



A reference in
the financing
of development



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LOAN

DEVELOPMENT BANK OF TURKEY CONTINUED ITS SUPPORT TO THE REAL ECONOMY THROUGH ITS LENDING ACTIVITIES.

PAGE 16

US\$ **840** MILLION

DEVELOPMENT BANK OF TURKEY RECEIVED INTERNATIONAL RESOURCES AT RECORD HIGH LEVEL: US\$ 840 MILLION

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SUSTAINABLE DEVELOPMENT

CORPORATE PROFILE

THE DEVELOPMENT BANK OF TURKEY HAS BEEN PROVIDING A STRONG AND CONTINUOUS CONTRIBUTION TO TURKEY'S ECONOMIC DEVELOPMENT AND GROWTH PROCESS SINCE 1975.

A SYMBOL OF DEVELOPMENT AND INVESTMENT BANKING IN TURKEY: THE DEVELOPMENT BANK OF TURKEY

The Development Bank of Turkey has been providing a strong and continuous contribution to Turkey's economic development and growth process since 1975.

During this period, the Bank has played a key role in the realization of investments from different sectors and has undertaken strategic tasks in the procurement of long-term resources which is one of the basic requirements of sustainable economic development.

The Development Bank of Turkey carries out its operations with the mission of raising employment, income and prosperity levels. The Bank allocates resources to the financing of fixed and operating capital investments of companies in different sectors, especially energy, energy efficiency, industry, tourism, finance and healthcare.

During the course of financially supporting the private sector's investment and entrepreneurship potential, the Development Bank of Turkey works in cooperation with

major international financial institutions. The Bank provides resources through its international relations network and offers these resources to a large part of the business world through direct loan supply or Apex banking.

Consultancy and technical assistance services are other areas where the Development Bank of Turkey demonstrates its high added value. Thanks to its team of specialists, with their extensive national and international field experience and sectoral know-how in this area, the Bank is able to support enterprises and institutions that operate in different areas and to undertake concrete contributions to their efforts to improve their current potential.

The Development Bank of Turkey is more than a traditional creditor, but rather a service provider that unrequitedly shares its experience and technical know-how with customers during the investment process.

THE ENVIRONMENT AND PROTECTING THE ENVIRONMENT IS A PRIORITY FOR THE DEVELOPMENT BANK OF TURKEY.

The Development Bank of Turkey also contributes to environmental sustainability efforts.

As well as providing resources to environmentally friendly investments, the Bank pays attention to ensure that the investments - particularly in the industry, tourism, renewable energy and energy efficiency sectors - are "environmentally friendly". In this manner, the Bank, as a responsible corporation, contributes to the initiatives to protect the environment and tackle climate change that are essential elements of sustainable development.

TOTAL ASSETS OF MORE THAN TL 3.5 BILLION AT THE END OF 2013

The total assets of the Development Bank of Turkey grew by 24% YoY to reach TL 3,556.1 million by the end of 2013 (2012: TL 2,870.1 million). The Bank has registered capital of TL 500 million and paid-in capital of TL 160 million. The Bank's shareholders' equity amounted to TL 604.1 million at the end of 2013.

The Prime Ministry-Undersecretariat of the Treasury of the Republic of Turkey holds 99.08% of the paid-in capital of the Development Bank of Turkey. The remaining share is traded on the Borsa İstanbul Second National Market under the "KLNMA" ticker.

With its strong shareholding structure, corporate competencies and professional human resources, the Development Bank of Turkey will keep contributing to Turkey's 2023 vision and the country's process of sustainable development.



WITH AROUND 40 YEARS OF EXPERIENCE IN THE FIELD OF DEVELOPMENT BANKING AND IN PROVIDING LONG-TERM RESOURCES, THE DEVELOPMENT BANK OF TURKEY CONTINUES TO CONTRIBUTE TO THE BUSINESS WORLD AS A REFERENCE IN THE “FINANCING OF DEVELOPMENT AND GROWTH”.

TARGETS AND STRATEGIES OF THE DEVELOPMENT BANK OF TURKEY

THE DEVELOPMENT BANK OF TURKEY WILL CONTINUE TO SUPPORT INVESTMENTS IN RENEWABLE ENERGY, ENERGY EFFICIENCY, MANUFACTURING INDUSTRY, TOURISM, EDUCATION AND HEALTHCARE THROUGH DIRECT AND APEX BANKING PRACTICES.

Development banking is a type of banking which aims to ensure economic, technological and socio-cultural development in a country and helps to reach a higher level of prosperity and which undertakes the necessary planning and carries out the related practices together with the public authorities in order to enable a structural transformation for the above-mentioned purposes.

In the area where development is desired, the first to act and pave the way to financial sector are the development banks.

In the past years in conformity with its function of contributing to Turkey's development, the Development Bank of Turkey was engaged in the following activities, which can be considered as examples of successful development banking:

- activities in the tourism sector and maintaining the current status of the sector,
- During 1986-1994 period its support to export-oriented industry by loans with or without foreign exchange guarantee,
- Between 1997 and 2002 the project of revalidation of enterprises back to the economy having lack of working capital and investments left incomplete in underdeveloped regions.

By focusing on the energy sector since 2005, the Bank has sought to move towards a target of meeting Turkey's energy needs through renewable energy resources.

- providing training, consultancy and financial support to labor companies,

The fundamental goal of the Medium Term Programme (MTP) covering the 2013-2015 period has been determined as "to raise economic growth to its potential level despite the challenges in the global economy; to increase employment; to improve public sector balances; to continue to tackle inflation; to maintain the downward trend in the current account deficit; to increase domestic savings; and thereby strengthen macroeconomic stability."

Within the framework of the programme's basic purpose, the Development Bank of Turkey will continue to support investments in renewable energy, energy efficiency, manufacturing industry, tourism, education and healthcare through direct and APEX banking practices in order to:

- contribute to economic growth and employment,
- maintain the downward trend in the current account deficit.

GROWTH EMPLOYMENT

OUR MISSION

◇ ————— ◇

WITH THE AIM OF PROMOTING DEVELOPMENT AND SUSTAINABLE GROWTH IN TURKEY, THE MISSION OF THE BANK IS TO

- SUPPORT INVESTMENTS OF ENTERPRISES ORGANIZED AS JOINT STOCK COMPANIES BY PROVIDING LOANS OBTAINED FROM DOMESTIC AND INTERNATIONAL SOURCES,
- DIRECTLY PARTICIPATE IN PIONEER/MODEL ENTERPRISES,
- PROVIDE TECHNICAL ASSISTANCE TO ENTREPRENEURS,
- FACILITATE THE DEVELOPMENT OF CAPITAL MARKETS IN ORDER TO INCREASE EMPLOYMENT, INCOME AND WELFARE.

◇ ————— ◇

**SUSTAINABLE
DEVELOPMENT**

OUR VISION

◇ ————— ◇

AS A PIONEER OF DEVELOPMENT AND SUSTAINABLE GROWTH, THE VISION OF THE BANK IS TO BECOME AN INTERNATIONAL-SCALE DEVELOPMENT AND INVESTMENT BANK THAT

- SUPPORTS INVESTMENTS ON REGIONAL, SECTORAL AND TECHNOLOGICAL BASIS AND FINANCES THEM EFFECTIVELY AND QUICKLY,
- SUPPORTS INVESTORS BY BOTH, EMPOWERING AND ENCOURAGING THEM, AND BY PROVIDING THEM WITH TECHNICAL ASSISTANCE.

OUR STRATEGIC GOALS

THE DEVELOPMENT BANK OF TURKEY IN CONFORMITY WITH ITS STRATEGIC GOALS SET FORTH ITS SUPPORT FOR ACHIEVING THE 2023 TARGETS OF THE TURKISH ECONOMY.

- To support such investments that would ensure economic and technological progress nationwide and increase efficiency and competition;
- To contribute to the resolution of social problems in underdeveloped regions, as well as in developed areas resulting from urban migration, by implementing the projects in line with the results of studies to be performed with the aim of raising investment and production awareness in terms of technological, economic, social and cultural aspects for the elimination of regional development differences;
- To ensure that our Bank plays an active role in the determination of macro policies and sectoral strategies for the development of our country, as well as in the creation and implementation of respective encouragement mechanisms;

- To meet the financing needs of FX earning companies through domestic and international resources;
- To meet the demands of entrepreneurs' based on the principles of efficiency and productivity;
- To support our national entrepreneurs' investments abroad, particularly in the Turkic Republics; and
- To activate investment banking functions.

MORE SUPPORT TO DEVELOPMENT FINANCING

STRENGTHS, COMPETITIVE ADVANTAGES AND THE DIFFERENCE OF THE DEVELOPMENT BANK OF TURKEY

THE FACTORS THAT SET THE DEVELOPMENT BANK APART IN THE SECTOR AT THE SAME TIME CONTRIBUTES ITS COMPETITIVE ADVANTAGES.

FACTORS THAT SET THE DEVELOPMENT BANK OF TURKEY APART IN ITS SECTOR:

- The Bank is the representative of a strong and deeply rooted tradition in project evaluation.
- The Bank evaluates investments based on the principles of efficiency and profitability.
- By means of its long-term resource structure, the Bank responds to its customers' long-term project financing needs with solutions at highly advantageous maturities.
- By strongly supporting the energy sector, the Bank offers a positive contribution to reduce the current account deficit, which is the most important problem facing the Turkish economy.
- Working in cooperation with multi-branch local banks, the Bank is a successful example of Apex banking. The Bank provides financing support to small scaled enterprises with this method.
- The Bank has built long-term relations with international financial institutions. This plays a significant role in the effectiveness of the Bank in the market.
- The Bank produces added value and makes a difference in the sector through its consultancy and technical assistance services. With its team of specialists who have sectoral knowledge, as well as national and international field experience in this area, the Development Bank of Turkey supports the efforts of corporations and enterprises from various sectors to improve their potential.

PRIMARY STRENGTHS AND COMPETITIVE ADVANTAGES OF THE DEVELOPMENT BANK OF TURKEY

- Extensive know-how and experience in the area of development and investment banking,
- Ability to provide project-based and controlled financing,
- Highly qualified and technically well-equipped human resources,
- Sustainability-based cooperation with international corporations, and
- A cautious and painstaking approach adopted to the financing policy.

KNOWLEDGE EXPERIENCE

FINANCIAL HIGHLIGHTS

THE CREDIT STOCK OF DEVELOPMENT BANK OF TURKEY HAD REACHED TO TL 2,758.7 MILLION WITH AN INCREASE OF 22% IN 2013.

The loan volume of the Development Bank of Turkey increased by 22% YoY to TL 2,758.7 million in 2013, while the Bank's loans/total assets ratio reached 77.6% at the end of 2013. According to the

BRSA's data, this ratio stood at 60.5% for the entire banking industry and 65% for the subgroup of development and investment banks at the end of 2013.

KEY FINANCIAL INDICATORS (TL MILLION)

	2012	2013	Change (Value)	Change (%)
Total Assets	2,870.1	3,556.1	686.0	23.9
Loans	2,254.4	2,758.7	504.3	22.4
Foreign Resources	2,293.2	2,952.0	658.8	28.7
Shareholders' Equity	576.9	604.1	27.2	4.7
Total Income	200.8	167.3	-33.5	-16.7
Total Expenditures	145.7	120.1	-25.6	-17.6
Provision for Taxes	11.5	10.6	-0.9	-7.8
Net Profit for the Period	43.6	36.6	-7.0	-16.1

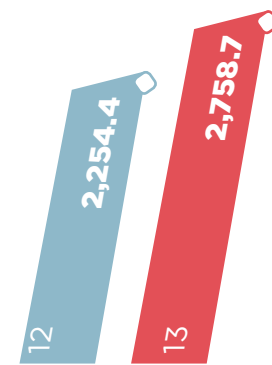
KEY RATIOS (%)

	2012	2013
Loans/Total Assets	78.5	77.6
Shareholders' Equity/Total Assets	20.1	17.0
Return on Assets	1.5	1.0
Return on Equity	7.6	6.1
Capital Adequacy Ratio	25.2	21.4

As the only publicly owned development bank in Turkey, the Development Bank of Turkey was founded in 1975. With more than 38 years of experience in the field of development banking and in providing long-term resources, the Development Bank of Turkey continues to contribute to the "financing of Turkey's development and growth". In fulfilling this duty, the Bank has organized itself according to the unique needs of each period and assumed the difficult tasks avoided by other financial institutions, without differentiating on the basis of region or entrepreneur.

STRONG FINANCIAL BASE

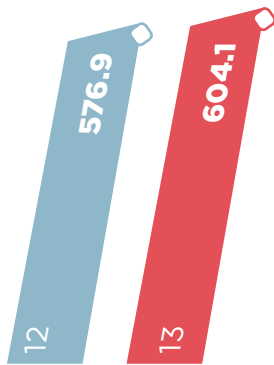
LOANS (TL MILLION)



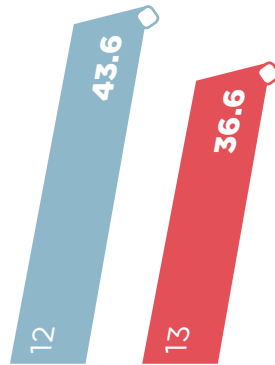
77.6%

**THE RATIO OF
LOANS
TO TOTAL
ASSETS**

SHAREHOLDERS' EQUITY (TL MILLION)

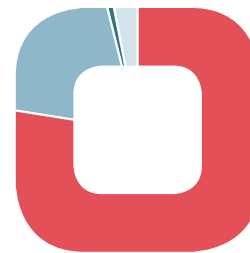


PROFIT/LOSS (TL MILLION)



ASSETS STRUCTURE (%)

- Loans 77.6%
- Liquid Assets 18.6%
- Held-to-Maturity Assets 1%
- Others 2.8%



CAPITAL AND SHAREHOLDING STRUCTURE (31 DECEMBER 2013)

Shareholder	Share Capital	Share (%)
Undersecretariat of the Treasury	158,530,452.32	99.08
Other ^(*)	1,469,547.68	0.92
Total	160,000,000.00	100.00

^(*) Since it covers all real and legal persons and the share certificates of these partnerships are traded on Borsa İstanbul, the absolute number of shareholders is unknown.

