	Net fair value of hedging account	
				Asset	Liability
Interest swap contract	Marketable securities issued fixed rate USD	Fixed interest rate risk	(55.582)	13.803	39.272

The bank evaluates the method of hedge whether to be effective on the expected changes in fair values in this process or not or each result of hedge effectiveness whether to be between the range of 80% and 125%.

Changes in fair values of derivative transactions determined as hedge for fair value are recorded in profit or loss together with changes in hedging asset or liability. The difference in current values of derivative transactions fair value hedge is shown in "Trading gains and losses on derivative financial instruments" account. In the balance sheet, change in fair value of hedge asset or liability during the hedge accounting to be effective is shown with the related asset or liability. If the underlying hedge does not conform to the hedge accounting requirements, according to the adjustments made to the carrying value (amortised cost) of the hedged item, for which the risk is hedged by a portfolio hedge, are amortized with the straight line method within the time to maturity and recognized under the profit and loss accounts.

5.3 Policy on foreign currency risk management

The Bank has followed a balanced policy of assets and liabilities with respect to currency risk during the year. As of 31 December 2013, the net foreign Currency Position/Shareholders' Equity ratio is 0,01%. Foreign currency position is followed daily by the type of foreign currency. The Bank monitors the changes in the market conditions and their effect over the activities and positions of the Bank and make decisions in line with the strategies of the Bank.

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

5.3 Policy on foreign currency risk management (continued)

Approach adopted under internal capital adequacy assessment process for monitoring the adequacy of internal capital for current and future activities

Fully paid capital by Turkish Republic Treasury of the Bank's legal capital is evaluated prospectively, in order to protect capital adequacy under the some stress scenario like rapid and large scale currency and interest rate changes the Bank calculates capital requirement. The Bank both within own group and within the all banking system works with shareholders equity and capital ratio which are above the average. First pillar credit for calculation of legal capital adequacy, adding to market and operational risk, interest rate risk (BHFOR) due to second pillar banking calculations and concentration risk are considered. Modelling study containing business risk, reputation risk, model risk, exchange risk which the Bank is not exposed to so much is started suitably with the map related to Internal Capital Adequacy Assessment Process (ICAAP/ISEDES) used by banks in the contact meeting of BDDK dated 1 February 2012.

5.4 The Bank's foreign exchange bid rates as of the date of the financial statements and for the last five days prior to that date are presented below

Date	25/12/2013	26/12/2013	27/12/2013	30/12/2013	31/12/2013
USD	2,0630	2,0925	2,1423	2,1348	2,1164
AUD	1,8406	1,8600	1,9118	1,8895	1,8874
DKK	0,3781	0,3838	0,3961	0,3934	0,3906
SEK	0,3132	0,3187	0,3292	0,3285	0,3299
CHF	2,3045	2,3338	2,4098	2,3941	2,3772
JPY	1,9764	1,9974	2,0444	2,0270	2,0129
CAD	1,9413	1,9657	2,0153	1,9927	1,9880
NOK	0,3363	0,3393	0,3506	0,3475	0,3480
GBP	3,3701	3,4267	3,5318	3,5203	3,4971
SAR	0,5500	0,5579	0,5712	0,5691	0,5643
EUR	2,8209	2,8638	2,9553	2,9349	2,9143
KWD	7,2949	7,3966	7,5780	7,5515	7,4864
XDR	3,1694	3,2147	3,2927	3,2987	3,2593
BGN	1,4426	1,4642	1,5110	1,5004	1,4899
IRR	0,0083	0,0085	0,0087	0,0086	0,0085
RON	0,6322	0,6423	0,6618	0,6573	0,6511
RUB	0,0631	0,0641	0,0658	0,0652	0,0643

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

5.5 The simple arithmetic averages of the Bank's foreign exchange bid rates for the last thirty days preceding the balance sheet date are presented in the table below

Currency	Average December 2013	Currency	Average December 2013
USD	2,0595	SAR	0,5491
AUD	1,8484	EUR	2,8216
DKK	0,3782	KWD	7,2825
SEK	0,3149	XDR	3,1677
CHF	2,3028	BGN	1,4426
JPY	1,9886	IRR	0,0083
CAD	1,9353	RON	0,6321
NOK	0,3355	RUB	0,0626
GBP	3,3739		

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

5.6 Information related to Bank's Currency Risk

Current Period 31 December 2013	EUR	USD	Other FC	Total
Assets				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased)	-	-	-	-
Banks	254.163	566.749	3.015	823.927
Financial Assets at Fair Value Through Profit or Loss	-	75.030	-	75.030
Interbank Money Market Placements	-	-	-	-
Available-for-sale Financial Assets	-	-	-	-
Loans ⁽¹⁾	5.935.513	11.753.482	19.263	17.708.258
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Held-to-maturity Investments	-	45.053	-	45.053
Hedging Derivative Financial Assets	-	13.803	-	13.803
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	187.512	32.861	29	220.402
Total Assets	6.377.188	12.486.978	22.307	18.886.473
Liabilities				
Bank Deposits	-	-	-	-
Foreign Currency Deposits	-	-	-	-
Funds From Interbank Money Market	-	-	-	-
Funds Borrowed From Other Financial Institutions	5.877.433	11.242.752	7.540	17.127.725
Marketable Securities Issued	-	2.604.828	-	2.604.828
Miscellaneous Payables	208.009	192.273	270	400.552
Derivative Financial Debts with an aim of Hedging	-	39.272	-	39.272
Other Liabilities	325	357.540	43	357.908
Total Liabilities	6.085.767	14.436.665	7.853	20.530.285
Net on Balance Sheet Position	291.421	(1.949.687)	14.454	(1.643.812)
Net off Balance Sheet Position	(293.481)	1.901.331	-	1.607.850
Financial Derivative Assets	-	4.322.493	-	4.322.493
Financial Derivative Liabilities	293.481	2.421.163	-	2.714.644
Non-Cash Loans	-	1.219.632	-	1.219.632
Prior Period 31 December 2012				
Total Assets	2.585.785	8.354.586	17.917	10.958.288
Total Liabilities	2.587.318	8.991.070	307	11.578.695
Net on Balance Sheet Position	(1.533)	(636.484)	17.610	(620.407)
Net off Balance Sheet Position	(8.950)	579.286	-	570.336
Financial Derivative Assets	338.568	2.553.303	-	2.891.871
Financial Derivative Liabilities	347.518	1.974.017	-	2.321.535
Non-Cash Loans	-	682.148	-	682.148

⁽¹⁾ As of 31 December 2013, the principal of the Iraq loan amounting to TL 871 and the liability of TL 436 are not included in the above table as the risk belongs to the Turkish Treasury.

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

5.6 Information related to Bank's Currency Risk (continued)

The effect of Bank's currency positions as of 31 December 2013 and 2012 on net profit and equity under the assumption of devaluation of TL against other currencies by 10 % with all other variables held constant is as follows:

	Current Period 31.12.2013		Prior Period 31.12.2012	
	Gain/(Loss) Effect	Effect on Equity ⁽¹⁾	Gain/(Loss) Effect	Effect on Equity ⁽¹⁾
USD	(5.658)	(4.836)	(8.597)	(8.590)
EUR	(206)	(206)	(153)	(153)
YEN	-	-	-	-
Other foreign currency	1.445	1.445	1.762	1.762
Total, net	(4.419)	(3.597)	(6.988)	(6.981)

⁽¹⁾ Effect on equity also includes effect on net profit.

As of 31 December 2013 and 2012, the effect of the appreciation of TL by 10% against other currencies with all other variables held constant on net profit and equity of the Bank is the same as the total amount with a negative sign as presented in the above table.

6 Interest rate risk

The Bank estimates the effects of the changes in interest rates over the profitability of the Bank by analyzing TL and foreign currency denominated interest rate sensitive assets and liabilities considering both their interest components as being fixed rate or variable rate and also analyzing their weights among the Bank's total assets and liabilities. Long or short positions (gapping report) arising from interest rate risk are determined by currency types at the related maturity intervals (1 month, 1-3 months, 3-12 months, 1-5 years and over 5 years) as of the period remaining to reprising date, considering the reprising of TL and foreign currency-denominated "interest sensitive" assets and liabilities at maturity date (for fixed rate) or at interest payment dates (for floating rate). By classifying interest sensitive assets and liabilities according to their reprising dates, Bank's exposure to possible variations in market interest rates are determined.

The Bank determines maturity mismatches of assets and liabilities by analyzing the weighted average days to maturity of TL and foreign currency-denominated (for each currency and their USD equivalent) assets and liabilities.

According to the Risk Management Policy approved by the Board of Directors, the Bank emphasizes the matching of foreign currency denominated assets and liabilities with fixed and floating interest rates. The Bank also pays special attention to the level of maturity mismatch of assets and liability with floating and fixed interests in order to restrict negative effects of interest rate changes on the Bank's profitability.

As of 31 December 2013, there has been an attempt to obtain the compliance between 15 long-term interest swaps in USD currency assets with fixed interest and variable interest liabilities.

As of 31 December 2013, 6 FC-TL short-term, 1 TL-FC and 1 FC-FC long-term currency swap transaction and 95 FC-TL forward transactions are carried out.

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

6.1 Interest rate sensitivity of assets, liabilities and off-balance sheet items

(Periods remaining to reprising dates)

Current Period End 31.12.2013	Up to 1 Month	1 - 3 Months	3 - 12 Months	1- 5 Years	Over 5 Year	Non-Interest Bearing	Total
Assets							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and CBRT	-	-	-	-	-	280	280
Banks	1.008.830	-	-	-	-	10.275	1.019.105
Financial Assets at Fair Value Through Profit/Loss	1.836	7.287	49.653	39.916	73.354	-	172.046
Interbank Money Market Placements	-	-	-	-	-	-	-
Available-for-sale Financial Assets	-	-	-	-	-	17.351	17.351
Loans	3.395.010	4.190.353	14.906.087	543.586	-	-	23.035.036
Held-to-maturity investments	93.913	10.858	50.534	83.066	-	-	238.371
Other Assets	-	-	13.803	-	-	313.770	327.573
Total Assets	4.499.589	4.208.498	15.020.077	666.568	73.354	341.676	24.809.762
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Funds From Interbank Money Market	163.945	-	-	-	-	-	163.945
Miscellaneous Payables	64	64	8.647	-	-	425.332	434.107
Issued Marketable Securities	-	-	2.562.373	-	42.455	-	2.604.828
Funds Borrowed from other Financial Institutions	1.095.358	4.657.565	11.374.802	-	-	-	17.127.725
Other Liabilities ⁽¹⁾	5.607	2.864	241.233	-	-	4.229.453	4.479.157
Total Liabilities	1.264.974	4.660.493	14.187.055	-	42.455	4.654.785	24.809.762
Balance Sheet Long Position	3.234.615	-	833.022	666.568	30.899	-	4.765.104
Balance Sheet Short Position	-	(451.995)	-	-	-	(4.313.109)	(4.765.104)
Off-balance Sheet Long Position	291.143	251.136	3.788.620	-	-	-	4.330.899
Off-balance Sheet Short Position	(290.634)	(245.430)	(3.813.310)	-	-	-	(4.349.374)
Total Position	3.235.124	(446.289)	808.332	666.568	30.899	(4.313.109)	(18.475)

(1) In other liabilities line TL 4.229.453 the "non-interest bearing" column, includes equity amounting to TL 3.901.865 and provisions amounting to TL 172.115.

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

6.1 Interest rate sensitivity of assets, liabilities and off-balance sheet items(continued)

(Periods remaining to reprising dates)

Prior Period End 31.12.2012	Up to 1 month	1-3 Months	3 -12 Months	1-5 Years	Over 5 Year	Non-Interest Bearing	Total
Assets							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and CBRT	-	-	-	-	-	20.176	20.176
Banks	-	787.042	-	-	-	11.894	798.936
Financial Assets at Fair Value Through Profit or Loss	1.600	284.046	217.520	-	8.186	-	511.352
Interbank Money Market Placements	390.424	6.015	-	-	-	-	396.439
Available-for-sale Financial Assets	-	-	-	-	-	19.220	19.220
Loans	2.659.341	5.408.575	5.241.412	42.732	-	-	13.352.060
Held-to-maturity Investments	116.965	72.937	72.317	38.130	-	-	300.349
Other Assets	-	-	-	-	-	69.935	69.935
Total Assets	3.168.330	6.558.615	5.531.249	80.862	8.186	121.225	15.468.467
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Funds From Interbank Money Market	10.006	-	-	-	-	-	10.006
Miscellaneous Payables	-	-	9.390	-	-	117.284	126.674
Marketable Securities Issued	-	-	1.935.136	-	303.474	-	2.238.610
Funds Borrowed From Other Financial Institutions	2.393.178	4.416.192	2.135.360	-	-	-	8.944.730
Other Liabilities ⁽¹⁾	7.969	9.805	180.210	506	-	3.949.957	4.148.447
Total Liabilities	2.411.153	4.425.997	4.260.096	506	303.474	4.067.241	15.468.467
Balance Sheet Long Position	757.177	2.132.618	1.271.153	80.356	-	-	4.241.304
Balance Sheet Short Position	-	-	-	-	(295.288)	(3.946.016)	(4.241.304)
Off-balance Sheet Long Position	450.935	544.149	2.024.868	-	-	-	3.019.952
Off-balance Sheet Short Position	(453.940)	(551.551)	(2.043.456)	-	-	-	(3.048.947)
Total Position	754.172	2.125.216	1.252.565	80.356	(295.288)	(3.946.016)	(28.995)

⁽¹⁾ In other liabilities line TL 3.949.957 the "non-interest bearing" column, includes equity amounting to TL 3.675.364 and provisions amounting to TL 165.391.

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

6.2 Average interest rates for monetary financial instruments

As of 31 December 2013, average interest rates applied to monetary financial instruments is shown below;

	EUR	USD	YEN	TL
Current Period End 31.12.2013				
Assets				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and CBRT	-	-	-	-
Banks	0,32	0,48	-	6,20
Financial Assets at Fair Value Through Profit/Loss	-	4,54	-	6,86
Interbank Money Market Placements	-	-	-	6,26
Available-for-sale Financial Assets	-	-	-	-
Loans	2,14	1,85	2,45	6,39
Held-to-maturity Investments	-	6,79	-	7,40
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Funds From Interbank Money Market	-	-	-	-
Miscellaneous Payables	-	-	-	-
Issued Marketable Securities	-	4,14	-	-
Funds Borrowed from other Financial Institutions	1,02	0,72	-	-

As of 31 December 2012, average interest rates applied to monetary financial instruments is shown below;

	EUR	USD	YEN	TL
Prior Period End 31.12.2012				
Assets				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and CBRT	-	-	-	-
Banks	0,40	0,31	-	5,54
Financial Assets at Fair Value Through Profit/Loss	-	4,43	-	7,73
Interbank Money Market Placements	-	-	-	6,13
Available-for-sale Financial Assets	-	-	-	-
Loans	2,63	2,06	2,51	8,19
Held-to-maturity Investments	-	6,77	-	8,39
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Funds From Interbank Money Market	-	-	-	-
Miscellaneous Payables	-	-	-	-
Issued Marketable Securities	-	4,17	-	-
Funds Borrowed from other Financial Institutions	1,84	0,90	-	-

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

6.3 Interest Rate Risk Resulting from the Banking Accounts

6.3.1 Measurement frequency of the interest rate risk with important estimations including the ones relating to the quality of the interest rate resulting from banking accounts, advance loan repayment and movements of the deposits other than the time deposits

The ratio regarding interest rate risk resulting from the banking accounts are calculated once in a month and sent to BRSA.

6.3.2 The table below divided into different currencies presents the economic value differences resulting from the fluctuations in the interest rates in accordance with "Regulation on Measurement and Evaluation of Interest Rate Risk resulting from Banking Accounts with Standard Shock Method".

	Currency	Applied Shock (+/- basis point) ⁽¹⁾	Gains / Losses	Gains / Equities- Losses / Equities
1	TL	500	(165.798)	(4,11)%
	TL	(400)	147.675	3,66%
2	EURO	200	(46.833)	(1,16)%
	EURO	(200)	48.355	1,20%
3	USD	200	2.891	0,07%
	USD	(200)	(3.077)	(0,08)%
	Total (For Negative Shocks)		192.953	4,78%
	Total (For Positive Shocks)		(209.740)	(5,20)%

⁽¹⁾ There are separate lines for each shock that has a different direction and severity applied to the currency.

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

6.4 Share Position Risk Resulting from the Banking Accounts

6.4.1 Categorisation of the risks by their relations with the earnings indicated in the equities and their purposes including strategic reasons and general information on used accounting techniques along with the assumptions regarding the relevant practices, the factors affecting the evaluation, and significant changes

Being a subsidiary of Garanti Faktoring Hizmetleri A.Ş. with a share ratio of 9,78%, the Bank's share is listed in the stock exchange. Reviewing five working days retrospectively as of the end of the month, these shares are assessed on the basis of their value in the stock exchange and once recognized, they are followed in the account of available-for-sale securities in line with Turkish Accounting Standards

Being a subsidiary of Credit Guarantee Fund with a share ratio of 1,75%, following the registration and announcement articles of association of 6362 numbered Capital Markets Board (CMB) in the frame of article "4% of the capital is assigned to the available member of Borsa İstanbul AŞ (BİST) by bonus issue" Each Istanbul Exchange AŞ (C) group partnership interest, 1 kuruş nominal, 15.971.094 in total, TL 160 amounted share is assigned to the Bank by bonus issues.

6.4.2 The balance sheet value, the fair value and, if the ones listed in the exchange stock have critical difference compared to the fair value, the comparison with the market price

	Share Investments	Comparison		
		The balance sheet value	The Fair Value	The Market Value
1	Stock Investment Group A	-	-	-
	Listed on stock Exchange	-	-	-
2	Stock Investment Group B	12.981	12.981	12.981
	Listed on stock Exchange	-	-	-
3	Stock Investment Group C	-	-	-
	Listed on stock exchange	-	-	-
	Stock Investment Group	-	-	-

6.4.3 Types and amounts of the positions quoted to the stock market, private and equity investments with sufficient diversity and other risks

Garanti Faktoring Hizmetleri AŞ shares are included in B Group shares are valued with stock market price and the total sum of these valued shares is TL 12.981 as of the date of the report.

6.4.4 Cumulative gain or loss due to sales and liquidation within the period

There is no cumulative gain or loss due to sales and liquidation within the period.

6.4.5 Total sum of unrealized gain or loss, total revaluation appreciation and the amounts related to those which have been included in the core and supplementary capital

	Portfolio	Gain/ loss realised within the period	Revaluation appreciation		Unrealised gain and loss		
			Total	Those included in supplementary capital	Total	Those included in core capital	Those included in supplementary capital
1	Private equity Investments	-	-	-	-	-	-
2	Shares quoted to the stock market	(388)	-	-	-	-	-
3	Other shares	-	-	-	-	-	-
4	Total	(388)	-	-	-	-	-

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

7

Liquidity risk

The Bank's cash flows are prepared under positive, neutral and negative scenarios taking into account the collection of loans and prospective funds for better liquidity management. On the other hand, the Board of Directors of the Bank determines the minimum liquidity levels and urgent liquidity sources.

The Bank adopted a stable net positive interest margin policy and the TL-denominated liabilities that are composed of shareholders' equity with no cost or internally deposited funds which contribute to the above mentioned policy.

The Bank meets its short-term liquidity demand from domestic and foreign banks, and long-term liquidity demand from international institutions like the World Bank or Japan Bank for International Cooperation ("JBIC") through medium-long term funds and issued marketable securities.

The Bank tries to match short term loans with short-term borrowings and long-term loans with long-term borrowings and tries to minimize the maturity mismatch of assets and liabilities. As the weighted average of remaining days to maturity of funds is slightly higher than the weighted average of remaining days to maturity of placement and the loans, the Bank is hedged against the frequent roll-over risk of the assets, which contributes to its liquidity management. On the other hand, the Bank is willing to use borrowing limits in Turkish lira and the foreign currency market of the CBRT and of domestic and foreign banks, in the case of urgency.

The Bank prepares weekly, monthly and annual cash flows in TL and FC separately by considering the debt payment obligations, estimated loan grants, loan collections, possible capital additions and political risk loss compensations considering the current loan stocks and cash balances. The Bank determines the need and timing of additional funds based on the results of these cash flow forecasts.

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

7.1 Groupings of assets and liabilities on the remaining period to maturity

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over5 Year	Unallocated ⁽¹⁾	Total
Current Period 31.12.2013								
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and CBRT	280	-	-	-	-	-	-	280
Banks	10.275	1.008.830	-	-	-	-	-	1.019.105
Financial Assets at Fair Value Through Profit or Loss	-	1.836	7.262	38.730	39.942	84.276	-	172.046
Interbank Money Market Placements	-	-	-	-	-	-	-	-
Available-for-sale Financial Assets	17.351	-	-	-	-	-	-	17.351
Loans	-	2.257.059	2.823.318	14.545.227	3.326.317	83.115	-	23.035.036
Held-to-maturity Investments	-	11.729	10.858	44.374	171.410	-	-	238.371
Other Assets	-	-	-	-	13.803	-	313.770	327.573
Total Assets	27.906	3.279.454	2.841.438	14.628.331	3.551.472	167.391	313.770	24.809.762
Liabilities								
Bank Deposits	-	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	-	69.930	3.394.269	12.451.596	379.251	832.679	-	17.127.725
Funds From Interbank Money Market	-	163.945	-	-	-	-	-	163.945
Marketable Securities Issued	-	-	-	-	1.055.786	1.549.042	-	2.604.828
Miscellaneous Payables	-	64	64	8.647	-	-	425.332	434.107
Other Liabilities ⁽²⁾	-	5.607	345	36.734	125.309	81.709	4.229.453	4.479.157
Total Liabilities	-	239.546	3.394.678	12.496.977	1.560.346	2.463.430	4.654.785	24.809.762
Net Liquidity Gap	27.906	3.039.908	(553.240)	2.131.354	1.991.126	(2.296.039)	(4.341.015)	-
Prior Period 31.12.2012								
Total Assets	51.290	3.469.149	4.836.163	5.310.233	1.631.364	100.333	69.935	15.468.467
Total Liabilities	-	2.182.910	3.617.695	2.313.768	1.244.331	2.042.522	4.067.241	15.468.467
Net Liquidity Gap	51.290	1.286.239	1.218.468	2.996.465	387.033	(1.942.189)	(3.997.306)	-

⁽¹⁾ Assets and liabilities that are necessary for banking activities and that cannot be liquidated in the short-term, such as property and equipment and intangible assets, investments, subsidiaries, office supply inventory, prepaid expenses, miscellaneous receivables and other assets and shareholders' equity, provisions and miscellaneous payables, are classified in this column.

⁽²⁾ In other liabilities line amount of TL 4.229.453 at the "unallocated" column, includes the shareholders' equity amounting to TL 3.901.865 and provisions amounting to TL 172.115.