The Chairman, members of the Board of Directors, Statutory Auditors, the CEO and Executive Vice Presidents are not shareholders of the Bank.

FROM PAST TO PRESENT

1975

THE BANK WAS FOUNDED UNDER THE TITLE OF DEVLET SANAYİ VE İŞÇİ YATIRIM BANKASI (DESİYAB) A.Ş. (STATE INDUSTRY AND WORKER'S INVESTMENT BANK).

With its strong foundations and consistent organizational structure, the Bank has assumed an important mission in Turkey's progress towards its growth targets. The foundations of Development Bank of Turkey were laid down with Devlet Sanayi ve İşçi Yatırım Bankası A.Ş. (DESİYAB) (State Industry and Laborer Investment Bank) which was established in accordance with Empowering Act no: 1877 and Statutory Decree No: 13 dated November 27th, 1975 to conduct all the activities of investment and development banking including profit sharing based capital finance, as an incorporated company and as a development and investment bank subject to the provisions of the private law.

1988

THE BANK WAS RENAMED AS "TÜRKİYE KALKINMA BANKASI A.Ş." (DEVELOPMENT BANK OF TURKEY) AND WAS ALSO AUTHORIZED TO FINANCE SECTORS OUTSIDE THE INDUSTRIAL SECTOR.

With a reorganization of its structure and activities in 1983, the Bank was renamed as "Türkiye Kalkınma Bankası A.Ş." on July 15th, 1988 and was also authorized to finance sectors outside the industrial sector as well.

1989

T.C. TURİZM BANKASI A.Ş. (TOURISM BANK OF TURKEY) MERGED INTO DEVELOPMENT BANK OF TURKEY WITH ALL OF ITS ASSETS AND LIABILITIES.

T.C. Turizm Bankası A.Ş. (Tourism Bank of Turkey) was merged into the Development Bank of Turkey with all of its assets and liabilities in accordance with the decision taken by the Higher Planning Council on January 20th, 1989. The Bank thus added the tourism sector to the areas it serves.

1990

THE BANK HAD UNDERTAKEN NEW PROGRAMS FOR REGIONS HAVING PRIORITY IN DEVELOPMENT.

The Bank started to implement three emergency support programs in regions where development was deemed a priority and successfully continued these programs until 2000.

1999

THE BANK'S LAW OF ESTABLISHMENT NO. 4456 WAS ENACTED AND ENTERED INTO FORCE.

The Bank's Law of Establishment No.4456 was enacted on October 14th, 1999 and entered into force with its publishment on the Official Gazette dated October 17th, 1999 no. 23849. As a development and investment bank with a legal entity, which was founded in the form of an incorporated company subject to the provisions set forth in this act as well as the provisions of the private law, the Development Bank of Turkey serves under the Prime Ministry.

2008

THE BANK LAUNCHES APEX BANKING ACTIVITIES.

The Development Bank of Turkey started to carry out apex banking activities in cooperation with multi-branch local banks in order to support the investments of non-incorporated companies, thus beginning to allocate resources to finance the investments of SMEs.

2010

THE BANK'S TOTAL ASSETS EXCEED US\$ 1 BILLION.

Demonstrating a healthy and efficient growth performance, the Bank's total assets exceeded US\$ 1 billion for the first time; also, its long-term resources provided from abroad increased by 51%.

2012

CONTINUED SUSTAINABLE GROWTH

Progressing towards its targets without any let-up, the Development Bank of Turkey continued to support customers operating in various areas, especially in energy efficiency, during 2012. Another important development in 2012 was Fitch's upgrade of the Bank's credit rating, to BBB-, in November.

2013

ACQUIRING LONG TERM RESOURCES AT RECORD LEVEL

As a result of the strong international relations that it has built over many years, the Bank acquired nearly US\$ 840 million in long-term resources from five different international financial institutions in 2013.





**THE DEVELOPMENT BANK
OF TURKEY IS ALWAYS A
PIONEER IN PROVIDING
TECHNICAL SUPPORT
AND CONSULTANCY AND
FINANCE TO CHALLENGING
PROJECTS AND
INVESTMENTS IN REGIONS
AND SECTORS HAVING
STRATEGIC IMPORTANCE
FOR THE COUNTRY.**

CHAIRMAN'S MESSAGE

ALTHOUGH IT HAS BEEN 5 YEARS SINCE THE GLOBAL ECONOMIC CRISIS BROKE OUT, THERE IS STILL NO EVIDENCE OF ANY EXIT AND FULL RECOVERY.

IN LINE WITH OUR FORECASTS, THE GLOBAL ECONOMIC TREND IN 2013 WAS SHAPED BY THE POLICIES APPLIED BY THE CENTRAL BANKS OF DIFFERENT COUNTRIES, PARTICULARLY THE FED.

Although it has been 5 years since the global economic crisis broke out, there is still no economy that has completely overcome the crisis and fully recovered.

On the other hand, the developments that took place in certain economic powers of the world in 2013 have brought the global economy to a new and critical threshold.

During the post crisis period the expansionary monetary policies applied by USA had been a very important factor in preventing the deepening of the global crisis. The degree of fluctuations in the financial markets has declined due to these policies and the economic activities has recovered relatively. The expansionary monetary policy has provided to all policy makers around the world enough time and maneuverability for carrying out structural reforms.

Although the various measures implemented in many countries have supported expectations for recovery in the world economy, China

and most of the emerging markets that provided the greatest contribution to global economic growth in 2013 began to slow down compared to previous years. At the same time, there were signs which confirmed that the USA and the Eurozone had returned to their growth trend.

Falling unemployment and relatively strong economic growth in the USA have strengthened conviction in the recovery of the US economy. In view of this, the Federal Reserve (Fed) took a decision in May 2013 and announced that it may gradually wind down its expansionary monetary policy, which was put into practice just after the global crisis. However, the Fed also stated that it would stick to expansionary monetary policies until the rate of unemployment fell to 6.5%, and as long as the rate of inflation did not exceed 2.5%.

The Federal Reserve's statement that it would taper its expansionary monetary policies, depending on the development in economic parameters, led to new volatility, particularly in the second half of 2013. This period was marked by capital outflows from emerging markets and a fall in the currencies of some emerging countries - including the Turkish Lira. At the beginning of 2014, the Fed lowered the asset purchase volume to US\$ 65 billion as a result of a decision taken in its first meeting of the year.

EXPANSIONARY POLICIES

US\$ **65** BILLION

THE FED LOWERED THE ASSET PURCHASE VOLUME AT JANUARY 2014 MEETING.

2.9%

**IMF ESTIMATED
THAT THE
WORLD
ECONOMY GREW
BY 2.9% IN 2013.**



In addition to its structural problems, the Eurozone continued to tackle high indebtedness and unemployment during this period. However, the region continued to undertake reforms, which will be vital in bringing the continent back to a path of sustainable growth. The first part of the regulations - which require the European Central Bank to take the European banking industry under control and supervision - has entered effect. In this vein, the European Central Bank has virtually become the only governor and regulator of banks in the Eurozone. Once the second part of the plan is completed, the absence of a single authority - deemed as one of the most important causes of the European banking crisis - will be resolved. All that is left now is to ensure that European banks restart their credit cycles in order to stimulate economic growth.

According to the IMF, the world's GDP grew by 3.9% in 2011 but at a lower rate of 3.2% in 2012 due to the effect of fluctuating conditions. It is estimated that the world economy grew by 2.9% in 2013 and it is forecasted to grow by 3.6% in 2014. The most significant trend in the coming period will be the elimination of differences between the growth rates of developed countries and emerging markets. During this period, the US economy is expected to provide an increasing contribution to the global economy.

Levels of unemployment, which represent an important problem in many developed economies in the current circumstances, are expected to remain high. In developed countries, the average rate of unemployment is projected to be 8.1% in 2013 and 8% in 2014. In the USA, on the other hand, which has a more flexible labor market; the rate of unemployment is estimated to have stood at 7.6% in 2013 and is projected to decline to 7.4% in 2014.

THE TURKISH ECONOMY GREW AT AN AVERAGE RATE OF 4% IN THE FIRST THREE QUARTERS OF 2013.

The increase of Turkey's growth rate particularly in the second and third quarters of 2013 resulted from the rising domestic consumption and imports, and the contributions of the services sector rather than the manufacturing sector. During this period, there was a decline in the private sector's investment expenditures, but an increase in the public sector's construction and infrastructure spending.

Both the Medium Term Program covering the 2014-2016 period and the reports prepared by international agencies, such as OECD and IMF, envisage an increase in the rate of growth in the Turkish economy from 2013. Accordingly, the Turkish economy is estimated to demonstrate a growth of 3.6% in 2013 and 4% in 2014 (IMF, 2013).

CHAIRMAN'S MESSAGE

THE TURKISH BANKING SECTOR HAS COMPLETED 2013 WITH A HEALTHY STRUCTURE IN TERMS OF ITS BASIC INDICATORS.

Total industrial production, which is a leading indicator of economic growth, maintained its upward trend in 2013. Provided this trend is sustained, economic growth would be positively affected. The manufacturing industry's capacity utilization rate, which is another leading indicator of economic growth, was realized at 76% at the end of 2013.

As of December 31st, 2013, the consumer price index (CPI) and the producer price index (PPI) rose by 7.40% and 6.97%, respectively. In 2013, the consumer inflation of 7.40% was due to the devaluation of the TL, particularly in the last quarter of the year, along with the increase in unprocessed food prices.

Another important development in 2013 was the cautious monetary policy applied by the CBT since May, by taking inflation indicators and global macroeconomic and financial risks into account in the face of rising uncertainty in global monetary policies. The CBT applied additional monetary tightening policies to

lower the inflation rate, which was higher than the target.

THE BANKING INDUSTRY MAINTAINS ITS HEALTHY STRUCTURE, DESPITE NEGATIVE DEVELOPMENTS.

Despite uncertainty in the global environment and diminished risk appetite, the Turkish banking industry rounded off 2013 with a healthy structure in terms of basic indicators. The sector's total assets increased by 26% to TL 1,732 billion in 2013. Despite the increase in loan interest rates and rising deposit and funding costs, the sector's loan volume continued to grow.

In 2014, the growth of the Turkish economy is expected to be fueled by domestic consumption and investment expenditures, just as it was in 2013. On the other hand, the current exchange rate level may turn the contribution from net exports to a positive one, by stimulating exports. The course of international capital flows will be one of the most important factors to be watched closely in 2014 in terms of Turkey's growth performance.

THE DEVELOPMENT BANK OF TURKEY CONTINUED TO SUPPORT THE REAL ECONOMY IN 2013.

In line with the target of ensuring Turkey's development and sustainable growth, the Development Bank of Turkey continued to support the real economy and private sector investments by providing loans, which it obtains from Turkey and foreign countries. As well as financing projects in the private sector, the Development Bank of Turkey also achieved notable success in Apex banking, consultancy and technical assistance services. Our Bank offers contemporary development banking services as a trustworthy service provider that is loyal to the principles of sustainable development, open to change, customer-oriented and accountable, and pays attention to the economic, social and environmental aspects of investments.

What sets our Bank apart in the competition is its ability to provide private entrepreneurs with long-term resources, including technical assistance. The international relations which it has built over the years have been transformed into deeply rooted collaboration with a number of international financial institutions, including KfW, the World Bank, the European Investment Bank and the Islamic Development Bank. Thanks to the current level of maturity that our Bank has reached, as well as its reputation and high business capacity, it is not only a bank which people turn to for advice and information, but

2023

**THE DEVELOPMENT
BANK OF TURKEY
WILL CONTINUE TO
FULFILL ITS MISSION
IN PARALLEL WITH
TURKEY'S 2023 VISION.**

is also considered as a model service provider in the area of development banking in many countries.

Our common efforts with the Development Bank of Ethiopia and Development Fund of Mauritania (CDD – Caisse des Dépôts et de Développement de Mauritanie) are the most recent examples in this area.

**THE DEVELOPMENT BANK
OF TURKEY WILL CONTINUE
TO FULFILL ITS MISSION IN
PARALLEL WITH TURKEY'S
2023 VISION.**

A Medium Term Programme (MTP) for 2014-2016 was prepared by the Turkish government in line with the targets set forth in the 10th Development Program, which was adopted by GNAT in 2013. The programme aims to minimize the impacts of uncertainties in the global economy on the Turkish economy, to gradually decrease the current account deficit, and to support economic growth. The MTP places special priority on such targets as raising industrial efficiency in Turkey, putting the development potential of regions into action,

and supporting production of innovative products with high added value.

The same topics are also set forth in the Bank's strategic goals. The following targets set forth by the Bank are in line with Turkey's 2023 Vision, serving the purposes of such vision:

- to apply resource procurement and lending policies aimed at the renewable energy sector, energy efficiency and sustainable tourism,
- to conduct efforts aimed at supporting clusters,
- to support APEX banking activities that allow the Bank to reach small-scale companies, and
- to establish strategic collaborations with various institutions, particularly development agencies.

Our Bank's policies to ensure growth of the regional venture capital and to provide clustering financing services - not as a pilot project, but to spread these services throughout Turkey as a main project - are in parallel with the target of spreading the approach of improving the business and investment environment at a regional level as set forth in the MTP.

In the course of Turkey's sustainable growth in the periods to come, our Bank believes significant business opportunities will arise in terms of development banking. The public-private sector cooperation model and the target to apply this model to other sectors, as well as efforts to raise service quality in the tourism sector and establish

the necessary infrastructure for higher income groups will introduce new initiatives to increase our business volume in 2014 and beyond.

**OUR POSITIVE FORECASTS
FOR THE FUTURE PROVIDE
US WITH THE NECESSARY
STRENGTH AND MOTIVATION.**

The Development Bank of Turkey strongly believes in Turkey's growth potential. This belief has been further strengthened by the high resilience demonstrated by our country during the global crisis as well as its proficiency in overcoming the crisis.

Turkey is a sustainable growth market, thanks to its demographic attributes, political maturity and stability, economic potential and unique position in its region.

As the Development Bank of Turkey, while we strongly confirm to reach our growth target in the Turkish market; our stakeholders' trust and preference motivates us to reach this target.

On behalf of myself and our Board of Directors, I would like to personally take this opportunity to extend my gratitude to all of our business partners, for their precious support, and to our customers who have chosen us.

Yours sincerely,

AHMET YAMAN
CHAIRMAN OF BOARD OF
DIRECTORS (ACTING)

GENERAL MANAGER'S MESSAGE

OUR TOTAL ASSETS INCREASED BY 24% AND REACHED TL 3,556 MILLION.

AS A PIONEER OF DEVELOPMENT AND SUSTAINABLE GROWTH, THE DEVELOPMENT BANK OF TURKEY SUPPORTS INVESTMENTS ON A REGIONAL, SECTORAL AND TECHNOLOGICAL BASIS, FINANCES THEM EFFECTIVELY AND QUICKLY, AND SUPPORTS INVESTORS BY EMPOWERING AND ENCOURAGING THEM AS WELL AS BY PROVIDING THEM WITH TECHNICAL ASSISTANCE. THE BANK COMPLETED 2013 WITH SUCCESSFUL RESULTS.

Esteemed shareholders,

The Development Bank of Turkey did not only expand its balance sheet in 2013, but also supplied a higher volume of resources to its customers and generated more added value for its stakeholders. Our strategy, which is focused on efficient and sustainable growth, has again allowed us to demonstrate strong financial and operational results and to keep supporting the real sector. Our total assets increased by 24% YoY to TL 3,556 million. With balanced growth in total assets in 2013, our Bank achieved a 35% YoY growth

rate in its liquid assets and a 22.4% YoY growth rate in its loans. The Development Bank of Turkey continued to maintain and increase its shareholders' equity in 2013. Our shareholders' equity climbed to TL 604 million, while our capital adequacy ratio stood at 21.4%, still higher than the sector average. In the last 10-year period, our Bank raised its lending capacity – which is equal to the sum of shareholders' equity and the total volume of foreign resources – to a significant level of TL 6 billion.

As a result of our operations in 2013, we generated a gross profit of TL 47.2 million and a net profit of TL 36.6 million.

Being a publicly held development bank, its dynamism and its loan policy which is focused on profitable projects had an impact on the results achieved in 2013. Besides its direct loan supply and project financing activities, our Bank diversified its consultancy and technical assistance services during 2013.

PRODUCTIVE GROWTH

TL **36.6**
MILLION

**NET PROFIT OF 2013
AMOUNTED TO
36.6 MILLION TL.**

LONG-TERM RESOURCES



This performance, as summarized above, was recorded under the volatile market conditions of 2013. Our wide range of products and services, our competent and experienced human resources and our ability to provide long-term and cost-efficient resources which provide the basis of our competitive edge, are the fundamentals of our achievements.

ATTACHING IMPORTANCE TO THE ENERGY SECTOR, REDUCING THE CURRENT ACCOUNT DEFICIT AND THE TRANSITION TO A LOW CARBON ECONOMY

A country which is growing as rapidly as Turkey needs more and more energy each passing day.

Electricity generation in Turkey still predominantly relies on imported natural gas. The increase in the share of domestic and renewable energy resources is of profound importance in terms of economic sustainability. It

could be claimed that there is a group of active entrepreneurs in Turkey who invest in domestic and renewable energy resources, thus facilitating the healthy and rapid transformation of the sector.

The development of clean energy resources and reducing Turkey's external dependency in the energy sector are among the issues that the Development Bank of Turkey attaches priority to. Summarized under our motto, "Environmentally Friendly Development", this mission aims to attach priority to people-oriented projects, which protect not only the economy, but also the environment.

We observe that there has been an increase in investments in recent years in Turkey, not only in the area of hydroelectric power, but also wind energy. At the same time, with the support of legislative amendments that have taken effect in 2013, we also expect an increase in solar energy investments in

the years to come. Turkey has considerable potential in the area of wind and solar energy, and we aim to be actively involved in the realization and integration of such potential into the economic cycle.

THE DEVELOPMENT BANK OF TURKEY HAS BEEN UNWAVERING IN ITS SUPPORT FOR THE ENERGY SECTOR FOR EIGHT YEARS.

During this 8-year period, our Bank evaluated a total of 161 projects related to energy investments of various scales, particularly hydroelectric, wind and geothermal energy investments and landfill gas projects, and allocated TL 3.6 billion in loans to 111 projects with a total installed capacity of 1,586 MW. 3 energy efficiency projects using waste steam and waste gas started to generate electricity. 42 of the projects that we financed had entered operation and had begun to generate electricity by the end of 2013.

GENERAL MANAGER'S MESSAGE

DEVELOPMENT BANK OF TURKEY RECEIVED INTERNATIONAL RESOURCES AT RECORD HIGH LEVEL: US\$ 840 MILLION

IN 2013, OUR BANK PROVIDED A RECORD HIGH AMOUNT OF LONG-TERM INTERNATIONAL RESOURCE WITH RECORD-LONG MATURITIES.

Within the scope of our Bank's efforts to extend new resources, one of the most important developments in 2013 was the US\$ 840 million (a record-high level) that our Bank received in total in long-term resources from 5 different international financial institutions. Most of the respective bilateral agreements for these new loans provided from abroad were signed mostly in the last quarter of 2013. With these

resources, the Bank aims to provide financing to SMEs and to support such areas as renewable energy, energy efficiency and sustainable tourism. The Development Bank of Turkey will focus on its efforts to transfer these new resources to the private sector in 2014.

Playing a leading and guiding role in project financing and consultancy services our Bank has a distinct position in the market. The Development Bank of Turkey is working with international financial institutions and banks in a

multidimensional, strong and continuous collaboration and produces added value for its customers. Our ability to access international resources will keep providing us with the energy, competitive strength and the leverage for growth, which are required to resolutely support the real sector in 2014 and beyond.

CONTINUED SUPPORT SMEs WITHIN THE SCOPE OF APEX BANKING ACTIVITIES

As one of the most efficient implementers of APEX banking (wholesale banking), the Development Bank of Turkey provided resources to more than 600 SMEs through the intermediary banks and financial leasing companies that it is in cooperation with.

Our Bank provided a new € 80 million APEX loan from the Council of Europe Development Bank (CEB) in the last quarter of 2013 after completing the negotiations and signing the related contract. The Bank will continue to support SMEs by offering this loan through intermediary financial institutions beginning by 2014.

42

ENERGY SECTOR

42 ENERGY PROJECTS FINANCED BY THE BANK HAD BEEN COMPLETED AND STARTED TO GENERATE ELECTRICITY.

APEX

THE DEVELOPMENT BANK OF TURKEY IS ONE OF THE ACTIVELY IMPLEMENTING APEX BANKING AGENCIES WHICH ARE FEW IN NUMBERS.

WITHIN THE SCOPE OF CONSULTANCY AND TECHNICAL ASSISTANCE SERVICES...

In 2013, the Development Bank of Turkey continued to share its sectoral know-how and experience in the area of development in Turkey and abroad within the scope of consultancy and technical assistance services. The Bank also conducted 45 different training programs for domestic organizations. A total of 1,014 participants completed the training programs and received their certificates. Meanwhile, the Bank also conducted regional and feasibility studies upon the request of a number of institutions.

Within the framework of the "Technical Cooperation with Development Agencies" Program, the Development Bank of Turkey continued to support development agencies in 2013 through corporate capacity training, sectoral research studies and strategy reports, and by collaborating

with the development agencies in feasibility studies. In addition to such support, the Bank launched efforts in 2013 to develop new financial instruments for entrepreneurs.

In cooperation with development agencies, the Bank provided 17 corporate capacity training programs and published 9 different sectoral-regional reports and feasibility studies in 2013. A total of 353 agency personnel participated in the training programs in 2013.

As part of our efforts abroad in 2013, we continued our activities directed at technical cooperation with the Development Bank of Ethiopia and continued negotiations towards signing a technical cooperation agreement with Development Fund of Mauritania (CDD-Caisse des Dépôts et de Développement de Mauritanie).

Supporting Turkey's development efforts on a sectoral, regional, national and international level, our Bank is determined to share its experience with other institutions and organizations and to provide tangible support to their efforts in improving their potential.

WE PREDICT THAT THERE WILL BE HIGHER DEMAND FOR OUR PRODUCTS AND SERVICES, IN PARALLEL WITH TURKEY'S SUSTAINABLE ECONOMIC DEVELOPMENT.

One of the most important developments that has been observed in the banking

industry in recent years is the increasing need for long-term resources and development, and for investment banking products.

Thanks to its strong financial structure and funding facilities as well as its competencies in the area of technical consultancy, our Bank is determined to supply resources to the projects of the growing and developing Turkish economy.

In line with Turkey's 2023 Vision, the importance of the growth of development banking is stressed in the 10th 5-Year Development Plan, which marks an important milestone for our community in reaching a higher level of welfare.

I would like to take this opportunity to thank our employees, who contributed to the results achieved by our Bank in 2013, as well as to our customers, who have produced solutions with us, and our shareholders who have provided us with their valuable support.

METİN PEHLİVAN
GENERAL MANAGER
(ACTING)



THE DEVELOPMENT BANK OF TURKEY, WHICH IS CONTINUOUSLY INCREASING ITS CREDIT VOLUME AND ASSETS, WILL INCREASE ITS SUPPORT TO THE SUSTAINABLE GROWTH OF TURKEY AND WITH THE SAME DETERMINATION WITHOUT PAUSING WILL SUPPORT THE INVESTMENTS OF REAL SECTOR.



ECONOMIC DEVELOPMENTS IN THE WORLD AND TURKEY IN 2013

THE REDUCTION OF ASSET PURCHASES OF THE FEDERAL RESERVE (FED) HAD STARTED TO CHANGE THE ECONOMIC BALANCES IN THE WORLD.

DEVELOPMENTS IN THE WORLD ECONOMY AND EXPECTATIONS

MEASURES TAKEN WORLDWIDE SUPPORT EXPECTATIONS OF GLOBAL ECONOMIC RECOVERY.

Although it has been 5 years since 2008 when the global economic crisis broke out and began to affect the whole world, 2013 could be considered a year in which the negative impacts of the crisis were still observed even though the global economy has partially recovered. The measures taken have supported

worldwide expectations of a global economic recovery. However, it should be borne in mind that China - which had provided the greatest contribution to the growth of the world economy - began to lose momentum when compared to previous years; political difficulties may be experienced by USA in maintaining its economy policy in accordance with current circumstances; the Eurozone is still struggling with high public debt and unemployment; and there are risks like the Arab Spring on the table which push

world politics and economies into uncertainty.

According to the IMF, the world's GDP grew by 3.9% in 2011 but at a lower rate of 3.2% in 2012 due to the effect of economic conditions (IMF, 2013). It is estimated that the world economy grew by 2.9% in 2013 and it is projected to grow by 3.6% in 2014. It is estimated that the average growth rate was 1.2% in developed countries and 4.5% in emerging markets in 2013; and it is projected to reach 2% in developed countries and 5.1% in emerging markets in 2014.

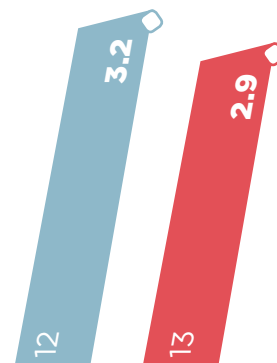
PRESSURE ON EMERGING MARKETS FROM RISING GLOBAL RISK APPETITE AND FLUCTUATIONS IN CAPITAL MOVEMENTS

In 2013, the US economy demonstrated a more positive performance than other developed countries. This

GROWTH IN WORLD ECONOMY - IMF

3.6%

IMF ESTIMATES THE
WORLD ECONOMY
TO GROW BY 3.6%
IN 2014.



GLOBAL CRISIS

-0.4%

CONTRACTION IN EUROZONE CONTINUED IN 2013.

strengthened the expectation that the Federal Reserve (Fed) may gradually reduce the amount of support that it provides to the US economy through asset purchases, which in turn precipitated capital outflows from emerging markets. During this period, increasing global risk appetite and fluctuations in capital movements put pressure on emerging markets.

The Fed has been carrying out asset purchases amounting to US\$ 85 billion per month for more than a year within the framework of the third quantitative easing program. In its December meeting, the Fed reached the decision to taper its asset purchases by US\$ 10 billion, beginning by January 2014.

Having grown by 1.8% in 2011 and 2.8% in 2012, the US economy - whose contribution to the world economy is expected to increase in 2013 - is estimated to have grown by 1.6% in 2013 and is forecasted to grow by 2.6% in 2014.