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FOR THE YEAR ENDED 31 DECEMBER 2013**

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

7.2 **The undiscounted cash flows of liabilities based on the remaining period to maturity dates are as follows:**

31 December 2013	Demand and up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Unallocated	Total
Liabilities							
Bank deposits	-	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-	-
Funds borrowed from other financial institutions	67.312	3.388.458	12.473.067	474.107	868.835	-	17.271.779
Funds borrowed from Interbank money market	163.986	-	-	-	-	-	163.986
Marketable securities issued	-	-	150.159	1.545.057	1.633.935	-	3.329.151
Miscellaneous payables	64	64	8.647	-	-	425.332	434.107
Other liabilities	5.607	345	36.734	125.309	81.709	4.229.453	4.479.157
Total liabilities	236.969	3.388.867	12.668.607	2.144.473	2.584.479	4.654.785	25.678.180
Guarantees and commitments	-	-	1.219.632	-	-	-	1.219.632

31 December 2012	Demand and up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Unallocated	Total
Liabilities							
Bank deposits	-	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-	-
Funds borrowed from other financial institutions	2.245.037	3.569.320	2.247.724	340.286	626.296	-	9.028.663
Funds borrowed from Interbank money market	11.049	-	-	-	-	-	11.049
Marketable securities issued	-	-	101.559	1.250.012	971.136	-	2.322.707
Miscellaneous payables	-	-	9.390	-	-	117.284	126.674
Other liabilities	7.969	6.182	33.547	125.660	29.158	3.949.957	4.152.473
Total liabilities	2.264.055	3.575.502	2.392.220	1.715.958	1.626.590	4.067.241	15.641.566
Guarantees and commitments	-	-	682.148	-	-	-	682.148

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

7.3

The undiscounted cash inflows and outflows of derivatives of the Bank

31 December 2013	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Derivatives held for trading						
Foreign exchange derivatives						
- Outflow	295.810	187.046	1.124.736	-	320.959	1.928.551
- Inflow	296.506	192.893	1.123.706	-	296.296	1.909.401
Interest rate derivatives						
- Outflow	-	1.458	2.482	73.940	-	77.880
- Inflow	-	867	1.395	73.123	-	75.385
Derivatives held for hedging						
Foreign exchange derivatives						
- Outflow	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
Interest rate derivatives						
- Outflow	-	-	126.866	1.585.866	1.680.011	3.392.743
- Inflow	-	-	150.135	1.544.973	1.633.925	3.329.033
Total outflow	484.314	1.254.084	1.659.806	2.000.970	5.399.174	484.314
Total inflow	490.266	1.275.236	1.618.096	1.930.221	5.313.819	490.266

31 December 2012	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Derivatives held for trading						
Foreign exchange derivatives						
- Outflow	450.373	367.544	-	-	266.098	1.084.015
- Inflow	447.369	358.018	-	-	249.634	1.055.021
Interest rate derivatives						
- Outflow	196	1.228	39.603	145.982	-	187.009
- Inflow	128	556	48.376	145.365	-	194.425
Derivatives held for hedging						
Foreign exchange derivatives						
- Outflow	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
Interest rate derivatives						
- Outflow	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
Total outflow	450.569	368.772	39.603	145.982	266.098	1.271.024
Total inflow	447.497	358.574	48.376	145.365	249.634	1.249.446

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

7.4 Securitization Position

None.

7.5 Credit Risk Mitigation Techniques

7.5.1 Offsettings related to the processes and policies for offsetting on and off balance sheet and the level of offsetting applied by the bank

On the side of assets in the balance sheet, offsetting is applied by deducting the provisions for impairment of the trading securities and the held to maturity securities. On the side of liabilities, offsetting is applied by deducting the amounts recognized in the security issuance differences from the securities issued. Other than that, the transactions of the type mentioned in the communiqué regarding loan risk mitigation techniques, such as on balance sheet offsetting and private offsetting agreements are not performed.

7.5.2 Practices related to valuation and management of guarantees

Bank guarantee letters received are not subject to any valuation. As long as the company has a short position, the bank's guarantee letter is kept in the company's file. In the event that the term of bank's guarantee letter becomes shorter than the loan's term in any way, the relevant company is contacted and asked to replace the guarantee letter with the one which has a longer term. It is noted whether the company takes back the guarantee letter on the same day when it pays its debt to Türk Eximbank through an intermediary bank. Expertise valuation is performed for commercial real estate mortgages.

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

7.5.3 Types of main guarantees received

The main guarantee kinds consist of guarantee letter given by banks, aval and guarantees, domestic bank confirmation given to irrevocable letter of credit, Credit Guarantee Fund bailment, Bank Overdraft Covenant, pledge and assignment of natural and legal persons' remuneration receivables in terms of public sector, guarantee, bailment, aval, admission, confirmation, endorsement or Bank Overdraft Covenant given by Factoring Companies operated in Turkey which has credit limit in the Eximbank, other guarantees classified in Group 1 Guarantees in Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables regulation.

7.5.4 Main guarantors and counter-party of loan derivatives and related credit rating

The main guarantor in relation to the political risk is the government. 70% of the commercial risk arising from insurance transactions is transferred to reinsurance.

7.5.5 Information regarding the market with credit reduction or credit risk concentration

The share of risk amount of cash credit, guarantee and insurance extended to a country, bank or company within the total cash, guarantee and insurance risk balances is indicated in percentage. The borrowers listed among the first 200 in risk ranking are monitored closely by practice units. Risk Management Directorate may propose to lower down the limit for cash credit, guarantee and insurance facilities provided to any borrower in order to prevent risk concentration.

Based on the following table;

- 1) Total risk relating to each of the risk groups after on and off balance sheet offsetting which was guaranteed after making volatility adjustments, through a considerable guarantee,
- 2) Total risk amounts relating to each of the risk groups and guaranteed with guarantees or loan derivatives after on and off balance sheet offsetting.

7.5.6 Guarantees according to risk groups

Risk group	Amount	Financial Guarantees	Other/ Material Guarantees	Guarantees and Loan Derivatives
Contingent or other receivables from central administrations or central banks	587.021	123.736	-	109.019
Contingent or other receivables from banks and intermediary institutions	6.017.264	-	-	5.993.128
Contingent or other corporate receivables	18.627.927	-	-	17.431.174
Contingent or other retail receivables	420.442	-	-	414.972
Contingent or Other Receivables Guaranteed with Real Estate Mortgages	14.759	-	14.759	-
Other Receivables (Net)	568.065	-	-	-
Total	26.235.478	123.736	14.759	23.948.293

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

7.6 Targets and policies of risk management

7.6.1 Strategies and practices relating to risk management

Acting as the Turkish government's major export incentive instrument, Türk Eximbank promotes export through credit, guarantee and insurance programs. The Bank abides by the generally accepted banking and investment principles in all of its operations. The Bank does not carry out any profit-oriented activities, endeavours to achieve a proper return rate in order to maintain its capital and financial power, and follows generally accepted banking and investment principles in all its operations. Accordingly, the Bank maintains the level of risk which it should assume while performing its legal functions, defined as "providing financial support to the export sector", with an approach that would not weaken its financial power.

7.6.2 Structure and organization of risk management system

Practice units bear the ultimate responsibility in risk management. The risk management unit is affiliated with the board of directors through the audit committee. Personnel regulation of the risk management division states that risk management personnel may not be involved in executive activities.

7.6.3 Scope and nature of risk reporting and measurement systems

Credit risk, market risk, equity, and capital adequacy are reported to BRSA on a monthly basis according to the standard method. Operational risk report is issued annually according to the basic indicator approach.

7.6.4 Risk protection and mitigation policies and processes relating to continuous control of effectiveness of such policies

The Bank can assume risks up to 80% of the equities for a single bank in order to fulfil its credit facility mission depending on the economic conjuncture. This rate is 90% for state banks.

Even though the bank has a very limited foreign currency position due to its general exchange rate policy (almost long position), another principle adopted by Türk Eximbank within the scope of categorizing exchange rate risk is applying the legal ratio related to the exchange rate risk, which is calculated by dividing the foreign currency net position by equity ratio as 10% while the said ratio is maximum 20% in the Turkish banking system. The Bank's positions which are exposed to exchange rate risk are monitored daily; and authorized personnel can perform transactions within the limits defined according to the risk management principles which are approved by the Board of Directors, considering the realizations and expectations in the market. The basic principle for foreign currency assets and liabilities is to secure a balance between currency, maturity and interest type at the highest possible level. For this purpose, borrowing strategies are determined in accordance with the Bank's asset structure to the extent possible. When this determination is not possible, the Bank aims to change the asset structure or utilize derivative instruments such as cross currency (currency and interest) and currency swaps.

In line with the Risk Management Principles approved by the Board of Directors, the Bank regards it as important to achieve balance in assets and liabilities in different foreign currencies with fixed and floating interest rates and pursues to maintain the level of asset and liability imbalance with fixed/ floating interest rate below 20% of the balance sheet size in order to limit possible negative effects of interest rate changes to the Bank's profitability. The interest sensitive amount (gapping report) is determined by currency types at the related maturity intervals (1 month, 1-3 months, 3-12 months, 1-5 years and over 5 years) as of the period remaining to reprising date, considering the reprising of TL and foreign currency-denominated interest sensitive assets and liabilities at maturity date (for fixed rate) or at interest payment dates (for floating rate). By classifying interest sensitive assets and liabilities according to their reprising dates, the Bank's exposure to possible variations in market interest rates are determined. The Bank determines maturity mismatches of assets and liabilities by analysing the weighted average days to maturity of TL and foreign currency-denominated (for each currency and their US equivalent) assets and liabilities periodically.

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

7.6.4 Risk protection and mitigation policies and processes relating to continuous control of effectiveness of such policies (continued)

In order to mitigate the interest rate risk arising due to the maturity differences between Türk Eximbank's assets and liabilities, derivative transactions such as interest rate swaps or currency-interest swap can be performed through approval of the Board of Directors when the market conditions are suitable. To manage the interest rate risk, the Bank adopted the policy of matching interest rates in assets and liabilities by creating assets with mid-long maturity and fixed interest rate for some of its mid-long maturity liabilities and accordingly, created a foreign securities portfolio.

The Bank's Treasury Department dynamically manages this portfolio created within the scope of the criteria approved by the board of directors by tracking long term cash flows of the Bank and buy/sell transactions are performed when necessary by considering the changes in market conditions.

The Bank's cash flows are prepared under positive, neutral and negative scenarios, taking into account the collection of loans and prospective additional funds for better liquidity management. On the other hand, the Board of Directors of the Bank determines the minimum liquidity levels and urgent liquidity sources in order to fulfil short-term liabilities. The Bank meets its short-term liquidity demand from domestic and foreign banks, and long-term liquidity demand from international institutions like the World Bank or Japan Bank for International Cooperation ("JBIC") through medium long-term funds and issued marketable securities such as bills and bonds. The Bank tries to match short-term loans with short-term borrowings and long-term loans with long-term borrowings and tries to minimise the maturity mismatch of assets and liabilities. As the weighted average of remaining days to maturity of funds is slightly higher than the weighted average of remaining days to maturity of placement and the loans, the Bank is hedged against the frequent roll-over risk of the assets, which contributes to its liquidity management. On the other hand, the Bank is willing to use borrowing limits in Turkish Lira and the foreign currency market of the CBRT and of domestic and foreign banks, in the case of urgency. The Bank aims to keep Turkish Lira and foreign currency liquidity, including the total deposit and securities portfolio in domestic and foreign banks, between 3,5% - 5% of the total assets. Furthermore, regarding the Bank's position, the Board of Directors is entitled to decide about the investments in Turkish lira and foreign currency securities which exceed 10% of the Bank's assets. On the other hand, with respect to liquidity, the funds with an original maturity longer than one year should not constitute more than 20% of the total fund repayment with the maturity date in the same year.

7.7 Presentation of financial assets and liabilities at their fair values

In the table below, the book value and fair value of the financial assets and liabilities which are not denominated with their fair values in financial statements of the parent bank are shown.