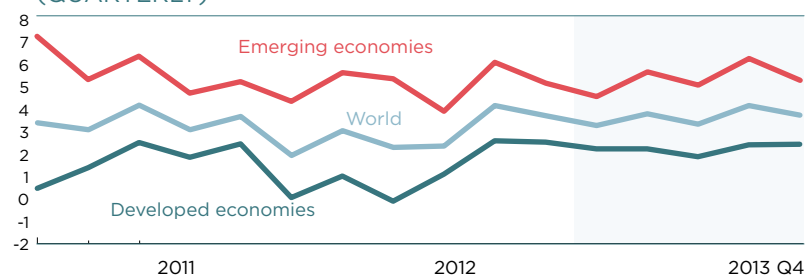
As one of the driving forces of global trade and economic growth, China's economy grew by 9.3% in 2011, a figure much faster than the growth rate of the global economy; however, it could not show the same performance in the following years. Having experienced the lowest growth rate in the recent period with 7.7% growth in 2012, the growth in China's economy is expected to lose some momentum with growth of 7.6% in 2013 (estimated) and a projected 7.3% rate of growth in 2014.

The measures which were taken after the global crisis are expected to show their effect in the Eurozone, but the measures are expected to take time to

start working, with the region set to achieve an increasing growth trend from 2014. However, the concerns and risks associated with the economic recovery have not fully receded. Having grown by 1.5% in 2011, the Eurozone economy contracted by 0.6% in 2012 is estimated to have contracted by 0.4% in 2013, although it is expected to return to growth in 2014 with a 1% rate of growth.

In Japan, economic measures yielded positive results and Japan's economy climbed out of recession, turning the 0.6% contraction in 2011 to a 2% rate of growth in 2012. It is estimated that Japan's growth rate was maintained at around 2% in 2013, but is expected to fall to 1.2% in 2014, given the expectation of a tightening in its financial policy.

GLOBAL GDP GROWTH RATES (%) (QUARTERLY)



Source: IMF

ECONOMIC DEVELOPMENTS IN THE WORLD AND TURKEY IN 2013

IN 2013 THE CONSUMER PRICES INCREASE IN DEVELOPED COUNTRIES IS EXPECTED TO BE 1.4%.

Looking at the money policies applied in the world throughout the year, there are a number of differences and uncertainties between different countries. For example, while the benchmark bond yields in the Eurozone have generally been low, an increase was expected in the benchmark yields in the US economy.

The global commodity and service trade volume grew by 6.1% in 2011 and 2.7% in 2012. The global trade volume is expected to expand by 2.9%

in 2013 and 4.9% in 2014 with the expectation of stronger economic activity.

CONSUMER PRICES ARE ESTIMATED TO HAVE INCREASED BY 1.4% IN DEVELOPED COUNTRIES.

In developed countries, consumer prices increased by 2.7% in 2011 and by 2.0% in 2012. It is estimated that consumer prices rose by 1.4% in developed countries in 2013 and an increase of 1.8% in 2014. In emerging markets, on the other hand, consumer prices

went up by 7.1% in 2011 and 6.1% in 2012. It is estimated that there was an increase of 6.2% in consumer prices in emerging markets in 2013, and an increase of 5.7% is forecasted in 2014.

In the US economy, the annual rate of inflation was 3.1% in 2011 and 2.1% in 2012, and the rate of inflation is expected to fall to 1.4% in 2013, before remaining broadly stable at 1.5% in 2014. In the Eurozone, the annual rate of inflation (according to the consumer prices index) stood at 2.7% in 2011 and 2.5% in 2012, and is expected to come in at 1.5% in 2013 and 2014. In Japan, which underwent deflation in 2011 and 2012, no increase in prices is expected in 2013. It is forecasted, however, that consumer prices will increase by around 2.9% in 2014.

TRADE VOLUME

2.9%

IT IS ESTIMATED THAT THE WORLD COMMODITY AND SERVICES TRADE VOLUME INCREASED BY 2.9% IN 2013.

4%

THE TURKISH ECONOMY IS EXPECTED TO GROW BY 4% IN 2014 (IMF).

DEVELOPMENTS IN THE TURKISH ECONOMY AND EXPECTATIONS

THE TURKISH ECONOMY IS ESTIMATED TO HAVE GROWN BY 3.6% IN 2013 AND IS FORECASTED TO RECORD 4% GROWTH IN 2014.

Following the strong growth rates of 9.2% in 2010 and 8.8% in 2011 after the global crisis, the Turkish economy grew by only 2.2% in 2012. The growth was mostly driven by exports and public expenditure, while the contraction in domestic demand and private sector investment, as well as declining imports reduced Turkey's foreign trade deficit. The Turkish economy grew by 3.0% in Q1/2013, 4.5% in Q2/2013 and 4.4% in Q3/2013; these figures correspond to an average growth rate of 4.0% in the first 9 months of 2013. The growth rate, which increased notably in the second and third quarters of 2013, was driven by increasing consumption and imports, as well as a growing services sector, rather than the manufacturing industry. Thus, the manufacturing industry grew by 3.5%; the services sector grew by 5.3%; construction and infrastructure expenditures – a sub-item under the services sector – grew by 7.4%; and the agriculture sector grew by 3.8%. During this period, there was a decline in the investment

expenditures of the private sector, but an increase in the public sector's construction and infrastructure expenditures.

In both the Medium Term Program covering the 2014-2016 period and the reports of international agencies, such as OECD and IMF, the Turkish economy is forecasted to see an increase in its growth rate beginning from 2013. Accordingly, the Turkish economy is expected to demonstrate 3.6% growth in 2013 and 4% growth in 2014 (IMF, 2013).

INFLATION RATE (CONSUMER PRICES INDEX) RECORDED AT 7.40% IN 2013.

One of the inflation indicators, the consumer price index (CPI) increased by 7.40% YoY as of December 31st, 2013 and 7.49% according to 12-month average values. During the same period, the producer price index (PPI) increased by 6.97% YoY and by 4.48% according to 12-month average values. In 2013, the consumer inflation of 7.40% was due to the devaluation of the TL and increase in unprocessed food prices. Rising oil prices in the world and the devaluation of the TL raised energy prices in Turkey with an upward movement in services inflation as well.

ECONOMIC DEVELOPMENTS IN THE WORLD AND TURKEY IN 2013

THE CBT HAS APPLIED A CAUTIOUS MONETARY POLICY SINCE MAY, AGAINST THE INCREASING UNCERTAINTY IN GLOBAL LEVEL.

The CBT has applied a cautious monetary policy since May by taking inflation indicators and global macroeconomic and financial risks into account in the face of rising uncertainty in global monetary policies. The CBT applied additional monetary tightening policies in a bid to lower the inflation rate, which was higher than the target. The CBT also adopted a monetary policy which is based on the assumption that the link between global and domestic interest rates has weakened, and market interest rates are most closely related

to domestic macroeconomic developments.

The Monetary Policy Committee stresses the importance of a policy that aims to render short-term market interest rates more predictable and consistent in order to limit the impacts of uncertainty caused by global monetary policies. The committee expressed that it would take the necessary measures to ensure that interest rates in the interbank market remained near 7.75% and the weighted average cost of CBT's funding,

at or higher than 6.75%; and mentioned that it would, for this purpose, implement the necessary measures in setting the composition of liquidity injected into the financial system. In accordance with the CBT's inflation targeting, the rate of inflation is forecasted to stand between 3.8-6.8% (mean value: 5.3%) by the end of 2014 under the assumptions that the cautious monetary policy is maintained, a tight liquidity policy is broadly applied and the annual loan growth rate falls to its reference value of 15% by the middle of 2014 with the contribution of precautionary macroeconomic measures. The inflation rate is expected to stabilize at around 5% in the mid-term.

According to TURKSTAT data, exports fell by 0.4% YoY as of December 2013 and cumulatively totaled US\$ 151,869 million for the year, while imports rose by 6.4% YoY in the same period

CBT POLICIES

5%

**THE INFLATION RATE
IS EXPECTED TO
STABILIZE AT AROUND
5% IN THE MID-TERM.**

22.4%

**DIRECT FOREIGN
CAPITAL
INVESTMENTS
DECREASED BY
22.4% IN 2013.**

to reach US\$ 251,651 million. As a result, Turkey's foreign trade deficit increased by 18.7% to US\$ 99,782 million in 2013. The exports coverage ratio declined from 64.5% between January and December 2012 to 60.3% in the same period of 2013.

Although the current account deficit worsened slightly because of increasing import demand in parallel with rising domestic demand starting from the first quarter of 2013, the gold trade played a key role in this situation. The current account deficit rose by US\$ 16,528 million to US\$ 65,025 million in 2013, the non-monetary current account deficit, excluding gold, fell by US\$ 962 million to US\$ 53,244 million in the same period.

A decline was observed in direct foreign capital investments and long-term capital inflows – which are vital in financing the current account deficit – during 2013, and it was noted that the sum of direct foreign capital investments decreased by 22.4% to US\$ 145,470 million, with the sum of portfolio investments decreasing by 6.3% to US\$ 167,715 million.

GLOBAL UNCERTAINTY CAUSED A RE-PRICING OF FINANCIAL ASSETS.

Global economy activity was weaker in 2013 than in previous years amid ongoing uncertainty in global monetary policies. Global uncertainty precipitated a re-pricing of financial assets, including exchange rates, while capital outflows from emerging markets have been observed in terms of global portfolio investments.

The Turkish economy was also affected by global developments. Although neither the financial nor the non-financial sectors experienced any major problem in their foreign borrowing activities of, capital outflows were observed in portfolios and financial assets were subject to re-pricing. A cautious approach is still being adopted in financial and monetary policies in order to protect the resilience of the Turkish economy in the face of global uncertainties. On the other hand, however, the reinforcement of structural reforms, which will enable financial discipline and help to narrow the savings gap, will support macroeconomic stability in the mid-term. The steps to be taken to this end are also expected to create room for the monetary policy and provide a positive contribution to social welfare by keeping public borrowing interest rates at low levels.

THE DEVELOPMENT BANK OF TURKEY IN THE SECTOR

THE AVERAGE TOTAL ASSET GROWTH FOR THE LAST FIVE YEARS, OF THE DEVELOPMENT BANK OF TURKEY WAS REALISED AS 30.2%.

The Turkish banking industry's total assets grew by 26.4% YoY in TL terms to reach TL 1,732 billion (US\$ 830 billion) by the end of 2013. The total assets of the subgroup of development and investment banks grew by 32.9%, exceeding the banking industry average, due to rising demand in investment loans in the post-crisis period.

With its total assets having grown by 23.9% to reach US\$ 1.7 billion in 2013, the Development Bank of Turkey notched up an average of 30.2% growth per year between 2009 and 2013. With this

result, the Bank demonstrated a better performance than the sector (18.9% growth) and the subgroup of development and investment banks (25.3% growth) on the basis of the growth in total assets.

The ratio of liquid assets in the banking industry's asset composition increased rapidly in 2009 (reaching 31.1%) due to the effects of the global crisis; the ratio of liquid assets began to decline as the impacts of the crisis eased and as banks demonstrated an increased preference for loans in their asset placement selection.

The ratio fell to as low as 18% in 2013. The loans/total assets ratio, which is an indicator of a bank's liquid function performance, has continued to rise in recent years. The loans/total assets ratio in the banking industry increased to 60.5% by the end of 2013 (2009: 47.1%) and 65.0% in the subgroup of development and investment banks (2009: 50.7%); at the Development Bank of Turkey, the loans/total assets ratio was realized at 77.6% at the end of 2013, well in excess of the sector average ratio and the average ratio in the subgroup of development and investment banks.

Having strongly increased its loan supply activities in recent years, the Development Bank of Turkey performs funding predominantly through foreign borrowing. In parallel with the rapid increase of foreign borrowing in its resource composition, the ratio of foreign resources to the Bank's total liabilities rose from 61.2% in 2009 to 83.0% in 2013. As the Bank's shareholders' equity/liabilities ratio declined as a result of the developments in its liabilities composition as described above, the Bank's

STRONG POSITION

THE RATIO OF FOREIGN RESOURCES WITHIN TOTAL LIABILITIES INCREASED TO 83% IN 2013.

83%

1.6%

**THE RETURN ON
ASSETS DECREASED
IN 2013.**

leverage and finance ratios have increased significantly.

The Turkish banking industry closed 2013 with a net profit of TL 24,733 million for the period, corresponding to an increase of 5.1% YoY. The primary factor underlying the increase in net

profit was the increase in net interest income. The increase in net interest income was, on the other hand, due to the decline in interest costs as a result of falling deposit costs and the relatively low cost of non-deposit resources. In addition, it was observed that the industry's net interest margin entered a downward trend in parallel with rising interest rates in the second half of the year.

In 2013, the return on assets of the Turkish banking industry fell to 1.6%, while in the subgroup of development and investment banks the return on assets declined to 1.9%, due to the sharp increase in assets. The Development Bank of Turkey's return on assets exhibited a

similar trend and declined to 1%. The Bank's year-end net profit for the period fell by 16% YoY to TL 36.6 million. The decline in the Bank's net profit for the period was primarily due to the narrowing FX margin, from a positive to a negative value.

The banking industry is expected to focus more on loan supply activities in 2014. On the other hand, the contraction in global liquidity caused by the Fed's strategy to exit its tight monetary policies would put pressure on foreign financing operations and lead to an increase in interest rates. These developments are expected to reduce the rate of growth in loan supply activities.

TURKISH BANKING INDUSTRY - DEVELOPMENT AND INVESTMENT BANKS - DEVELOPMENT BANK OF TURKEY[illegible]

REVIEW OF OPERATIONS IN 2013

IN 2013, THE DEVELOPMENT BANK OF TURKEY ALLOCATED TL 881 MILLION IN LOANS, SIGNED CREDIT CONTRACTS WORTH TL 429 MILLION AND EXTENDED TL 399 MILLION IN NEW LOANS.

SUPPORTING PRIVATE SECTOR INVESTMENTS WHICH ARE OF CONSIDERABLE IMPORTANCE IN TERMS OF THE DEVELOPMENT TARGETS AND THE SUSTAINABLE GROWTH OF THE TURKISH ECONOMY, THE DEVELOPMENT BANK OF TURKEY CONTINUES TO OFFER RESOURCES AND SPECIALIZED SERVICES WITH HIGH ADDED VALUE.

- Backed by its deeply rooted cooperation with international banks and financial institutions, the Development Bank of Turkey continued to offer mid- and long- term resources to a broad customer portfolio in 2013.
- Its mid- and long-term credit portfolio, that reached a size of TL 2,759 million by the end of 2013, is a basic indicator of the Bank's banking approach which is focused on sustainable development.
- As one of the most preferred service providers in project financing for companies that are leaders in their sectors, the Development Bank of Turkey has maintained this feature. The Bank received a total of TL 1,785 million in loan applications from 78 companies throughout the year.
- In 2013, the Development Bank of Turkey allocated TL 881 million in loans, signed credit contracts worth TL 429 million and extended TL 399 million in new loans.
- The Bank plays an active role in project financing in the areas of energy and energy efficiency, an area where the Bank identifies tremendous potential. In this context, the total number of renewable energy projects financed by the Development Bank of Turkey had reached 56 as of end-2013.



THE DEVELOPMENT BANK OF TURKEY RECORDED AN INCREASE OF 22.4% YOY IN ITS LOAN VOLUME AND A 23.9% YOY INCREASE IN ITS TOTAL ASSETS IN 2013.

The total loan volume of the Development Bank of Turkey rose from TL 2,254.4 million at the end of 2012 to TL 2,758.7 million by the end of 2013.

Accordingly, the Bank expanded its loan volume by 22.4% YoY in 2013. Because the loan volume growth rate was realised slightly under the total assets growth rate, the loans to total asset ratio which was 78.5% in 2012 fell to 77.6% in 2013.

The increase in loan volume was predominantly due to long-term resources provided by the Bank from foreign financial institutions. Thus, the "credits obtained" item climbed by 25.6% YoY from TL 2,101 million in December 2012 to TL 2,639.5 million in December 2013. The Bank's shareholders' equity grew by 5% YoY in 2013 to reach TL 604.1 million.



PROJECT FINANCE



CEB

**A NEW SOURCE OF
EURO 80 MILLION
TO BE EXTENDED TO
SME'S WAS PROVIDED
FROM CEB.**



The Bank's total assets rose by 23.9% YoY from TL 2,870.1 million to TL 3,556.1 million by the end of 2013.

The Bank's net profit for the period fell by 16% YoY to TL 36.6 million in December 2013. Despite the decline in net profit, the Bank's return on assets declined from 1.5% to 1% and its return on equity from 7.6% to 6.1%, due to the increase in total assets and shareholders' equity.

Having adopted a customer-oriented service approach, the Development Bank of Turkey offers loan supply services under competitive conditions and in a cost-efficient manner. Thanks to its strong relations, the Bank aims to continue providing long-term resources from international financial institutions and to extend an increasing volume of loans to companies in the periods to come.

THE APEX BANKING MODEL - DESIGNED TO ENHANCE THE COMPETITIVE STRENGTHS OF SMEs

Accounting for a significant proportion of the national economy, SMEs can only have a share of 23.5% in total loans provided by the Turkish banking industry, due to the difficult credit conditions and the insufficient range of financial instruments.

Offering its loan supply services to only joint-stock companies due to legal restrictions, the Development Bank of Turkey expands its services by reaching small scale companies through APEX banking projects.

Within the framework of this model, which aims to create employment in Turkey and bolster the competitive strengths of SMEs, the Bank develops projects while also providing resources to finance these projects. As of the end of 2012, the Bank reached more than 600 enterprises and had

transferred US\$ 224 million source to these enterprises.

Having provided US\$ 100 million in resources from the World Bank in late 2012, the Development Bank of Turkey had offered these resources to intermediary financial institutions for the financing of SMEs. The Bank later collected US\$ 30 million from the repayments of these SME loans and has now established contact with financial leasing companies to resupply this US\$ 30 million through the APEX method.

COUNCIL OF EUROPE DEVELOPMENT BANK (CEB)

The Bank completed its efforts to provide resources with an € 80 million limit from the Council of Europe Development Bank under the guarantee of the Undersecretariat of the Treasury. These resources will be offered by the Bank by means of the APEX method for the financing of SMEs. The loan agreement was signed by and between the parties on December 19th, 2013.

REVIEW OF OPERATIONS IN 2013

WITHIN THE SCOPE OF NEW RESOURCE PROCUREMENT EFFORTS...

In 2013, the Development Bank of Turkey continued to work in cooperation with international financial institutions to provide long-term and cost-efficient resources and ensure resource diversity.

The Development Bank of Turkey carried out efforts to provide new resources on one hand from the financial institutions that it is in touch with, and to establish new relations with other institutions. Detailed information regarding such resources provided from the Bank by foreign financial institutions is provided below.

WORLD BANK (WB) - FOR THE FINANCING OF RENEWABLE ENERGY AND ENERGY EFFICIENCY PROJECTS

In line with the agreement signed by and between the World Bank and the Bank on December 5th, 2011

under the guarantee of the Undersecretariat of Treasury for the financing of renewable energy and energy efficiency projects, the Bank received resources with a US\$ 135 million and € 114.3 million limit. These were in addition to the loans provided in 2009. In 2013, the Bank received US\$ 24.2 million for the financing of renewable energy projects and US\$ 13.8 million and € 5.8 million for the financing of energy efficiency projects, and offered all these resources to companies.

EUROPEAN INVESTMENT BANK (EIB) - FOR THE FINANCING OF SMEs' INVESTMENTS

EIB SME BI I Within the scope of the EIB SME MID-CAP Part A loan agreement with a € 75 million limit signed by and between the EIB and the Bank on July 4th, 2011 under the guarantee of the Undersecretariat of Treasury for the financing of SME

investments, the Bank drew € 50 million in resources in 2012 and € 25 million in 2013, and extended all of these resources to companies.

EIB SME BI II Within the scope of the EIB SME MID-CAP Part B loan agreement, with a € 75 million limit signed by and between the EIB and the Bank on May 9th, 2012 under the guarantee of the Undersecretariat of the Treasury for the financing of renewable energy and energy efficiency investments, the Bank drew € 23.8 million to be allocated to renewable energy projects and € 21.2 million to energy efficiency projects. With these, the total amount drawn by the Bank for renewable energy projects reached € 52.5 million and the amount for energy efficiency projects had reached € 22.5 million. All of the resources that were drawn were offered to customers.

EIB Sustainable Tourism and Energy A loan agreement with a € 100 million limit was signed by and between the EIB and the Bank on April 25th, 2013 for the financing of investments in the tourism sector and renewable energy and energy efficiency projects. The Bank drew € 10 million from this resource in 2013.

EURO **100** MILLION

**RENEWABLE
ENERGY**

**A LOAN WITH
THE THEME OF
SUSTAINABLE
TOURISM AND
ENERGY HAS BEEN
PROVIDED FROM EIB.**

IDB

**THE DEVELOPMENT
BANK OF TURKEY
HAS IMPROVED ITS
RELATIONSHIP WITH
IDB IN 2013.**



EIB SME III The Bank completed its efforts to procure a loan with a € 150 million limit in total from the EIB under the guarantee of the Undersecretariat of the Treasury for the financing of SME investments. The related agreement was signed by and between the parties on December 3rd, 2013.

ISLAMIC DEVELOPMENT BANK (IDB) – FOR THE FINANCING OF SMEs’ FIXED INVESTMENT PROJECTS

Within the scope of the agreement signed by and between the Islamic Development Bank and the Bank for the financing of the fixed investment projects of SMEs operating in the manufacturing industry, the Bank received US\$ 945,400 in resources in 2013. The entire resource, which amounted to US\$ 20.4 million, was drawn by the Bank by the end of 2013 and offered to companies.

ISLAMIC DEVELOPMENT BANK (IDB) – FOR RENEWABLE ENERGY AND ENERGY EFFICIENCY INVESTMENTS

Our Bank and the Undersecretariat of Treasury signed a loan agreement on December 30th, 2013 with respect to the use of resources, which were provided by IDB, in the financing of renewable energy and energy investments in Turkey. With this long-term resource amounting to US\$ 220 million, the Bank will support renewable energy and energy efficiency investments which aim to eliminate negative impacts on the environment, prevent climate change and reduce greenhouse gas emissions.

ISLAMIC DEVELOPMENT BANK (IDB) – FOR TREASURY OPERATIONS

Within the scope of the “Commodity Murabaha Loan Agreement” signed by and between the Islamic Development Bank and the Bank for treasury operations, the remainder of the loan – which offers short-term

financing – stood at US\$ 6 million at the end of 2013.

LOAN AGREEMENT SIGNED WITH JAPAN BANK FOR INTERNATIONAL COOPERATION (JBIC) FOR FINANCING OF ENERGY AND ENERGY EFFICIENCY PROJECTS

A loan agreement worth US\$ 100 million was signed by and between JBIC and the Bank on March 26th, 2013 under the guarantee of the Undersecretariat of the Treasury for the financing of renewable energy and energy efficiency projects. The Bank had received US\$ 19 million of this amount in 2013.

COOPERATION WITH GERMAN DEVELOPMENT BANK (KfW) FOR RENEWABLE ENERGY AND ENERGY EFFICIENCY INVESTMENTS

The Bank completed its efforts to receive a loan with a limit of € 47.9 million under the guarantee of the Undersecretariat of Treasury and signed the loan agreement on December 20th, 2013.

REVIEW OF OPERATIONS IN 2013

THE DEVELOPMENT BANK OF TURKEY HAD ALLOCATED LOANS TO 111 RENEWABLE ENERGY PROJECTS.

The loan will be offered for renewable energy and energy efficiency investments.

EFFORTS FOR SELP-II UNDERWAY

Within the scope of the projects conducted as part the partnership program conducted as part of Turkey's accession to membership of the European Union, efforts are under way for the transformation of the SELP-II (Small Enterprise Loan Program-II) fund - which the Bank is also a beneficiary of -

into a corporate structure and for our Bank to take part in the management and activities of this structure.

ATTACHING PRIORITY TO ENERGY EFFICIENCY AND DEVELOPMENT OF RENEWABLE ENERGY RESOURCES

The Development Bank of Turkey effectively carries out its operations in the energy sector, keeps a close view of the latest developments in the sector and designs and develops projects

in order to reach a broad investor mass.

Attaching importance and priority to supporting renewable energy resources, the Bank plays an active role in financing energy efficiency investments.

Within the scope of its marketing strategy that it designed by keeping its resource portfolio in mind, the Development Bank of Turkey will continue to provide an increasing volume of resources to energy and energy efficiency investments in the coming period, as it has in recent years.

TL **3.6** BILLION

THE DEVELOPMENT BANK OF TURKEY HAD ALLOCATED TL 3.6 BILLION RESOURCE TO RENEWABLE ENERGY PROJECTS.

REDUCTION OF EMISSION

2.9 MILLION TONS

REDUCED CARBON EMISSION DUE TO THE PROJECTS FINANCED BETWEEN 2004 AND 2013.



RENEWABLE ENERGY - PRIMARY INDICATORS

Total Amount of Allocated Loans	TL 3,600 million
Total Amount of Contractual Loans	TL 1,910 million
Total Amount of Loans Supplied to Corporations	TL 1,560 million
Total Capacity	1,586 MW
Number of Projects Evaluated	161
Number of Projects Financed	111
Plants That Became Operational as of December 31st, 2013:	42
33 Hydroelectric Power Plants	588 MW
1 Wind Farm	
2 Geothermal Power Plants	
3 Landfill Projects	
3 Energy Efficiency Projects	

CONTRIBUTING TO EFFORTS TO REDUCE CARBON EMISSIONS THROUGH ENERGY PROJECTS

Energy sector projects financed by the Development Bank of Turkey led to a reduction of 2,919,833 tonnes per year in carbon emissions between 2004 and 2013.

Projects financed by the Bank are expected to result in a reduction of 379,067 tonnes of carbon emissions during 2013.

RISK-INCOME ORIENTED TREASURY AND CAPITAL MARKET TRANSACTIONS

Within the economic framework mentioned above, the Development Bank of Turkey maintained a close view of developments in domestic and foreign capital and money markets.

Applying effective interest rate, exchange rate and liquidity risk management policies under a cautious risk-income calculation, the Development Bank of Turkey demonstrated a highly successful performance in the management of its TL and FX assets.

A MANAGEMENT STRATEGY FOR TL ASSETS

The Bank's TL assets, which comprise a significant share of the assets managed by the Treasury Department, were generally used as placements with banks and placements

REVIEW OF OPERATIONS IN 2013

with securities, principally Government Debt Securities.

As of December 31st, 2013, the share of TL placements and the share of the Bank's securities portfolio in total assets stood at 45.6%, while the share of FX assets was 18.9%. The Bank's total assets grew by 31.7% YoY in 2013. The main reason was that the Bank again began to borrow within the framework of open market operations, which the Bank had suspended during 2012 because of the divergence between the CBT's policy interest rate and market interest rates.

The tight monetary policy applied by the CBT raised interest rates in the TL interbank market, particularly in the second half of 2013. The Bank accordingly increased

its borrowing amount within the framework of open market operations in order to benefit from the arbitrage on interest rates.

A MANAGEMENT STRATEGY FOR FX ASSETS

The Bank's average FX assets (in US\$ and € terms), which had stood at US\$ 10.6 million until the end of the first half of 2013, climbed to US\$ 39.7 million in the second half. This change was a result of the increasing amount of Bank's FX transfers from the World Bank and the European Investment Bank, the satisfaction of investors' need for cash until the resource transfer was performed and the decline in short-term bridging loans, which were provided to ensure that investments are completed as soon as possible.

As of the end of 2013, the Bank's FX assets amounted to approximately US\$ 61.6 million (TL 128.6 million) and their share in total assets stood at around 18.9%.