	Carrying Value		Fair Value	
	Current Period 31.12.2013	Prior Period 31.12.2012	Current Period 31.12.2013	Prior Period 31.12.2012
Financial Assets				
Due From Interbank Money Market ⁽¹⁾	-	396.439	-	396.439
Banks ⁽¹⁾	1.019.105	798.936	1.019.105	798.936
Available-for-sale Financial Assets	17.351	1.922	17.351	1.922
Held-to-maturity Investments	238.371	300.349	243.046	303.419
Loans	23.035.036	13.352.060	24.450.468	13.980.679
Financial Liabilities				
Bank deposits	-	-	-	-
Other deposits	-	-	-	-
Funds Borrowed From Other Financial Institutions	17.450.645	9.118.498	17.477.585	9.131.490
Issued Marketable Securities	2.604.828	2.238.610	2.604.828	2.251.316
Miscellaneous Payables ⁽¹⁾	434.107	126.674	434.107	126.674

⁽¹⁾ As the maturities of related accounts are mainly less than 1 month, the carrying amount calculated using the effective interest rate (internal rate of return) method approximates its fair value.

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

7.7 Presentation of financial assets and liabilities at their fair values (continued)

Fair value of investment held to maturity is determined as Level 1.

Fair value of loans and other financial institutions' funds are determined as Level 2.

Carrying amounts of other financial institutions' funds related to fair value hedge are shown as fair values.

Fair value measurement classification

In the table below valuation method of financial instruments valued by fair value is given. Valuation methods according to the levels are defined as follows:

Level 1: Recorded (Uncorrected) prices in active markets for similar assets or liabilities;

Level 2: Direct (via prices) or indirect (deriving from prices) observable datas for asset and liabilities excepted for recorded prices in Level 1;

Level 3: Datas which is non observable market datas related to assets and liabilities (non observable datas).

31 December 2013	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss	172.046	-	-	172.046
Available-for-sale financial assets ⁽¹⁾	12.981	-	-	12.981
Derivative financial assets held for fair value hedges	-	13.803	-	13.803
Financial liabilities				
Trading derivative financial liabilities	-	46.211	-	46.211
Derivative financial assets held for fair value hedges	-	39.272	-	39.272
31 December 2012				
Financial assets				
Financial assets at fair value through profit or loss	511.352	-	-	511.352
Available-for-sale financial assets ⁽¹⁾	15.009	-	-	15.009
Derivative financial assets held for fair value hedges	-	-	-	-
Financial liabilities				
Trading derivative financial liabilities	-	29.058	-	29.058
Derivative financial assets held for fair value hedges	-	-	-	-

⁽¹⁾ Represents the balance of Garanti Faktoring Hizmetleri AŞ which is quoted on BIST and accounted under available for sale financial assets.

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

7.8 Explanations on activities carried out on behalf and account of other parties

The Bank has carried out no transactions on behalf of and account of others and there are no trust transactions.

7.9 Explanations on operating segments

Information regarding operating segments as of 31 December 2013 and 2012 has been given in the following table:

Current Period 31.12.2013	Treasury	Investment Banking	Undistributed	Total Operations of the Bank
Interest Income	55.932	547.156	-	603.088
Interest Income on Loans	-	546.059	-	546.059
Interest Received from Banks	8.957	-	-	8.957
Interest Received from Money Market Transactions	12.255	-	-	12.255
Interest Received from Marketable Securities	34.720	-	-	34.720
Other Interest Income	-	1.097	-	1.097
Interest Expense	(137.972)	(80.928)	-	(218.900)
Interest on Loans Borrowed	-	(80.928)	-	(80.928)
Interest Paid for Money Market Transactions	-	-	-	-
Interest on Securities Issued	(133.021)	-	-	(133.021)
Other Interest Expense	(4.951)	-	-	(4.951)
Net Fees and Commissions Income	(5.333)	4.159	-	(1.174)
Fees and Commissions Received	-	4.159	-	4.159
Fees and Commissions Paid	(5333)	-	-	(5.333)
Trade Profit/ Loss (Net)	172.767	-	(220.466)	(47.699)
Profit/ Loss on Capital Market Transactions	2.390	-	-	2.390
Profit /Loss on Derivative Financial Transactions	170.377	-	-	170.377
Foreign Exchange Profit/ Loss	-	-	(220.466)	(220.466)
Other Operating Income	-	86.838	-	86.838
Provision for impairment of loan and other receivables	(24.590)	(12.063)	-	(36.653)
Other Operating Expenses	-	-	(139.573)	(139.573)
Net Period Profit	60.805	545.161	(360.039)	245.927
Total segment assets	1.661.060	23.084.023	64.679	24.809.762
Financial Assets Designated at Fair Value Through Profit or Loss	113.270	-	-	113.270
Trading derivative financial receivables	58.776	-	-	58.776
Receivables from Banks and Money Markets	1.019.105	-	-	1.019.105
Available for sale financial assets	17.351	-	-	17.351
Loans and receivables	-	23.035.036	-	23.035.036
Held-to-maturity investments	238.371	-	-	238.371
Tangible fixed assets (net)	-	-	18.066	18.066
Intangible assets (net)	-	-	540	540
Other asset	214.187	48.987	46.073	309.247
Total segment liabilities	2.897.236	17.952.917	3.959.609	24.809.762
Trading derivative financial liabilities	46.211	-	-	46.211
Loans and funds received	-	17.286.700	-	17.286.700
Borrowings from money markets	163.945	-	-	163.945
Securities issued	2.604.828	-	-	2.604.828
Provisions	-	151.162	20.953	172.115
Equity	-	-	3.901.865	3.901.865
Other liabilities	82.252	515.055	36.791	634.098

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

Prior Period 31.12.2012	Treasury	Investment Banking	Undistributed	Total Operations of the Bank
Interest Income	105.863	467.874	-	573.737
Interest Income on Loans	-	467.415	-	467.415
Interest Received from Banks	22.239	-	-	22.239
Interest Received from Money Market Transactions	13.014	-	-	13.014
Interest Received from Marketable Securities	70.610	-	-	70.610
Other Interest Income	-	459	-	459
Interest Expense	97.571	80.466	-	178.037
Interest on Loans Borrowed	-	80.444	-	80.444
Interest Paid for Money Market Transactions	6.786	-	-	6.786
Interest on Securities Issued	90.785	-	-	90.785
Other Interest Expense	-	22	-	22
Net Fees and Commissions Income	(5.946)	4.764	-	(1.182)
Fees and Commissions Received	-	4.968	-	4.968
Fees and Commissions Paid	(5.946)	(204)	-	(6.150)
Trade Profit/ Loss (Net)	17.285	-	(76.266)	(58.981)
Profit/ Loss on Capital Market Transactions	6.833	-	-	6.833
Profit /Loss on Derivative Financial Transactions	10.452	-	-	10.452
Foreign Exchange Profit/ Loss	-	-	(76.266)	(76.266)
Other Operating Income	-	88.270	-	88.270
Provision for impairment of loan and other receivables	2.048	59.489	28	61.565
Other Operating Expenses	-	-	141.051	141.051
Net Period Profit	17.583	420.953	(217.345)	221.191
Total segment assets	2.072.388	13.373.367	22.712	15.468.467
Financial Assets Designated at Fair Value Through Profit or Loss	483.571	-	-	483.571
Trading derivative financial receivables	27.781	-	-	27.781
Receivables from Banks and Money Markets	1.215.551	-	-	1.215.551
Available for sale financial assets	19.220	-	-	19.220
Loans and receivables	-	13.352.060	-	13.352.060
Held-to-maturity investments	300.349	-	-	300.349
Tangible fixed assets (net)	-	-	18.575	18.575
Intangible assets (net)	-	-	458	458
Other asset	25.916	21.307	3.679	50.902
Total segment liabilities	2.321.661	9.422.069	3.724.737	15.468.467
Trading derivative financial liabilities	29.058	-	-	29.058
Loans and funds received	-	9.108.492	-	9.108.492
Borrowings from money markets	10.006	-	-	10.006
Securities issued	2.238.610	-	-	2.238.610
Provisions	-	144.220	21.171	165.391
Equity	-	-	3.675.364	3.675.364
Other liabilities	43.987	169.357	28.202	241.546

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

1 Explanations and notes related to assets

1.1 Cash equivalents and the account of the CBRT

	Current Period 31.12.2013		Prior Period 31.12.2012	
	TL	FC	TL	FC
Cash/Foreign currency	20	-	13	-
CBRT	260	-	538	19.625
Other	-	-	-	-
Total	280	-	551	19.625

1.1.1 Information related to the account of the CBRT

	Current Period 31.12.2013		Prior Period 31.12.2012	
	TL	FC	TL	FC
Demand Unrestricted Account	260	-	538	-
Time Unrestricted Account	-	-	-	19.625
Time Restricted Account	-	-	-	-
Total	260	-	538	19.625

1.2 With their net values and comparison, information on financial assets at fair value through profit or loss subject to repo transactions and given as collateral/blocked

	Current Period 31.12.2013		Prior Period 31.12.2012	
	TL	FC	TL	FC
Financial assets under repo transactions	40.152	-	10.045	-
Financial assets given as collateral/ blocked	-	-	-	-
Total	40.152	-	10.045	-

1.3 Positive differences table related to trading derivative financial assets

	Current Period 31.12.2013		Prior Period 31.12.2012	
	TL	FC	TL	FC
Forward Transactions	46.418	-	488	-
Swap Transactions	1.409	10.949	1.112	26.181
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	47.827	10.949	1.600	26.181

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

1.4 Information on banks and foreign bank accounts

Bank account

	Current Period 31.12.2013		Prior Period 31.12.2012	
	TL	FC	TL	FC
Banks				
Domestic	195.178	722.071	108.509	398.552
Foreign	-	101.856	10.007	281.868
Head Quarters and Branches Abroad	-	-	-	-
Total	195.178	823.927	118.516	680.420

Foreign banks accounts

	Unrestricted Amount		Restricted Amount	
	Current Period 31.12.2013	Prior Period 31.12.2012	Current Period 31.12.2013	Prior Period 31.12.2012
European Union Countries	46.913	102.048	-	-
USA, Canada	12.171	79.011	-	-
OECD Countries ⁽¹⁾	42.772	110.816	-	-
Off-shore Banking Regions	-	-	-	-
Other	-	-	-	-
Total	101.856	291.875	-	-

⁽¹⁾ OECD countries except EU countries, USA and Canada

1.5. With net values and comparison, available-for-sale financial assets subject to repo transactions and given as collateral/blocked

As of 31 December 2013 and 2012, there are no available-for-sale marketable securities given as collateral.

1.6 Information on available-for-sale financial assets

	Current Period 31.12.2013	Prior Period 31.12.2012
Debt Securities	-	-
Quoted to Stock Exchange	-	-
Not Quoted	-	-
Share Certificates	17.351	19.220
Quoted to Stock Exchange	12.981	15.010
Not Quoted	4.370	4.210
Impairment Provision (-)	-	-
Total	17.351	19.220

As of 31 December 2013 available for sale financial assets of the Bank consist of Garanti Faktoring Hizmetleri A.Ş. and Kredi Garanti Fonu A.Ş. with the shareholding percentages of 9,78% and 1,75%, respectively. (31 December 2012: 9,78% and 1,75% respectively). Besides in this period TL 160 amounted bonus shares came from BIST is recorded in available for sale financial assets.

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

1.7 Information related to loans

1.7.1 Information on all types of loans and advances given to shareholders and employees of the Bank:

	Current Period 31.12.2013		Prior Period 31.12.2012	
	Cash loans	Non-cash Loans	Cash loans	Non-cash Loans
Direct Loans Granted to Shareholders	-	-	-	-
Corporate Shareholders	-	-	-	-
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees	5.480	-	2.619	-
Total	5.480	-	2.619	-

1.7.2 Information on the first and second group loans and other receivables including loans that have been restructured or rescheduled

Cash Loans	Standard Loans and Other Receivables		Loans and Other Receivables under Close Monitoring			
	Loans and Other Receivables	The ones for which the agreement terms have changed		Loans and Other Receivables	The ones for which the agreement terms have changed	
		The ones whose payment plans have changed (extended)	Other		The ones whose payment plans have changed (extended)	Other
Non-specialized Loans	22.480.848	288.772	-	-	39.687	-
Working capital loans	-	-	-	-	-	-
Export Loans	17.266.021	117.021	-	-	19.745	-
Import Loans	-	-	-	-	-	-
Loans Granted to Financial Sector	4.934.020	-	-	-	-	-
Consumer Loans	5.480	-	-	-	-	-
Credit Cards	-	-	-	-	-	-
Other	275.327	171.751	-	-	19.942	-
Specialized Loans	225.729	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	22.706.577	288.772	-	-	39.687	-

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

1.7.2 Information on the first and second group loans and other receivables including loans that have been restructured or rescheduled(continued)

	Standard loans and other receivables	Loans under close monitoring and other receivables
The number of changes in payment plans (extension)	41	12
The ones extended for once or twice	35	-
The ones extended three, four or five times	6	12
The ones extended more than five times	-	-

The period of extension through change of payment plan	Standard loans and other receivables	Loans under close monitoring and other receivables
0-6 Months	-	-
6 - 12 months	3	-
1-2 Years	16	-
2-5 Years	21	3
5 Years and More	1	9

1.7.3 On the basis of the relevant bank type and the following tables; Loans according to maturity structure

	Standard loans and other receivables		Loans under close monitoring and other receivables	
	Loans and Other Receivables	The ones for which the agreement terms have changed	Loans and Other Receivables	The ones for which the agreement terms have changed
Short-term Loans and other receivables	17.575.578	-	-	63
Non-specialized Loans	17.447.583	-	-	63
Specialized Loans	127.995	-	-	-
Other Receivables	-	-	-	-
Medium and Long-term Loans and Other Receivables	5.130.999	288.772	-	39.624
Non-specialized Loans	5.033.265	288.772	-	39.624
Specialized Loans	97.734	-	-	-
Other Receivables	-	-	-	-

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

1.7.4 Information on consumer loans, personal credit cards, personnel loans and personnel credit cards

There are no consumer loans, consumer credit cards and personnel credit cards.

As of 31 December 2013, the Bank granted personnel loans amounting to TL 5.480.

	Short-term	Medium and Long-term	Total
Consumer Loans-TL	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Credit Cards-TL	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Consumer Credit Cards-FC	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Personnel Loans-TL	57	5.423	5.480
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	57	5.423	5.480
Personnel Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Personnel Credit Cards-FC	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Credit Deposit Account-TL (Real Person)	-	-	-
Credit Deposit Account-FC (Real Person)	-	-	-
Total	57	5.423	5.480

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

1.7.5 Information on commercial installment loans and corporate credit cards

None.

1.7.6 Distribution of loans according to borrowers based on the following table

	Current Period 31.12.2013	Prior Period 31.12.2012
Public ⁽¹⁾	1.443.588	963.538
Private	21.591.448	12.388.522
Total	23.035.036	13.352.060

⁽¹⁾ Includes country loans granted to foreign government entities amounting to TL 202.620 (31 December 2012: TL 182.009).

1.7.7 Distribution of domestic and foreign loans

	Current Period 31.12.2013	Prior Period 31.12.2012
Domestic Loans	22.832.416	13.170.051
Foreign Loans	202.620	182.009
Total	23.035.036	13.352.060

1.7.8 Loans granted to investments in associates and subsidiaries

None.

1.7.9 Specific provisions accounted for loans

	Current Period 31.12.2013	Prior Period 31.12.2012
Loans and Receivables with Limited Collectability	-	-
Loans and Receivables with Doubtful Collectability	20.820	15.698
Uncollectible Loans and Receivables	96.658	96.685
Toplam	117.478	112.383

1.7.10 Information on non-performing loans (Net)

1.7.10.1 Information on non-performing loans and other receivables that are restructured or rescheduled

None.

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**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

1.7.10.2 Information on the movement of total non-performing loans

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectability	Loans and Other Receivables with Doubtful Collectability	Uncollectible Loans and Other Receivables
Balance at the Beginning of the Period	-	15.698	96.685
Additions During the Period	23.600	6.505	127
Transfers from Non-performing Loans Accounts	-	-	-
Transfers to Other Non- Performing Loans Accounts	-	-	-
Collections During the Period	(23.600)	(945)	(154)
Write-offs	-	(438)	-
Corporate and Commercial Loans	-	-	-
Consumer loans	-	-	-
Credit cards	-	-	-
Other	-	(438)	-
Balance at the End of the Period	-	20.820	96.658
Specific Provisions	-	(20.820)	(96.658)
Net Balance Sheet Amount	-	-	-

1.7.10.3 Information on non-performing loans that are granted as foreign currency loans

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectability	Loans and Other Receivables with Doubtful Collectability	Uncollectible Loans and Other Receivables
Current Period: 31.12.2013			
Balance at the End of the Period	-	19.946	84.364
Specific Provisions	-	(19.946)	(84.364)
Net Balance Sheet Amount	-	-	-
Prior Period: 31.12.2012			
Balance at the End of the Period	-	14.840	84.385
Specific Provisions	-	(14.840)	(84.385)
Net Balance Sheet Amount	-	-	-

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

1.7.10.4 Information on the gross and net amounts of the non-performing loans according to types of borrowers

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectability	Loans and Other Receivables with Doubtful Collectability	Uncollectible Loans and Other Receivables
Current Period (Net) 31.12.2013			
Loans Granted to Real Persons and Corporate Entities (Gross)	-	20.820	96.366
Specific Provision Amount	-	(20.820)	(96.366)
Loans Granted to Real Persons and Corporate Entities (Net)	-	-	-
Banks (Gross)	-	-	292
Specific Provision Amount	-	-	(292)
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provision Amount	-	-	-
Other loans and receivables (Net)	-	-	-
Prior Period (Net) 31.12.2012			
Loans Granted to Real Persons and Corporate Entities (Gross)	-	15.698	96.393
Specific Provision Amount	-	(15.698)	(96.393)
Loans Granted to Real Persons and Corporate Entities (Net)	-	-	-
Banks (Gross)	-	-	292
Specific Provision Amount	-	-	(292)
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provision Amount	-	-	-
Other Loans and Receivables (Net)	-	-	-

1.7.10.5 The main features of the collection policy for the uncollectible loans and other receivables

In order to liquidate the problematic receivables, all possible alternatives are assessed to be able to collect the maximum amount in line with the current legislation. In case the receivable is not collected within the allowed period, the receivable is collected by compensating the collateral. In case the collateral is not adequate for liquidating the receivable, negotiations with the debtors are attempted. The legal process commences for the receivables for which collection, settlement or rescheduling is not possible.

The Bank obtains Current Account Letter of Undertaking of the Debtor for loans granted to financial sector and obtains Letter of Undertaking of the Company for loans granted to companies to secure the repayment of the loans granted. The Bank attempts to liquidate the receivables from banks who acted as an intermediary for loans granted and whose banking licenses are cancelled upon application to the Savings Insurance and Deposit Fund.

1.7.10.6 Explanations on the write-off policy

Where sound indicators exist that would suggest that the collection of the Bank's foreign compensation receivables is almost impossible or that the costs to be incurred for the collection of the receivable amount would be higher than the amount of the receivable, the receivable amount is written-off from the assets upon the decision of the Executive Committee.

Write-off of the non performing loans and receivables is considered, during the legal follow-up process concerning the collection of receivables.

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

1.8 Held-to-maturity investments

As of 31 December 2013, all of the marketable securities of the Bank classified under trading and held-to-maturity categories are government bonds and treasury bills.

1.8.1 Information on investments subject to repo transaction and given as collateral/blocked

Held-to-maturity investments subject to repo transactions:

	Current Period 31.12.2013		Prior Period 31.12.2012	
	TL	FC	TL	FC
Government bonds and similar marketable securities	125.046	-	-	-
Total	125.046	-	-	-

Held-to-maturity investments given as collateral/blocked:

	Current Period 31.12.2013		Prior Period 31.12.2012	
	TL	FC	TL	FC
Government bonds and similar marketable securities	65.142	-	203.203	-
Total	65.142	-	203.203	-

There are no held-to-maturity investments held for structured position.

1.8.2 Information on held-to-maturity government debt securities

	Current Period 31.12.2013		Prior Period 31.12.2012	
	TL	FC	TL	FC
Government Bonds	238.371	-	300.349	-
Treasury Bills	-	-	-	-
Other Public Debt Securities	-	-	-	-
Total	238.371	-	300.349	-

1.8.3 Information on held-to-maturity investment securities

	Current Period 31.12.2013		Prior Period 31.12.2012	
	TL	FC	TL	FC
Debt Securities				
Quoted to Stock Exchange	238.371	-	300.349	-
Not Quoted	-	-	-	-
Impairment Provision (-)	-	-	-	-
Total	238.371	-	300.349	-

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

1.8.4 The movement of held-to-maturity investment securities

	Current Period 31.12.2013	Prior Period 31.12.2012
Balance at the Beginning of the Period	300.349	511.436
Foreign exchange differences on monetary assets	5.542	(3.860)
Purchases during the year	100.026	92.167
Disposals through sales and redemptions ⁽¹⁾	(161.732)	(287.169)
Impairment provision ⁽²⁾	(5.814)	(12.225)
Balance at the End of the Period	238.371	300.349

⁽¹⁾ There are no disposals through sales. The amount shown at the disposals through sales and redemptions line represents only the redemption amount of securities.

⁽²⁾ Consisted of interest rediscounts.

1.9 Following information investments in associates account (net)

None.

1.10 Information on subsidiaries (net)

There is no subsidiary.

1.11 Information related to the jointly controlled partnerships

None.

1.12 Information on lease receivables (net)

None.

1.13 Positive differences table related to hedging derivative financial assets

Derivative Financial Assets Held for Cash Flow Hedges	Current Period 31.12.2013		Prior Period 31.12.2012	
	TL	FC	TL	FC
Fair Value Hedge ⁽¹⁾	-	13.803	-	-
Cash Flow Hedge	-	-	-	-
Net Investment in Abroad Hedge ⁽¹⁾	-	-	-	-
Total	-	13.803	-	-

⁽¹⁾ Explained in section four note 5.2

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**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

1.14 Explanations on property and equipment

	Immovables	Tangibles- Financial Leased Assets	Vehicles	Other Tangibles	Leasehold Improvements	Total
Cost						
1 January 2012	16.487	318	1.343	10.834	-	28.982
Additions	-	-	1.289	889	9.883	12.061
Disposals	-	(31)	(346)	(164)	-	(7.408)
Transfers	(6.867)	-	-	-	-	-
31 December 2012	9.620	287	2.286	11.559	9.883	33.635
Accumulated Depreciation						
1 January 2012	10.074	318	575	9.124	-	20.091
CY depreciation	310	-	296	544	-	1.150
Disposals	-	(31)	(346)	(164)	-	(6.181)
Transfers	(5.640)	-	-	-	-	-
31 December 2012	4.744	287	525	9.504		15.060
Net book value 31 December 2012	4.876		1.761	2.055	9.883	18.575

	Immovables	Tangibles- Financial Leased Assets	Vehicles	Other Tangibles	Leasehold Improvements	Total
Cost						
1 January 2013	9.620	287	2.286	11.559	9.883	33.635
Additions	-	-	-	2.020	4.374	6.394
Disposals	(4.565)	-	-	(5.660)	-	(10.225)
Transfers	-	-	-	-	-	-
31 December 2013	5.055	287	2.286	7.919	14.257	29.804
Accumulated Depreciation						
1 January 2013	4.744	287	525	9.504	-	15.060
CY depreciation	177	-	419	724	2.548	3.868
Disposals	(2.034)	-	-	(5.156)	-	(7.190)
Transfers	-	-	-	-	-	-
31 December 2013	2.887	287	944	5.072	2.548	11.738
Net book value 31 December 2013	2.168	-	1.342	2.847	11.709	18.066

As of 31 December 2013 and 2012, there is no impairment in intangible assets.