The Bank's US\$ placements (worth US\$ 12.7 million) and € placements (worth € 10.7 million) were carried out at an average rate of 1.28% and 1.13%, respectively.

Differing from previous years, the Bank created its own Eurobond portfolio in 2013 within the framework of the management of its FX assets. As of the end of 2013, the size of the Bank's Eurobond portfolio stood at US\$ 1.1 million.

In 2013, the Bank generated TL 0.6 million in interest revenues from its liquid FX assets.

US\$ **61.6**
MILLION

**AT THE END OF YEAR,
THE BANK'S FX
ASSETS AMOUNTED
TO APPROXIMATELY
US\$ 61.6 MILLION.**

THE DEVELOPMENT BANK OF TURKEY MAINTAINED ITS EFFECTIVE INTEREST, FX AND LIQUIDITY MANAGEMENT WITH A CAUTIOUS RISK-INCOME POLICY IN 2013.



MANAGEMENT OF MUTUAL FUNDS

In 2013, the Development Bank of Turkey continued to offer its customers repurchase, reverse repurchase, mutual fund, and Treasury bond and bill trading services.

In 2013, the Bank collected TL 92,500 as portfolio management fees from the Securities Mutual Funds.

THE AMOUNTS AND THE BREAKDOWN OF ASSETS MANAGED BY THE DEVELOPMENT BANK OF TURKEY

TOTAL ASSETS (TL MILLION)

	31 December 2012	31 December 2013
FX Assets	39.6	128.6
TL Placements	356.8	310.8
Securities	117.0	239.0
Mutual Funds	3.9	3.2
Total	517.3	681.6

BREAKDOWN OF TOTAL ASSETS (%)

	31 December 2012	31 December 2013
FX Assets/Total Assets	7.6	18.9
Placements to the TL Money Market/Total Assets	69.0	45.6
Securities Portfolio/Total Assets	22.6	35.0
Mutual Funds Portfolio/Total Assets	0.8	0.5
Total	100.0	100.0

REVIEW OF OPERATIONS IN 2013

As of December 31st, 2013, the Bank's Type A Variable Mutual Fund yielded a -10.7% loss and the Type B Variable Mutual Fund yielded a 0.84% return. Liquidated on August 29th, 2013, the Type B Liquid Fund had yielded a 2.5% return as of the date of liquidation.

CARRYING OUT ACTIVITIES IN COOPERATION WITH THE İSTANBUL VENTURE CAPITAL INITIATIVE (İVCİ)

The İstanbul Venture Capital Initiative (İVCİ) Private Mutual Fund was founded as a Luxembourg Investment Company with a Variable Capital-Specialized Investment Fund in Luxembourg on November 8th, 2007.

Established with an initial capital of € 160 million, this fund has played a key role in the growth of the Turkish private sector and undertook its first investment in 2009. The fund provides financing to companies offering high growth potential.

The Development Bank of Turkey promised to inject a € 10 million subscription into the fund after signing the Subscription Agreement for "Class A" Shares in İstanbul Venture Capital Initiative - (Sub Fund A) on November 13th, 2007.

As part of its efforts to keep its promise of injecting a € 10 million subscription to the İstanbul Venture Capital Initiative, the total sum of payments carried out by the Bank reached € 4.7 million, including € 1.5 million paid in 2013.

At the end of 2013, the number of investments undertaken by the initiative had reached 9, while the total volume of investments promised had reached € 135 million.

At the end of 2012, a total of 7 investments had been undertaken by the initiative, while the total amount of investments promised stood at € 134.7 million.

İSTANBUL VENTURE CAPITAL INITIATIVE - İVCİ (EURO)

	CAPITAL	PAID-IN CAPITAL
Sub Fund A Capital	160,000,000	74,480,000
Development Bank of Turkey Share	10,000,000	4,655,000
Development Bank of Turkey Share Ratio	6.25%	6.25%

ivci

VENTURE CAPITAL

**THE NUMBER OF
PROJECTS REALISED
BY İVCİ HAD BEEN 9,
AS OF THE END
OF 2013.**

THE DEVELOPMENT BANK OF TURKEY MANAGES ITS SUBSIDIARIES PORTFOLIO ALONG WITH ITS MISSION OF SUPPORTING DEVELOPMENT AND SUSTAINABLE GROWTH.

SUBSIDIARIES CONTRIBUTING TO THE NATIONAL ECONOMY AND EMPLOYMENT

Within the framework of development banking, the Development Bank of Turkey fulfills its mission to support development and sustainable growth by supporting investments technologically or

on a regional or sectoral basis, and by paying attention to the policies and targets envisaged in Development Plans or Turkey's 2023 Programme.

In this context, in accordance with its policies, the Bank may:

- participate in the equity of new enterprises, which would unleash the potential strength to encourage other enterprises in underdeveloped regions, and contribute to the economy of the region and employment, while taking "social benefit-social cost" criteria into account; and/or
- support troubled enterprises in these regions by participating in their equity and also taking part in pioneering partnerships.

After the purpose of participation is achieved, the Bank offers its shares public in order to contribute to the development of capital markets and the expansion of the capital to public. If this is not possible, the Bank is engaged in selling its shares to entrepreneurs in the form of block sales.

On the other hand, as in previous years, the Bank continued to sell its shares in its current subsidiaries and deploy its existing preferential rights in the capital increases of these subsidiaries in line with its own benefits until its shares are sold.

In accordance with Item 49 of the Banking Law, the subsidiaries in which the Bank holds direct control of are Kalkınma Yatırım Menkul Değerler A.Ş. (KYMD A.Ş.) and Arıcak Turizm ve Ticaret A.Ş.

DOMESTIC SUBSIDIARIES OF THE DEVELOPMENT BANK OF TURKEY

NAME OF THE COMPANY	CAPITAL OF THE COMPANY (TL)	TOTAL PARTICIPATION OF THE BANK (TL)	PARTICIPATION RATE (%)
Arıcak A.Ş.	1,250,000	1,246,400	99.71
Kalkınma Menkul D.	5,000,000	4,999,930	100.00
Maksan	1,525,200	474,956	31.14
Takasbank	420,000,000	1,694,898	0.40
Teşebbüs Dest. Ajansı	30	6	20.00
Tür-San A.Ş.	5,000	892	17.84
Türk Suudi Holding	5,800,000	1,431,875	24.69
Yozgat Otelcilik	96,000	3,600	3.75
Temsan	160,000,000	1,459	0.00
Total	593,676,230	9,854,016	1.66

FOREIGN SUBSIDIARIES OF THE DEVELOPMENT BANK OF TURKEY

NAME OF ASSOCIATION	PLACE OF ESTABLISHMENT	PAID IN CAPITAL (EURO)	PARTICIPATION RATE (%)	TOTAL PARTICIPATION OF THE BANK (EURO)
Istanbul Venture Capital Initiative-iVCi	Luxembourg	74,480,000	6.25	4,655,000

REVIEW OF OPERATIONS IN 2013

THE DEVELOPMENT BANK OF TURKEY CONTINUED TO THE CLUSTERING SUPPORT PROJECT THROUGHOUT TURKEY IN 2013.

CLUSTERING ACTIVITIES CONTINUED AT FULL PACE IN 2013.

The Development Bank of Turkey undertakes efforts within the scope of the "Development Bank of Turkey's Clustering Support Project throughout Turkey", which aims to finance SMEs' investments that will contribute to the value chain of clusters in regions with potential clustering capacity in Turkey.

In 2013, the Bank continued to carry out efforts aimed at ensuring that clustering was used as an instrument of leverage in the context of development financing.

In 2013, the Bank performed a field study by visiting 30 clusters located in 13 cities,

which were determined in accordance with the results of statistical analyses.

The Bank also analyzed the export performances of cluster member SMEs. In field studies and in meetings and panels related to the clustering activities held nationwide, the Bank provided cluster managers and respective SMEs with information about the Bank's Apex banking activities and the clustering support project.

Activities carried out by the Bank within this framework are summarized below:

- The Bank participated as a speaker in the meeting held by the "Anatolian Clusters

Cooperation Platform" in the Konya Chamber of Industry. In this meeting, which concerned the "Sustainability of Clusters", the Bank provided information about clustering and the financial support that the Bank offers the cluster member SMEs.

- Under the coordination of the Ministry of Economy, the Bank participated in conferences with the theme, "Clustering on the Path Towards International Competitiveness" held by the Export Associations of the Southeastern Anatolia in Gaziantep and by the Trabzon Chamber of Trade and Industry in Trabzon, in order to provide information about the topics, "Place of Clustering in International Policies" and "Contributions of Clustering to Competitive Strengths". In the meetings, the Bank also provided presentations concerning its activities and clustering operations.
- The Bank completed its efforts within the framework of the "Project of Supporting Clusters by Financing Cluster Member SMEs". The report was first submitted to the Bank's senior management and forwarded to the Ministry of Economy, Ministry of Science, Industry and Technology and Ministry of Development, with the purpose of asking for their views.
- Various meetings were held at the Undersecretariat of the Ministry of Science, Industry and Technology and in the Export General Directorate under the Ministry of Economy, and

SUPPORT PROJECT

30
CLUSTERS

**IN 2013, IN 13 CITIES
30 CLUSTERS FIELD
STUDIES HAS BEEN
CARRIED OUT.**

1,322
PEOPLE

**1,322 PEOPLE
ATTENDED TRAINING
PROGRAMS IN 2013.**

in the SME and Clustering Support Presidency. In these meetings, activities carried out by the Bank within the framework of the "Project of Supporting Clusters by Financing Cluster Member SMEs" and possible opportunities for cooperation were discussed.

**ONE OF THE BEST BANKS
OF THE SECTOR WITH ITS IT
INFRASTRUCTURE**

By extensively deploying its information technologies to ensure continuity, efficiency and effectiveness in its operations, the Development Bank of Turkey continued its efforts to improve and develop its IT infrastructure in 2013.

Aiming to be among the best of the sector with its IT infrastructure and by using the latest and most appropriate technologies, the Bank also aims to increase its process efficiency, competitive strength, and the performance of its workforce by attaching importance to legal compliance, data security, business continuity and infrastructure development.

The Development Bank of Turkey will press ahead with

its IT and infrastructure investments in 2014 in order to ensure that all of its stakeholders are able to reliably access the right information in the shortest space of time and in the easiest manner possible.

**PROVIDING SYSTEMATIC
TRAINING PROGRAMS**

The fundamental principles of the Bank's personnel policy are defined in the Personnel Regulations.

In this framework, the Bank's workforce need is fulfilled by recruiting and placing individuals which possess the competencies and qualifications required by the relevant position, by applying appropriate assessment tools and methods in line with the vision and mission specific to the Bank's human resources.

The career steps, related conditions and promotions of the Bank personnel are also defined in the Personnel Regulations.

The Bank continues to provide training with the goal of achieving its future targets and raising the quality of its personnel. Moreover, the Bank attaches priority to the recruitment of competent and qualified specialists in order to carry its existing experience and knowledge to the future. In 2013, the Bank held a total of 23 seminars, 9 courses and 1 meeting and held various training programs, which a total of 1,322 people (cumulatively) attended. Moreover, the Bank provided 8 Project Preparation Trainings to other corporations. A total of 173 people participated in these training programs.

**THE DEVELOPMENT BANK
OF TURKEY CONSIDERS
ENVIRONMENTAL
AWARENESS AS ONE OF
THE MOST FUNDAMENTAL
ELEMENTS OF SUSTAINABLE
DEVELOPMENT.**

Considering environmental awareness as one of the most fundamental elements of sustainable development and financing renewable energy based projects, the Development Bank of Turkey was the first and only public bank to establish the Environmental Management System.

In 2013, the Bank maintained and increased its environmental awareness in its services and activities in line with the corporate responsibility of applying the Environmental Management System.

In 2013, the Bank maintained and increased its environmental awareness in its services and activities in line with the corporate responsibility of applying the Environmental Management System.

Responsible for the execution of the Environmental Management System at the Bank, the Environmental Management Committee has improved the functionality of the system by holding various meetings and carrying out other studies throughout the year.

In accordance with the Occupational Health and Safety Law no. 6331, which was enacted on January 1st, 2013, all system documents kept in the Bank's TS EN ISO 14001 Environmental Management System were revised in

REVIEW OF OPERATIONS IN 2013

THE DEVELOPMENT BANK OF TURKEY STARTED TO UTILISE ELECTRICITY GENERATED FROM RENEWABLE ENERGY SOURCES AS OF APRIL 1 ST, 2013 WITHIN THE SCOPE OF PROVIDING ELECTRICITY FROM CLEAN AND COST-EFFECTIVE ENERGY SOURCES.

accordance with the provisions set forth in the law and then put back into practice.

In line with the law, the environmental emergency concept was redefined; possible negative environmental risks arising in any emergency situation were determined; and procedures and teams were set up to minimize such negative environmental impacts and to compensate them at the maximum level possible.

As a result of the certificate renewal audit performed by the Turkish Standards Institution (TSE) on June 3rd-4th, 2013, the Environmental Management System Certificate of the Development Bank of Turkey was renewed with the decree of the TSE EMS Executive Committee on June 17th, 2013.

In December 2013, the Bank performed in-house auditing and evaluated the performance of the Environmental Management System.

DEVELOPMENT MEMORIAL FOREST

The Development Memorial Forest was created by the Ankara Provincial Directorate of Environment and Forestry in the district of Etimesgut in Ankara on behalf of the Bank. The number of trees in the forest was increased to 4,000 and their periodic maintenance was performed.

ENVIRONMENTAL SOCIAL RESPONSIBILITY

As the requirement arising from clause 4.2 related to social responsibility of the TSE-EN-ISO 14001 Standard, the Development Bank of Turkey continued its efforts to raise its stakeholders' environmental awareness. Some of the activities performed by the Bank in this context are summarized below.

- The Bank ensured that its personnel participate in various training programs, fairs and congresses concerning the issues such as the environment, energy, energy efficiency and waste technologies in 2013.
- In feasibility training programs offered to the

development agencies, the Bank provided information concerning the environment and environmental sustainability.

- A training program was provided for the authorities of the Development Bank of Ethiopia concerning the Environmental Management System of the Development Bank of Turkey in May 2013.
- The annual training program, aimed at raising environmental awareness was conducted by TEMA (The Turkish Foundation for Combating Soil Erosion, for Reforestation and the Protection of Natural Habitat) for the Bank's kindergarten pupils.
- The Bank supported the Turkish Parliament Speaker's Office Administration in line with its target of supporting the establishment of the Environmental Management Systems in other public institutions and agencies.

UTILIZATION OF ELECTRICITY GENERATED FROM RENEWABLE ENERGY SOURCES

Having adopted the principle of reducing its environmental impact and lowering the quantity of resources used in its services and activities, and to enhance its positive environmental impacts, the Development Bank of Turkey began to utilize renewable electricity on April 1st, 2013 in accordance with Item 19 of the Law no. 4734, in order to contribute to the efforts to use electricity generated from environmentally friendly and cost-efficient energy sources.

ACHIEVABLE TARGETS

TARGETS AND STRATEGIES OF THE DEVELOPMENT BANK OF TURKEY FOR 2014

With the purpose of ensuring economic, technological and socio-cultural development in a country and helping the reach a higher level of prosperity in line with the priorities of the public authorities, national development banks are financial institutions that undertake the necessary planning, carry out the related practices and provide the mid- and long-term financing required to achieve this purpose. They also provide support for investments that are strategically important for the country; play an active role in the assessment and management of investment projects, and offer technical assistance in creating a corporate capacity.

As a publicly owned development and investment bank, the Development Bank of Turkey carries out its operations, accordingly.

The fundamental purpose of the 10th 5-Year Development Plan is to place Turkey as a country which is among the group of high-income countries in the international value chain hierarchy, and which has eliminated poverty and improved income distribution. In order to reach these fundamental targets, Turkey will need to realize a transformation of its production structure by accelerating the capital accumulation and the industrialization process, increasing the level of efficiency in the factors of production, reducing the dependence of the Turkish economy on imports and raising its capacity for innovation.

By focusing on renewable energy and energy efficiency projects since 2005, the Bank has sought to move towards a target of meeting Turkey's energy needs through renewable energy resources. In the periods to come, within

the targets of the tenth five year development plan and 2014-2016 middle term programme, the Bank will concentrate on supporting innovative and industrial projects that aim to create a production structure with high added value. The Bank will also continue to support renewable energy and energy efficiency projects and projects aimed at high income groups in the tourism sector, by diversifying areas of tourism and ensuring a continuous flow of tourism revenues throughout the year.

By taking the aforementioned issues into account, the Bank, in line with Turkey's target of sustainable development, will continue to finance renewable energy and energy efficiency projects, as well as export- and employment-increasing investments, particularly in the manufacturing and tourism industries. The Bank will do so by offering high-quality services aimed at economic growth and by diversifying its existing products and services.

RESEARCH AND DEVELOPMENT ACTIVITIES

THE DEVELOPMENT BANK OF TURKEY PERFORMS RESEARCH AND DEVELOPMENT ACTIVITIES WITH HIGH ADDED VALUE UNDER A CUSTOMER-ORIENTED APPROACH.

THE BANK COMMANDS AND ADDS VALUE TO DEVELOPMENT WITH ITS EXPERIENCE AND CORPORATE COMPETENCIES, WHILE ALSO RAISING CUSTOMER SATISFACTION.

In addition to its basic function of allocating resources to feasible projects, the Development Bank of Turkey generates added value by:

- evaluating the economic and social contributions of these investments to Turkey's macroeconomic structure and
- providing technical support to investors/entrepreneurs.

In research units staffed exclusively with specialists, research activities are conducted not only for the benefit of the Bank's own operations but in the areas needed by the Turkish economy as well; all eligible studies are shared publicly through an electronic environment.

The Bank's primary research activities in 2013 were clustered in main categories as follows:

Regional Studies:

Conducted for the purpose of formulating the development strategies of a specific geographic region, evaluating strategic sectors and analyzing any possible investment ideas, regional studies were primarily focused on development agencies in 2013:

- "Feasibility Evaluation Analysis" (Economic Analysis and Evaluation) training (a total

of 8 programs: 2 programs on-site and 6 programs at the headquarters) provided to GEKA (Southern Aegean Development Agency) and IPEKYOLU (SILKROAD Development Agency) Development Agencies,

- "Analysis of Basic Macroeconomic Indicators" training (a total of 5 programs: 3 programs on-site and 2 programs at the headquarters) provided to the DOKA (EBSDA-Eastern Black Sea Development Agency), MERAM (Meram District Development Agency) and BEBKA (Bursa, Eskişehir and Bilecik Development Agency) Development Agencies,
- "Sectoral Performance Evaluation, Analysis of Regional Competitiveness and Determination of Potential Regional Investment Areas" training provided to the ORAN (Middle Anatolia Development Agency), TRAKYAKA (Thrace Development Agency) and MERAM Development Agencies,
- A presentation on "Economic Appraisal" was carried out in Addis Ababa in line with the technical cooperation protocol signed by and between the Development Bank of Ethiopia and the Development Bank of Turkey.
- The Bank prepared "Defense Industry Sectoral Research", "Food Industry Sectoral Research", "Energy Equipment Industry Sectoral Research",

"Medical Devices Industry Sectoral Research" and "Analysis of the Manufacturing Industry in the Province of Yozgat" studies for the ORAN Development Agency.

- The Bank prepared "Healthcare Technologies – Sectoral Research for the Manufacturing of Medical and Surgical Equipment and Orthopedic Devices" and "Analysis of Foreign Trade in the Province of Ankara" studies for the Ankara Development Agency.

The Bank also continued its efforts for the preparation of the following reports:

- "Feasibility Report on the Fish Feed Facility in Trabzon" and "Feasibility Report on the Kiwi Fruit Processing and Cold Storage Facility in Rize" for the DOKA (EBSDA-Eastern Black Sea Development Agency) and
- "Report on the Research of Feasible Investment Areas in the Province of Mersin" for the Çukurova Development Agency.

General Studies

These studies are conducted in subjects directly or indirectly related to the Bank's areas of business in order to contribute to the decision-making support processes. In this context, ESAM (Economic and Social Researches Center) prepared the following:

- "Presentations on the Development in Basic Macroeconomic Indicators" (revised once a month) and
- Reports with "Specific Indicators on the Monthly Developments in the Manufacturing Industry", including the manufacturing industry as a whole and its 24 sub-sectors
- Of these reports, which examine competitive conditions in the sectors as well as the events that set the economic agenda in Turkey and in the world. The ones that are not deemed confidential are shared with the public and posted on the Bank's website at www.kalkinma.com.tr.

CONSULTANCY AND TECHNICAL ASSISTANCE SERVICES

IN 2013, 17 CORPORATE CAPACITY TRAINING PROGRAMS AND 9 DIFFERENT SECTORAL-REGIONAL RESEARCH REPORTS AND FEASIBILITY STUDIES HAVE BEEN REALISED.

The Development Bank of Turkey provides tangible support to the efforts made by enterprises from different sectors during their development and growth.

In line with domestic and foreign demand, the Development Bank of Turkey offers advisory services in numerous areas for the following purposes:

- to ensure that corporations and enterprises develop projects and plans for the future,
- to increase their quality and efficiency,
- to ensure that they reach sound investment decisions, and
- to help them take the right steps in the technical, regulatory and planning phases.

Highlights from some of the activities provided by the Bank in 2013 under the scope of technical cooperation and advisory services are presented below:

TECHNICAL SUPPORT PROGRAM FOR DEVELOPMENT AGENCIES

The cooperation launched in 2010 by and between the Development Bank of Turkey and the Development Agencies has diversified and intensified since then.

Until the beginning of 2013, the Bank supported the development agencies – which are local actors operating at a regional level to improve regional competitive strengths, raise the capacity of regional economies and to support internal growth dynamics – by

collaborating with them in corporate capacity training programs, sectoral research studies and strategy reports, and in feasibility studies.

Beginning from 2013, in addition to these support activities, the Bank launched efforts with respect to the development of new financial instruments for entrepreneurs. The Bank is currently working on models with respective parties regarding this issue.

Within the scope of its cooperation with development agencies, the Bank conducted 17 corporate capacity training programs and 9 different sectoral-regional research reports and feasibility studies in 2013. A total of 353 agency personnel attended the training programs in 2013. Between 2011 and 2013, a total of 1,114 agency personnel attended the corporate capacity training programs held by the Development Bank of Turkey. During the same period, the Bank conducted 22 different studies within the scope of its cooperation with development agencies.

TECHNICAL COOPERATION

CONSULTANCY AND TECHNICAL ASSISTANCE SERVICES

WITHIN THE TECHNICAL COOPERATION WITH COMCEC, RELATED STUDIES FOR THE DEVELOPMENT BANK TO BE THE IMPLEMENTING AGENCY CONTINUES.

TECHNICAL COOPERATION WITH THE STANDING COMMITTEE FOR ECONOMIC AND COMMERCIAL COOPERATION OF THE ORGANIZATION OF THE ISLAMIC COOPERATION (COMCEC)

The Bank's Board of Directors has accepted the Memorandum of Understanding, which will be signed by and between COMCEC and the Bank. According to the memorandum, the Bank will be the implementing agency under the COMCEC Grant Programme, in which the Ministry of Development serves as the secretariat.

Details of the projects were shared at the COMCEC's

29th Meeting held in İstanbul on November 18th to 21st, 2013. Moreover, 30 projects from various countries were added to the shortlist upon the announcement made by COMCEC. After the Memorandum of Understanding, COMCEC and the Bank will also sign the operational contract for the project. The projects are planned to be launched in April 2014.

TECHNICAL COOPERATION WITH THE DEVELOPMENT BANK OF ETHIOPIA

In the course of the cooperation that has developed with the efforts of the Turkish Cooperation and Coordination

Agency (TIKA), a technical cooperation protocol was signed by and between the Development Bank of Turkey and the Development Bank of Ethiopia in April 2013. During the implementation phase, a total of 86 people from the Development Bank of Ethiopia participated in the program, while 26 people from this group visited Ankara to carry out a variety of studies in the Bank.

The closing meeting of this successfully conducted program was held in Addis Ababa in February 2014. During this meeting, a series of discussions and evaluations identified the need to gain deeper expertise in some specific areas for capacity increases and a decision was taken to expand the areas of cooperation between the two development banks in order to cover Turkish investors in Ethiopia.

DEVELOPMENT FUND OF MAURITANIA (CDD-CAISSE DES DÉPÔTS ET DE DÉVELOPPEMENT DE MAURITANIE)

Upon the request for technical assistance from Development Fund of Mauritania (CDD-Caisse des Dépôts et de Développement de Mauritanie) which was submitted by the Turkish Ministry of Foreign Affairs to the Bank, the Bank conducted a business visit to Nouakchott, the capital city of Mauritania, on October 4th - 9th, 2013 in order to conduct an assessment analysis under TIKA's coordination.

INTERNATIONAL COOPERATION

30 PROJECTS

30 PROJECTS FROM VARIOUS COUNTRIES WERE ADDED TO THE SHORTLIST BY COMCEC.

PROMOTIONAL AND SOCIAL ACTIVITIES

THE DEVELOPMENT BANK OF TURKEY UNWAVERINGLY CONTINUES TO ENCOURAGE VOLUNTARY PARTICIPATION IN SOCIAL RESPONSIBILITY INITIATIVES.

PROMOTIONAL ACTIVITIES

- 12 Bank employees participated in the 4th National Energy Efficiency Forum and Fair, which was held by Sektörel Fuarçılık in İstanbul on January 10th-11th, 2013.
- 3 Bank employees participated in the CeBIT 2013 International Information Technologies Fair, which was held by HANNOVER MESSE A.G. in Hannover, Germany on March 5th-10th, 2013.
- 9 Bank employees participated in the 6th SOLAREX Solar Technologies Fair, which was held by Ihlis Fuarçılık A.Ş. in İstanbul on April 11th-13th, 2013.
- The Ethiopian Delegation visited the Bank on April 15th-19th, June 30th-July 4th and November 3rd-8th, 2013.
- 8 Bank employees participated in the 19th ICCI International Energy and Environment Fair and Conference, which was held by Sektörel Fuarçılık in İstanbul on April 24th-26th, 2013.
- The Bank opened a booth at the 2nd ELEX International Electricity Conversion, Transmission and Distribution Fair held on September 26th-29th, 2013.
- The Bank opened a booth at the 2013 Energy Congress and Fair, which was held by EIF Fuarçılık on October 24th-25th, 2013.
- The Bank opened a booth at the RENSEF Renewable Energy Fair and Conference held on October 31st-November 3rd, 2013.
- Four employees of the Bank participated in the Travel Turkey Tourism Fair, which was held by Hannover Messe Fuarçılık A.Ş. in İzmir on December 5th-8th, 2013.
- In 2013, the 67th, 68th and 69th issues of the Bank's e-Magazine were published, while efforts are almost complete for the 70th issue.
- 3,000 new brochures were printed for the promotion of the Bank.

SOCIAL RESPONSIBILITY ACTIVITIES

Within the scope of the campaign, "Books for Schools", organized by the Development Bank of Turkey, a total of 5 packages of books and encyclopedias were collected from employees and sent to the Geçit Village Secondary School, in the Peyamlı district of the Şanlıurfa province. Moreover, the Bank sent 4 packages of books and toys to the Abdulkadir TUTASI Elementary School in Midyat, Mardin.