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1.15 Explanations on intangible assets

The Bank has classified computer software licenses under intangible assets.

Useful life of intangible assets is estimated as three years and the depreciation rate is 33,33% in accordance with the Tax Procedural Law.

a) Cost and accumulated amortization at the beginning and end of the period:

As of 31 December 2013 and 2012, the cost and the accumulated amortization of intangible assets is TL 2.228 and TL 1.688, respectively; at the beginning of the period the gross book value and the accumulated depreciation is TL 1.881 and TL 1.423, respectively.

b) Reconciliation of movements for the current period and the prior period:

	Current Period 31.12.2013	Prior Period 31.12.2012
Net Book Value at the Beginning of the Period	458	566
Internally Generated Amounts	-	-
Additions due to Mergers, Transfers and Acquisitions	347	214
Sales and Write-Off	-	-
Amounts Recorded under Revaluation Fund for Increase or Decrease in Value	-	-
Recorded Impairments in the Income Statement	-	-
Cancelled Impairments from Income Statement	-	-
Depreciation Expense (-) (25607 movement)	(265)	(322)
Net Currency Translation Differences of Foreign Subsidiaries	-	-
Other Changes in the Book Value	-	-
Net Book Value at the End of the Period	540	458

1.16 Information on investment properties

None.

1.17 Information on deferred tax asset

As stated at Section 3 Note 2.17, the Bank is exempt from corporate tax, and accordingly, no deferred tax asset or liability is recognized in the accompanying financial statements.

1.18 Explanations on assets held for sale and explanations related to discontinued operations

According to the decision taken by the Bank's Board of Directors in 2012, the sale of the head office in Ankara was determined and the said amount was deducted from the account of tangible fixed assets and transferred to the fixed assets account regarding the activities held for sale over the net book value and halted.

According to the decision taken by the Bank's Board of Directors in 2013, the sale of the branch office in İstanbul was determined and the said amount was deducted from the account of tangible fixed assets and transferred to the fixed assets account regarding the activities held for sale over the net book value and halted.

	Current Period 31.12.2013	Prior Period 31.12.2012
Cost	4.566	6.867
Depreciation Costs	(2.034)	(5.640)
Period end	2.532	1.227

1.19 If the other assets' items in the balance sheet exceed 10% of the total of the balance sheet, excluding the off-balance sheet commitments, the sub-accounts constituting at least 20% of these accounts

None.

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

2 Explanations and notes on liabilities items

2.1 Information on deposits/ funds received

The Bank does not accept deposits.

2.2 Table of negative differences for trading derivative financial liabilities

Trading Derivative Financial Liabilities	Current Period 31.12.2013		Prior Period 31.12.2012	
	TRL	FC	TRL	FC
Forward Transactions	266	-	9.491	-
Swap Agreements	991	44.954	849	18.718
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	1.257	44.954	10.340	18.718

As of 31 December 2013, the Bank does not have any trading financial liabilities other than trading derivative financial liabilities (31 December 2012: None).

As of 31 December 2013, the Bank does not have deferred day one profits and losses (31 December 2012: None).

2.3 Information on banks and other financial institutions

2.3.1 General information on banks and other financial institutions

	Current Period 31.12.2013		Prior Period 31.12.2012	
	TRL	FC	TRL	FC
Borrowings from CBRT	-	13.158.583	-	6.802.848
From Domestic Banks and Institutions	-	146.482	-	106.109
From Foreign Banks, Institutions and Funds	-	3.822.660	-	2.035.773
Total	-	17.127.725	-	8.944.730

2.3.2 Information on maturity structure of borrowings

	Current Period 31.12.2013		Prior Period 31.12.2012	
	TRL	FC	TRL	FC
Short-Term	-	15.871.734	-	8.033.309
Medium and Long-Term	-	1.414.966	-	1.075.183
Total	-	17.286.700	-	9.108.492

Medium and long-term loans include subordinated loans amounting to TL 158.741 (31 December 2012: TL 163.459) and interest accruals amounting to TL 234 (31 December 2012: TL 303).

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2.3.3 Additional explanations over areas of concentration of the liabilities of the Bank

As of 31 December 2013, the main liabilities of the Bank are presented in the table below on the bases of the sources of the funds:

Funds Borrowed	Current Period 31.12.2013	Prior Period 31.12.2012
Syndicated loans	1.272.371	823.070
Subordinated loans	158.975	163.762
World Bank	589.695	477.869
CBRT Loans	13.158.583	6.802.848
European Investment Bank	634.449	406.713
Bank of Tokyo Mitsubishi	146.390	-
Mizuho Corporate Bank Ltd	292.596	59.172
Citibank Dublin	317.460	-
Doha Bank	127.407	44.980
Standard Chartered Bank	105.447	89.910
MedioBanca	52.971	-
International Islamic Trade Finance Corporation (ITFC)	105.827	-
ING Bank NV	292.682	117.930
National Bank of Kuwait	31.847	26.838
Garanti Bankası International N.V.	-	23.715
Al Ahli Bank of Kuwait	-	44.814
Emirates National Bank of Dubai	-	26.871
Total	17.286.700	9.108.492

The Bank, used syndicated loan facilities at an amount EUR 220 million and USD 26.668.000 at 14 February 2013 and EUR 195 million at 5 July 2013 with a maturity of one year. As of 31 December 2013, total balance of these syndicated borrowings amount to TL 1.265.875 and accruals on these borrowings amount to TL 6.496.

As of 31 December 2013, USD 200 million of the Fiscal and Public Sector Adaptation Credit with a maturity of 15 April 2018, provided by the International Bank for Reconstruction and Development Bank (World Bank) to Turkish Treasury in accordance with the agreement signed on 12 July 2001, is transferred to the Bank for the development and support of the export oriented real sector and the amount of the borrowing is TL 158.741. The accrual on these funds borrowed amount to TL 234 the total balance amounts to TL 158.975 as of 31 December 2013.

The outstanding balances of the two lines of credit from the World Bank as at 31 December 2013 amounts to TL 430.340 (equivalent of USD 203.336) and TL 158.538 (equivalent of EUR 54.400). Total accrual on these borrowings amounts to TL 817 and the total amount of borrowing amounts to TL 589.695.

The Bank obtained credit from CBRT within the framework of “Short Term Export Receivables Discount Loan” and “Pre-shipment Rediscount Loan” programs amounting to TL 13.158.583 as at 31 December 2013.

The balance of the loan granted by European Investment Bank as of 31 December 2013 is TL 631.447; rediscount of this loan is TL 3.002 and its total balance is TL 634.449.

The balance of the 1 year maturity loan granted by Bank of Tokyo Mitsubishi is TL 145.715 (equivalent of EUR 50 million); rediscount of this loan is TL 675 and its total balance is TL 146.390.

The balance of the 1 year maturity loan granted by Mizuho Corporate Bank Ltd. is TL 291.430 (equivalent of EUR 100 million); rediscount of this loan is TL 1.166 and its total balance is TL 292.596.

The total balance of the 1 year maturity seven discount loans granted by Citibank Dublin is TL 317.460 (equivalent of USD 150 million).

The total balance of three loans granted by Doha Bank is TL 126.984 (equivalent of USD 60 million); it has no rediscount and its total balance of the loan is TL 127.407.

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3.3 Additional explanations over areas of concentration of the liabilities of the Bank (continued)

Rediscount of the loan amounting to TL 685 (equivalent of USD 49.5 million) granted by Standard Chartered Bank with one year maturity is TL 104.762 and the total balance of the loan is TL 105.447.

The balance of the 1 year maturity loan granted by Medio Banca is TL 52.910 (equivalent of USD 25 million); rediscount of this loan is TL 61 and total balance is TL 52.971.

The balance of the 1 year maturity loan granted by ITFC is TL 105.820 (equivalent of USD 50 million); rediscount of this loan is TL 7 and total balance is TL 105.827.

The balance of the 1 year maturity loan granted by ING Bank NV and some part is transferred to Commerzbank is TL 291.430 (equivalent of EUR 100 million); rediscount of this loan is TL 1.252 and its total balance is TL 292.682.

Rediscount of the loan amounting to TL 31.746 (equivalent of USD 15 million) granted by National Bank of Kuwait with three years maturity is TL 101 and the total balance of the loan is TL 31.847.

The Bank performed the following repayments during the year 2013:

	Repayment Amount - USD	Repayment Amount - EUR	Repayment Date
Club Loan - Syndication Loan	-	125.000.000	17 January 2013
Ing Bank N.V.	-	50.000.000	26 February 2013
Doha Bank	25.000.000	-	19 March 2013
Subordinated Loan	8.333.333	-	15 April 2013
Al Ahli Bank of Kuwait	25.000.000	-	8 May 2013
Club Loan - Syndication Loan	-	224.000.000	25 June 2013
Emirates NBD	15.000.000	-	25 July 2013
Mizuho Corporate Bank Ltd	-	25.000.000	21 August 2013
Standard Chartered	50.000.000	-	22 August 2013
Garanti International	-	10.000.000	24 September 2013
Subordinated Loan	8.333.333	-	15 October 2013
European Investment Bank	-	1.470.588	17 December 2013
ITFC	50.000.000	-	27 December 2013

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3.3 Additional explanations over areas of concentration of the liabilities of the Bank (continued)

The liability of the Bank resulting from bond issuance at 2013 and 2012 is presented as follows

Information regarding securities issued	Current Period		Prior Period	
	31.12.2013		31.12.2012	
Securities Issued	2.645.500		2.228.875	
Discount on Issuance of Securities (-)	67.156		12.027	
Bond Interest Accrual	26.484		21.762	
Total	2.604.828		2.238.610	

In October 2011, the Bank issued bonds worth USD 500 million (TL 1.058.200). The bond is subject to annual fixed interest payment of 5,375% every six months and the total maturity is five years.

In April 2012, the Bank issued bonds worth USD 500 million (TL 1.058.200). The bond is subject to annual fixed interest payment of 5,87% every six months and the total maturity is seven years.

In October 2012, the Bank issued bonds worth USD 250 million (TL 529.100). The bond is subject to annual fixed interest payment of 5,875% every six months and the total maturity is seven years.

2.4 If the other liabilities items in the balance sheet exceed 10% of the total of the balance sheet, the sub-accounts constituting at least 20% of these (names and amounts)

	Current Period		Prior Period	
	31.12.2013		31.12.2012	
	TL	FC	TL	FC
Turkish Treasury Current Account	562	902	1.597	964
Political Risk Loss Account	-	466	-	365
Iraq Loan followed on behalf of Turkish Treasury	562	436	1.597	599
Other	1.841	153.478	4.005	105.194
Total	2.403	154.380	5.602	106.158

The amount followed on behalf of the Undersecretariat of Treasury under the Iraq Loan TL account consists of exchange rate differences calculated in relation to the Iraq Loan which is followed on behalf of the Undersecretariat of Treasury under 145 Medium Long-term Fund Sourced Loans and for which the entire risk is assumed by the Undersecretariat of Treasury. All of the amount followed on behalf of the Undersecretariat of Treasury under the Iraq Loan FC consists of Iraq Loan. Law No. 6111 on restructuring some receivables became valid in 25 February 2011, which enabled restructuring of the Iraq loans sourced by Development and Supporting Fund (DSF). As a result of the enforcement of this law, among the firms which have applied for the restructuring, the amounts paid in cash or in instalments (the first ten instalments) were all transferred to the accounts of the Undersecretariat of Treasury as of 31 December 2012. In addition, TL 1.284 as an equivalent of USD 652.000 was collected from the firms which paid in installments as of 31 December 2013 and was transferred to the Undersecretariat of Treasury; the loans of the firms whose loans are not under restructuring were subject to closure of the loan account and removed from the balance sheet at maturity. The amounts removed from the balance sheet as of 31 December 2013 are TL 668 as an equivalent of USD 348.

2.5 Information on liabilities arising from financial leasing transactions (net)

None.

2.6 Negative differences table related to hedging derivative financial liabilities

Derivative Financial Assets Held for Cash Flow Hedges	Current Period		Prior Period	
	31.12.2013		31.12.2012	
	TL	FC	TL	FC
Fair Value Hedge	-	39.272	-	-
Cash Flow Hedge	-	-	-	-
Net Investment in Abroad Hedge	-	-	-	-
Total	-	39.272	-	-

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (continued)

2.7 Information on provisions

2.7.1 Information on general provisions

	Current Period 31.12.2013	Prior Period 31.12.2012
General Provisions	130.214	130.214
Provisions for Group I. Loans and Receivables	126.575	126.575
- Allocated for the ones whose payment term was extended	10.173	10.173
Provisions for Group II. Loans and Receivables	2.407	2.407
- Allocated for the ones whose payment term was extended	2.190	2.190
Provisions for Non Cash Loans	985	985
Other	247	247

2.7.2 Information on provisions for decrease in foreign exchange differences of foreign currency indexed loans and financial leasing receivables principal amounts

There is no foreign currency indexed loans of the Bank.

2.7.3 Specific provisions for non-cash loans that are not liquidated

None.

2.7.4 Information on other provisions

2.7.4.1 Information on provisions for probable risks

	Current Period 31.12.2013	Prior Period 31.12.2012
Provisions for Probable Risks	20.948	14.006

In accordance with the decision of Executive Committee, as there is no improvement in the collection of the receivables amounting to USD 4.868.428 (followed under miscellaneous receivables account) from the Ministry of Internal Affairs General Headquarters of Gendarmerie and Ministry of Defense under the scope of Russian Federation Deferred Loan for the last six years, the Bank has provided 100% impairment provision of the TL equivalent amounting to TL 10.304 as of 31 December 2013 (31 December 2012: TL 8.681).

As of 31 December 2013, the Bank booked provisions amounting to TL 10.304 (31 December 2012: TL 5.325) considering probable compensation payments in relation to the export receivables.

Accordingly, the sum of the provisions recognized by the Bank amounts to TL 20.948 as of 31 December 2013 (31 December 2012: TL 14.006).

2.7.4.2 Information on other provisions exceeding 10% of total provisions

Other provision is TL 20.948, subaccounts, free provisions for Russian Federation is TL 10.304 and insurance reserve expense is TL 10.644.

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7.5 Explanations on tax liability

2.7.5.1 Explanations on current tax liability

2.7.5.1.1 Information on provision for taxes

None.

2.7.5.1.1 Information on taxes payable

	Current Period 31.12.2013	Önceki Dönem 31.12.2012
Corporate Taxes Payable ⁽¹⁾	-	-
Taxation on Revenue From Securities	89	6
Property Tax	-	-
Banking Insurance Transaction Tax	570	423
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	242	251
Other	845	774
Total	1.746	1.454

(1) As stated at Section 3 Note XVI, the Bank is exempt from corporate tax.

2.7.5.2 Information on premium payables

	Current Period 31.12.2013	Önceki Dönem 31.12.2012
Social Security Premiums – Employee	798	627
Social Security Premiums – Employer	1.190	852
Bank Social Aid Pension Fund Premiums – Employee	-	-
Bank Social Aid Pension Fund Premiums – Employer	-	-
Pension Fund Membership Fee and Provisions - Employee	-	2
Pension Fund Membership Fee and Provisions - Employer	-	-
Unemployment Insurance – Employee	58	44
Unemployment Insurance - Employer	116	88
Other	-	-
Total	2.162	1.613

2.7.5.3 Information on deferred tax liability

None.

2.7.5.4 Information on non-current liabilities on assets held for sale and discontinued operations

None.

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7.5.5 Information on subordinated loans

Date	Number	Maturity	Interest Rate	Institution
23.07.2001	1	17 year	Six Months LIBOR + 0,75	Turkish Treasury (World Bank Sourced)

	Current Period 31.12.2013		Prior Period 31.12.2012	
	TRL	FC	TRL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	158.975	-	163.762
From Foreign Banks	-	-	-	-
From Other Foreign Institutions	-	-	-	-
Total	-	158.975	-	163.762

2.7.6 Information on shareholders' equity

2.7.6.1 Presentation of paid-in capital

	Current Period 31.12.2013	Prior Period 31.12.2012
Common Stock	2.200.000	2.000.000
Preferred Stock	-	-

2.7.6.2 Paid-in capital amount, explanation as to whether the registered share capital system is applied and if so, amount of registered share capital ceiling

The registered share capital system is not applied.

2.7.6.3 Information on the share capital increase during the period and their sources

The Bank increased its capital TL 2.200.000 by used TL 200.000. Capital increase is met by the amount of profit reserves in 2012 and pre-2012. The increase is published in the Official Gazette No. 8304 dated 19 April 2013.

2.7.6.4 Information on share capital increase from revaluation funds during the current period

There is no share capital increase from the revaluation fund during the current period.

2.7.6.5 Information on capital commitments, the purpose and the sources until the end of the fiscal year and the subsequent interim period

The Bank has no capital commitments as of 31 December 2013 and the total share capital of the Bank amounting to TL 2.200.000 is fully paid.

2.7.6.6 The effects of anticipations based on the financial figures for prior periods regarding the Bank's income, profitability and liquidity, and the anticipations regarding the uncertainty of these indicators on the shareholders' equity

The credit, interest and the foreign currency risk policies of the Bank were determined to minimize the losses that may result from these risks. The Bank aims to obtain a reasonable positive return on equity in real terms in relation with its banking transactions and to protect its equity from the effects of inflation. On the other hand, the proportion of doubtful receivables to the total loans is considered as low and an impairment provision is provided in full for all doubtful receivables. Accordingly, the Bank does not expect losses that may materially affect its equity. In addition, the free capital of the Bank is high and is getting steadily stronger.

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7.6.7 Information on privileges given to shares representing the capital

The common shares of the Bank are owned by the Treasury.

2.7.6.8 Information on marketable securities value increase fund

	Current Period 31.12.2013		Prior Period 31.12.2012	
	TRL	FC	TRL	FC
From Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Valuation Difference	8.186	35	10.215	67
Foreign Currency Differences	-	-	-	-
Total	8.186	35	10.215	67

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

3 Explanations and notes related to off-balance sheet accounts

Explanations on off-balance sheet commitments

3.1 Type and amount of irrevocable commitments

As of 31 December 2013 and 2012 there are no irrevocable commitments of the Bank.

3.2 Non-cash loans including guarantees, bank acceptances, collaterals and others that are accepted as financial commitments and other letters of credit

	Current Period 31.12.2013	Prior Period 31.12.2012
Letters of Guarantee	-	-
Endorsements	-	-
Guarantees and bails given for export	-	-
Guarantees given for Export Loan Insurance	1.219.632	682.148
Total	1.219.632	682.148

3.3 Revocable, irrevocable guarantees and other similar commitments and contingencies

There are no revocable and irrevocable guarantees. Details of other similar commitments and contingencies are stated above in (i).

3.4 Total amount of non-cash loans

	Current Period 31.12.2013	Prior Period 31.12.2012
Non-cash loans given against cash loans	-	-
With original maturity of 1 year or less than 1 year	-	-
With original maturity of more than 1 year	-	-
Other non-cash loans ⁽¹⁾	1.219.632	682.148
Total	1.219.632	682.148

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

3.5 Information on sectorial risk concentrations of non-cash loans

	Current Period 31.12.2013				Prior Period 31.12.2012			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	-	-	-	-	-	-	-	-
Farming and Raising livestock	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-
Fishing	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	-	-
Mining and Quarrying	-	-	-	-	-	-	-	-
Production	-	-	-	-	-	-	-	-
Electric, Gas and Water	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Wholesale and Retail Trade	-	-	-	-	-	-	-	-
Hotel, Food and Beverage Services	-	-	-	-	-	-	-	-
Transportation and Telecommunication	-	-	-	-	-	-	-	-
Financial Institutions	-	-	-	-	-	-	-	-
Real Estate and Leasing Services	-	-	-	-	-	-	-	-
Self-employment Services	-	-	-	-	-	-	-	-
Education Services	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-
Other	-	-	1.219.632	100	-	-	682.148	100
Total	-	-	1.219.632	100	-	-	682.148	100

3.6 Information on the non-cash loans classified under Group I and Group II

	Group I		Group II	
	TL	FC	TL	FC
Non-Cash loans				
Letters of Guarantee	-	-	-	-
Bank Acceptances	-	-	-	-
Letters of Credit	-	-	-	-
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	-	1.219.632	-	-

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

3.7 Information on derivative transactions

	Classification of Derivative Transactions by Purpose			
	Trading Transactions		Hedging Transactions	
	Current Period 31.12.2013	Prior Period 31.12.2012	Current Period 31.12.2013	Prior Period 31.12.2012
Types of Trading Transactions				
Foreign Currency Related Derivative Transactions: (I)	3.837.950	2.139.035	-	-
Forward Transactions	2.696.147	1.001.666	-	-
Swap Transactions	1.124.990	1.137.369	-	-
Futures Transactions	-	-	-	-
Option Transactions	16.743	-	-	-
Total Foreign Currency Related Derivative Transactions	3.837.950	2.139.035	-	-
Interest Related Derivative Transactions (II)	143.916	3.929.865	-	-
Forward Interest Rate Agreements	-	-	-	-
Interest Rate Swaps	143.916	3.929.865	-	-
Interest Rate Options	-	-	-	-
Interest Rate Futures	-	-	-	-
Other Trading Derivative Transactions: ⁽¹⁾ (III)	-	-	-	-
A. Total Trading Derivative Transactions (I+II+III)	3.981.866	6.068.900	-	-
Types of Hedging Derivative Transactions	-	-	-	-
Fair Value Hedges	4.698.408	-	-	-
Cash Flow Hedges	-	-	-	-
Foreign Currency Investment Hedges	-	-	-	-
B. Total Hedging Derivative Transactions (4)	4.698.408	-	-	-
Total Derivative Transactions (A+B)	8.680.274	6.068.900	-	-

⁽¹⁾ Includes currency and interest swap transactions.

3.7.1 Explanations on credit derivatives and risk of exposure from these derivatives

Derivative transactions processes in terms of (hedging) maximum protection of the balance sheet risks by minimizing mismatches between assets and liabilities of the Bank's. As a result of these transactions, the Bank is exposed to the risk of changes in fair value. As a result of the actions taken, fixed-rate bonds against the cross-currency swaps and interest rate swaps issued by the Bank are available.

Except for derivative financial transactions subjected to hedge accounting, the Bank is not only preserved from the risk financially, but also it has financial derivative instruments recorded as "Available for sale transactions in terms of accounting. Intensively using swap, currency and interest purchase-sale transactions for this purpose, using related transactions the Bank targets loss prevention arising from currency and interest risks.

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

3.8 Explanations on contingent assets and liabilities

The Bank recognizes contingent assets if the probability of the inflow of economic benefits is virtually certain. In case the inflow of economic benefits is probable but not virtually certain, such contingent asset is disclosed.

As of 31 December 2013 and 2012, there are no contingent assets.

The Bank recognizes provision for contingent liability when the probability of occurrence is high and the contingent liability can be reliably estimated; if the contingent liability cannot be reliably estimated, the contingent liability is disclosed. When the likelihood of the occurrence of the contingent liability is remote or low, it is disclosed.

In this respect, as of 31 December 2013, there are 73 legal proceedings outstanding against the Bank amounting to USD 2.598 and TL 566 as confirmed from the lawyer letter prepared by the legal department of the Bank.

In addition, there are 153 legal proceedings outstanding filed by the Bank. These legal proceedings amount to USD 13.876 and EUR 873.

3.9 Explanations on services in the name of others

The Bank does not have any custody and deposit activities in the name of real and legal persons.

The Bank also provides insurance to some extent for the export receivables of exporter companies against commercial and political risks under the scope of export loan insurance program.

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

4 Explanations and notes related to income statement

4.1 Within the scope of interest income

4.1.1 Information on interest income on loans

	Current Period 31.12.2013		Prior Period 31.12.2012	
	TL	FC	TL	FC
Interest income on loans				
Short-term Loans	220.483	151.243	234.227	129.279
Medium and Long-term Loans	76.541	97.691	50.094	53.306
Interest on Loans Under Follow-up	87	14	379	130
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	297.111	248.948	284.700	182.715

4.1.2 Information on interest income from banks

	Current Period 31.12.2013		Prior Period 31.12.2012	
	TL	FC	TL	FC
CBRT	-	5	-	60
Domestic Banks	6.748	1.983	20.524	724
From Foreign Banks	128	93	748	183
From Headquarters and Branches Abroad	-	-	-	-
Total	6.876	2.081	21.272	967

4.1.3 Information on interest income on marketable securities

	Current Period 31.12.2013		Prior Period 31.12.2012	
	TL	FC	TL	FC
From Trading Financial Assets	13.603	2.434	37.382	1.877
From Financial Assets at Fair Value through Profit or Loss				
From Available-for-Sale Financial Assets	-	-	-	-
From Held-to-Maturity Investments	15.894	2.789	28.606	2.745
Total	29.497	5.223	65.988	4.622

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

4.1.4 Information on interest income received from associates and subsidiaries

There is no interest income from associates and subsidiaries.

4.2 Within the scope of interest expense

4.2.1 Information on interest expense on borrowings

	Current Period 31.12.2013		Prior Period 31.12.2012	
	TL	FC	TL	FC
Banks				
CBRT	-	31.683	-	33.090
Domestic Banks	-	2.408	-	3.252
Foreign Banks	-	45.616	-	42.525
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	1.221	-	1.577
Total	-	80.928	-	80.444

4.2.2 Information on interest expense given to associates and subsidiaries

There is no interest expense given to associates and subsidiaries.

4.2.3 Interest paid to marketable securities issued

	Current Period 31.12.2013		Prior Period 31.12.2012	
	TL	FC	TL	FC
Interests paid to marketable securities issued	-	133.021	-	90.785

4.3 With respect to deposit and participation accounts

4.3.1 Maturity structure of the interest expense on deposits

The Bank does not accept deposits.

4.3.2 Maturity structure of the share paid of participation accounts

There are no participation accounts.

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

4.4 Information on dividend income

None.

4.5 Information on trading income/loss (Net)

	Current Period 31.12.2013	Prior Period 31.12.2012
Income	1.890.169	466.751
Trading Gains on Securities	3.625	6.833
Trading Gains on Derivative Financial Transactions	310.088	168.420
Foreign Exchange Gains	1.576.456	291.498
Loss (-)	1.937.868	525.732
Trading Losses on Securities	1.235	-
Trading Losses from Derivative Financial Transactions	139.711	157.968
Foreign Exchange Loss	1.796.922	367.764

4.6 Explanations on other operating income

In the current period, the Bank recorded within the frame of Short Term Export Credit Insurance amounted TL 51.481 (31 December 2012: TL 43.305) premium income and within the frame of Short Term Export Credit Insurance amounted TL 12.430 (31 December 2012: TL 9.499) commission taken from reinsurance companies and amounted TL 3.001 (31 December 2012: TL 2.680) adjustment on previous years expenses, revenues from sale of real property amounted TL 18.772 to account of other operating income.

Apart from the matters stated above, no extraordinary issue, development or factor which has a material impact on the Bank's income exists in the 2013 and 2012 in the other operating income.

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

4.7 Provision expenses related to loans and other receivables of the Bank

	Current Period 31.12.2013	Prior Period 31.12.2012
Specific Provisions for Loans and Other Receivables	5.121	210
Group III Loans and Receivables	-	-
Group IV Loans and Receivables	5.121	210
Group V. Loans and Receivables	-	-
Doubtful receivables such as fees, commissions and other receivables	-	-
General Provision Expenses	-	60.929
Provision Expense for Probable Risks	6.942	426
Marketable Securities Impairment Expense	24.590	-
Financial Assets at Fair Value through Profit or Loss	24.590	-
Available-for-sale Financial Assets	-	-
Investments in Associates, Subsidiaries and Held-to-maturity Securities Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Held-to-maturity Investments	-	-
Other	-	-
Total	36.653	61.565

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

4.8 Information related to other operating expenses

	Current Period 31.12.2013	Prior Period 31.12.2012
Personnel Expenses	65.657	75.212
Reserve for Employee Termination benefits	-	881
Bank Social Aid Provision Fund Deficit Provision	-	-
Vacation Pay Liability, net	544	2.052
Impairment Expenses of Tangible Fixed Assets	-	-
Depreciation Expenses of Tangible Fixed Assets	3.868	1.150
Impairment Expenses of Intangible Fixed Assets	-	-
Impairment Expenses of Goodwill	-	-
Amortization Expenses of Intangible Assets	265	322
Impairment Expenses of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held for Sale	-	-
Depreciation Expenses of Assets Held for Sale	2.034	5.640
Impairment Expenses of Non-current Asset Held for Sale and Discounted Operations	-	-
Other Operating Expenses	16.804	12.218
Operational Lease Expenses	3.909	2.642
Maintenance Expenses	539	315
Advertisement Expenses	81	77
Other Expenses	12.275	9.184
Loss on Sale of Assets	-	-
Other ⁽¹⁾	50.401	43.576
Total	139.573	141.051

⁽¹⁾ Other operating expenses includes the premium amount of TL 39.006 (31 December 2012: TL 26.844) paid to reinsurance companies within the scope of short-term export credit insurance.

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

- 4.9 Explanation on tax provisions for continuing and discontinued operations**
None.
- 4.10 Explanation on net income/loss for the period for continued and discontinued operations**
None.
- 4.11 Explanation on net income/loss for the period**
- 4.11.1 If the nature, size and the reoccurrence rate of the income and expense resulting from the ordinary banking activities are important to explain the performance of the Bank in the current period, the nature and the amount of these transactions**
Not needed.
- 4.11.2 If the changes in the estimates of the financial statement accounts may affect the profit/loss in the following periods, related periods and the necessary information**
None.
- 4.11.3 Profit/loss of minority interest**
None.
- 4.12 If the other accounts in the income statement exceed 10% of the total of the income statement, the sub-accounts constituting at least 20% of these accounts**
None.

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

- 5 Explanations and notes related to changes in shareholders' equity**
- 5.1 Information about the adjustment related to the application of Financial Instruments Accounting Standards in the current period**
- 5.1.1 The increase after the revaluation of the available-for-sale investments**
- The fair value gains of the available-for-sale investments, other than the hedging instruments, amounting to TL 8.221 are recorded under the "Marketable Securities Value Increase Fund" account under equity. TL 35 of such fair value gains represent the fair value gains of marketable securities that are transferred to the held-to-maturity portfolio from the available-for-sale portfolio and such fair value gains are calculated and followed under the account "Marketable Securities Value Increase Fund" until the date of transfer. This amount will be transferred to the income statement upon maturity of the transferred securities.
- 5.1.2 Information for the increases in the accounts related to cash flow hedges**
- None.
- 5.1.2.1 The reconciliation and confirmation for the cash flow hedges accounts at the beginning and end of the period**
- None.
- 5.1.2.2 Under the cash flow hedges, the current period charge of the income or loss under equity related with a derivative or a non-derivate financial asset and liability designated as cash flow hedge instruments**
- None.
- 5.1.2.3 Reconciliation of foreign exchange differences at the beginning and end of the period**
- None.
- 5.2 Information about the adjustments related to the application of Financial Instruments Accounting Standards in the current period**
- 5.2.2.1 Information on the available-for-sale investments**
- None.
- 5.2.2.2 Information on cash flow hedges**
- None.
- 5.3 Information related to distribution of profit**
- 5.3.1 The amount of dividend declared before the approval date of the financial statements but after the balance sheet date**
- None.
- 5.3.2 Earnings per share proposed to be distributed to shareholders after the balance sheet date**
- Profit distributions are approved by the General Assembly of the Bank. As of the report date, no profit distribution decision has been made by the General Assembly for 2013 profit.
- 5.4 Amount transferred to legal reserves**

	Current Period	Prior Period
	31.12.2013	31.12.2012
Amount transferred to Legal Reserves under Dividend Distribution	30.393	31.202

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

5.5 Information on issuance of share certificates

5.5.1 For all share groups; any restrictions, preferential terms and rights for distribution of dividends and payment of share capital.

None.

5.6 Explanations on other share capital increases

None.

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

6 Explanations and notes related to statement of cash flows

6.1 Information on the cash and cash equivalents

6.1.1 Information on cash and cash equivalents at the beginning of the period

The components constituting the cash and cash equivalents and the accounting policies used for the determination of these components:

Cash and foreign currency together with demand deposits at banks including the CBRT are defined as “Cash” and interbank money market and time deposits in banks with original maturities of less than three months are defined as “Cash equivalents”.

	31.12.2012	31.12.2011
Cash	12.446	8.180
Cash in TL and Foreign Currency	13	12
Demand Deposits in Banks	12.433	8.168
Cash Equivalents	1.202.111	658.732
Interbank Money Market Placements	395.500	124.368
Deposits in Banks	806.611	534.365
Total Cash and Cash Equivalents	1.214.557	666.913

6.1.2 Information on the cash and cash equivalents at the end of the period

	Current Period 31.12.2013	Prior Period 31.12.2012
Cash	280	20.176
Cash in TL and Foreign Currency	20	13
Demand Deposits in Banks	260	20.163
Cash Equivalents	1.019.105	1.195.375
Banks and other financial institutions	1.019.105	798.936
Money market placements	-	396.349
Cash and Banks	1.019.385	1.215.551
Banks Accrual	(60)	(994)
Total Cash and Cash Equivalents	1.019.325	1.214.557

6.1.3 Explanations about other cash flows items and the effect of changes in foreign exchange rates on cash and cash equivalents

The “Other” item under “Operating profit before changes in operating assets and liabilities” amounting to TL (41.434) (31 December 2012: TL (125.496)) mainly consists of fees and commissions paid, foreign exchange losses, other operating income excluding collections from doubtful receivables and other operating expenses excluding personnel expenses.

The “Net increase/decrease in other liabilities” item under “Changes in operating assets and liabilities” amounting to TL 531.081 (31 December 2012: TL 189.613) consists mainly of changes in miscellaneous payables, other liabilities and taxes and other duties payable.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

6.2 Explanations and notes related to Bank's risk group

In accordance with the paragraph 5 of article 49 of Banking Law numbered 5411, the Bank does not have any partnerships which it controls directly or indirectly and with which it constitutes a risk group.

6.2.1 Explanations and notes related to the domestic, foreign, off-shore branches or affiliates and foreign representatives of the Bank

Information on the Bank's domestic and foreign branches and foreign representatives of the Bank

	Number	Number of Employees			
Domestic Branch	2	483			
			Country of Incorporation		
Foreign Representation Office	-	-	-		
				Total Assets	Statutory Share Capital
Foreign branch	-	-	-	-	-
Off-shore Banking Region Branches	-	-	-	-	-

6.2.2 Information on the Bank's branch or representative office openings, closings, significant changes in the organizational structure

None.

7 Explanations and notes related to events after balance sheet

None.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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

SECTION SIX

INDEPENDENT AUDITOR'S REPORT

1 Explanations on independent auditor's report

1.1 Explanations on auditor's report

The unconsolidated financial statements for the period ended 31 December 2012 have been audited by Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (the Turkish member of KPMG International Cooperative, a Swiss entity). The auditor's report dated 13 February 2014 has been presented prior to the unconsolidated financial statements.

1.2 Explanations and notes prepared by independent auditor

None.