SPORTS-CULTURE-ART ACTIVITIES

- The Development Bank of Turkey 3rd Women's Bowling Tournament was organized in Ankara on February 16th, 2013 with the participation of 27 contestants.
- Four personnel of the Bank participated in the Athletics-Running category in the "Corporate Games", which were held on September 6th-8th, 2013 with the contributions of the İstanbul Metropolitan Municipality.
- A total of 3,098 people attended the culture-art activities (including concerts, opera performances, plays, Operetta) held in 2013.
- The "Turkish Classical Music" choir which was created with the contributions from employees of the Bank and music-lovers provided a concert in the Küçük Tiyatro (Small Theater) hall on June 1st, 2013. The Bank's senior management and 450 guests were present at the concert.

DECLARATION ON THE COMPLIANCE OF THE ANNUAL REPORT



The 2013 Annual Report of Türkiye Kalkınma Bankası A.Ş. (Development Bank of Turkey) was prepared in accordance with the "Regulation on the Principles and Procedures Concerning the Preparation of the Annual Report by Banks", which was issued by the Banking Regulation and Supervision Agency (BRSA).

AHMET YAMAN

CHAIRMAN OF THE BOARD OF
DIRECTORS (A.)

METİN PEHLİVAN

MEMBER OF THE BOARD OF
DIRECTORS AND GENERAL
MANAGER (A.)

İRFAN TOKGÖZ

CHAIRMAN OF THE AUDIT
COMMITTEE

ŞERİF ÇELENK

VICE CHAIRMAN OF THE
AUDIT COMMITTEE

DR. ZEKİ ÇİFTÇİ

MEMBER OF THE AUDIT
COMMITTEE

ADNAN YALÇINCI

EXECUTIVE VICE PRESIDENT
RESPONSIBLE FOR FINANCIAL
REPORTING

ESRA CEYLAN

BUDGET MANAGER

ANNUAL ACTIVITY REPORT COMPLIANCE OPINION



To the General Assembly of
Türkiye Kalkınma Bankası A.Ş.:

We have audited the accuracy and compliance of the financial information in the accompanying annual activity report of Türkiye Kalkınma Bankası A.Ş. prepared as of December 31, 2013 with the audited financial statements as of and for the same period then ended. The Board of Directors of the Bank is responsible for the annual activity report. As independent auditors, our responsibility is to express an opinion on the audited annual activity report based on the compliance of financial information provided in the annual activity report with the audited financial statements and explanatory notes.

Our audit was performed in accordance with the accounting standards and principles and procedures of preparing and issuing annual activity reports as set out by the Banking Act No: 5411. Those standards require that we plan and perform our audit to obtain reasonable assurance whether the annual activity report is free from material misstatement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial information provided in the accompanying annual activity report presents fairly, in all material respects, the financial information regarding the financial position of Türkiye Kalkınma Bankası A.Ş. as of December 31, 2013 in accordance with the prevailing accounting principles and standards set out as per the Article 40 of the Banking Act No: 5411. The financial information provided in the annual activity report is in compliance with the audited financial statements and explanatory notes, and also includes the summary management report and our audit opinion on these financial statements.

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

Partner
Erdem Taş
Ankara, March 3, 2014

BOARD OF DIRECTORS



AHMET YAMAN
CHAIRMAN OF THE BOARD OF DIRECTORS (A.)

Born in Ankara in 1966, Ahmet Yaman graduated from the Faculty of Architecture, Department of City and Regional Planning at the Middle East Technical University (METU) in 1987 and completed an MA from Cornell University in the United States. Beginning his professional career in 1988 as a Research Assistant again at the Department of City and Regional Planning at the Middle East Technical University, Mr. Yaman served as an Assistant Planning Specialist and Planning Specialist at the State Planning Organization (SPO) General Directorate of Social Sectors between 1989 and 2002, as a General Coordinator of SPO EU Education and Youth Programs Centre between 2002 and 2003 and as a General Manager at the General Directorate of Regional Development between 2004 and 2009. He has been the Deputy Undersecretary of the Ministry of Development (SPO) since 2009. Mr. Ahmet Yaman has been a member of the Bank's Board of Directors since May 2nd, 2008 and Acting Chairman of the Board of Directors since May 12th, 2008.



HAKAN TOKAÇ
MEMBER OF THE BOARD OF DIRECTORS

Born in Ankara in 1972, Mr. Hakan Tokaç graduated from the Faculty of Political Science, Department of Public Finance at Ankara University in 1994 and completed two MA degrees in the fields of finance and accounting from the University of Illinois in the United States in 2002. He began his professional career as a deputy police chief at the General Directorate of Security between 1994-1996. Mr. Tokaç served as an Assistant Specialist at the Undersecretariat of Customs General Directorate and of Customs from 1996 to 1997, as an Assistant Treasury Specialist and Treasury Specialist at the Undersecretariat of Treasury General Directorate of Public Finance from 1997 to 2004, as Budget and Finance Coordinator at the State Planning Organization EU Education and the Youth Programs Centre between 2004 and 2006 and as the manager of Strategy Development Department of the Undersecretariat of Treasury during 2006-2007. A member of the Board of Directors since 1 May 2007, he has been serving as a Deputy Assistant General Manager at the Undersecretariat of Treasury Foreign Economic Relations Department since September 2013. Mr Tokaç is fluent in English.



İRFAN TOKGÖZ
MEMBER OF THE BOARD OF DIRECTORS, CHAIRMAN OF THE AUDIT COMMITTEE

Born in Acıpayam-Denizli in 1970, Mr. İrfan Tokgöz graduated from the Faculty of Political Science, Department of Public Finance at Ankara University in 1992; he went on to complete an MA degree from the University of Illinois in the United States. Beginning his professional career as Aspirant District Governor at the Ministry of the Interior in 1994, Tokgöz served as an Assistant Treasury Controller at the Undersecretariat of Treasury in the Board of Treasury Controllers between 1995 and 1998 and as a chief Treasury Controller between 1998 and 2005. He was a Chief Treasury Controller between 2005 and 2008 at the same agency and was the Deputy General Manager of General Directorate of Foreign Investments at the Undersecretariat of Treasury from 2008 to 2011. He has been serving as the Chairman of the Board of Treasury Controllers at the Undersecretariat of Treasury since 2011. Mr. İrfan Tokgöz became a member of the Bank's Board of Directors on May 2nd, 2008 and he has been the Chairman of the Audit Committee since May 21st, 2008.



ŞERİF ÇELENK
MEMBER OF THE BOARD OF DIRECTORS, CHAIRMAN OF THE COMPENSATION COMMITTEE AND VICE CHAIRMAN OF THE AUDIT COMMITTEE

Born in Kilis in 1948, Mr. Şerif Çelenk graduated from the Faculty of Administrative Sciences, Department of Economics and Public Finance at Marmara University in 1973. Beginning his professional career at the Kilis Municipality in 1974, Mr. Çelenk served as an Inspector and Manager at Pamukbank between 1979 and 1989 and as a Manager at Emlak Bank between 1990 and 2001, and at Ziraat Bank from 2001 to 2004. He has been a member of the Bank's Board of Directors since March 2nd, 2009 and the Vice Chairman of the Audit Committee since January 27th, 2012. Mr. Çelenk became the Chairman of the Compensation Committee since June 28th, 2013.



METİN PEHLİVAN

MEMBER OF THE BOARD OF DIRECTORS AND GENERAL MANAGER (A.)

Born in Tosya-Kastamonu in 1969, Mr. Metin Pehlivan graduated from the Faculty of Political Sciences, Department of Business Administration at Ankara University in 1991. Beginning his professional career as an Assistant Inspector at İşbank in 1992, Mr. Pehlivan served as the Deputy Manager at the Department of Corporate Loans from 2000 to 2006, Group Head of Corporate Marketing between 2006 and 2007 and as the Manager at the İstanbul Karaköy Branch between 2007 and 2009. He has served as an Executive Vice President of the Bank since September 15th, 2009 and a member of the Board of Directors and Acting General Manager since March 15th, 2011. Mr. Pehlivan has been a member of the Management Committee of the Association of National Development Finance Institutions in Member Countries of the Islamic Development Bank (ADFIM) since 31 March 2012 and has also been the vice chairman of the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) since 3 December 2013.



PROF. DR. AHMET KESİK

MEMBER OF THE BOARD OF DIRECTORS AND VICE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE

Born in Karapınar-Konya in 1965, Prof. Ahmet Kesik graduated from the Faculty of Political Sciences, Department of Economics at Ankara University in 1986 and completed an MA degree from the Western Illinois University in USA, did a doctorate in the Faculty of Economics, Department of Public Finance at the İstanbul University (IU). He served as an associate professor in the area of finance at the Inter-university Committee and earned his professorship in the field of Financial Theory at the Faculty of Political Sciences, Department of Finance at Yıldırım Beyazıt University on March 22nd, 2013. Beginning on his professional career as a Budget Controller at the General Directorate of Budget and Financial Control under the Ministry of Finance in 1987, Mr. Kesik served as the Department Head from 1997 to 2002 and as the Assistant General Manager from 2002 to 2006 in the same unit, and as the President of the Strategy Development Department at the Ministry of Finance between 2006 and 2013. He has been the Deputy General Manager of the Management Services Department at the Ministry of Development since November 2nd, 2012. Mr. Kesik has been a Board member at the Bank since May 15th, 2012 and the Vice Chairman of the Corporate Governance Committee since May 18th, 2012.



ZEKİ ÇİFTÇİ, Ph.D.

MEMBER OF THE BOARD OF DIRECTORS, CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE AND MEMBER OF THE AUDIT COMMITTEE

Born in Çelikköy-Çanakkale in 1961, Zeki Çiftçi graduated from the Department of Electrical and Electronic Engineering at the Middle East Technical University in 1985. He completed his graduate degree in the same department and gained a Ph.D from the Department of Electronics Computer Education at Gazi University. Beginning his professional career as a Research Assistant in 1985 at the Department of Electrical and Electronic Engineering at the Middle East Technical University Assistant Specialist. He joined the Development Bank of Turkey in 1987, Çiftçi served as an Assistant Specialist, Specialist, Senior Specialist and Manager at the Development Bank of Turkey from 1987 to 2007 and as the Manager and Vice Chairman of the Information Technologies Department in the Grand National Assembly between 2007 and 2012. He has been working as an Assistant General Manager at the Turkish Radio and Television Corporation since 2012 where he has been appointed Board Member on 27 May 2013. Çiftçi has been a Board member at the Bank since May 15th, 2012 and a Member of the Audit Committee since May 18th, 2012. He also chairs the Corporate Governance Committee since 27 May 2013.

COMPOSITION AND OPERATION OF THE BOARD OF DIRECTORS OF THE DEVELOPMENT BANK OF TURKEY AND INFORMATION ON THE NUMBER OF MEETINGS AND RESOLUTIONS IN 2013:

The Board of Directors of the Development Bank of Turkey consists of seven members, six members elected in the AGM from among shareholders and the CEO. The Board of Directors serves for a term of three years. A member may be re-elected after the expiry of his or her term of office. The provisions of the Turkish Commercial Code apply in the event of vacancy in membership before the expiration of the term of office. The Bank's Charter Act No. 4456 and its Articles of Association stipulate that the Board of Directors convenes at least twice a month with a quorum consisting of the majority of its members. The Board of Directors holds at least 24 meetings each year. The Board of Directors holds the power to draft as many interim solutions as it requires. Interim resolutions require a unanimous vote. A majority of the members of the Board of Directors should be present in order to convene a meeting. In 2013, the Board of Directors convened 24 times and passed 247 resolutions, 28 of which were interim resolutions.

NOTES

* As set forth by our Bank's Charter Act No. 4456, Clause 12 (h) and our Bank's Articles of Association, Clause 10 (h), Executive Vice President Metin Pehlivan was appointed as Acting General Manager upon the approvals of the Respective Minister on March 15th, 2011, September 15th, 2011 and March 2nd, 2012.

* As required by Capital Markets Board communique IV:56, the Bank's Audit Committee members İrfan Tokgöz, Zeki Çiftçi, Ph.D. and Şerif Çelenk have also held seats as independent members of the Bank's Board of Directors since 22 February 2013.

DEPARTMENTS IN INTERNAL SYSTEMS*

FATİH ŞAHİN

HEAD OF INTERNAL AUDIT

Born in Adıyaman in 1978, Mr. Fatih Şahin graduated from the Faculty of Political Sciences, Department of Public Administration at Ankara University in 1998. He had completed his MA degree at the Institute of Informatics at Gazi University in the field of Informatics Systems. Beginning his professional career as an Assistant Tax Auditor at the Ministry of Finance in 1999, Mr. Şahin served as Assistant Inspector at the Ministry of Industry in 2000 and as an Inspector at Vakıf Bank between 2000 and 2012. He has been Head of the Internal Audit at the Bank since February 21st, 2012.

RAMAZAN KOYUNCUGİL

MANAGER OF INTERNAL CONTROL

Born in Seydişehir, Konya in 1961, Mr. Ramazan Koyuncugil graduated from the Faculty of Economics and Administrative Sciences, Department of Business Administration at Atatürk University in 1983. Beginning his professional career as an Assistant Specialist at Tourism Bank in 1983, Mr. Koyuncugil served as a Specialist from 1987 to 1995, as a Senior Specialist from 1995 to 1997, as a Manager between 1997 and 1998, as a Deputy Manager from 1998 to 2006 and as a Senior Specialist between 2006 and 2009. He has been Deputy Manager of Internal Control since October 13th, 2009 and Manager of Internal Control since March 15th, 2011.

SEMRA PEKKAYA, Ph.D

RISK MONITORING MANAGER

Born in Polatlı, Ankara in 1969. Semra Pekkkaya graduated from Ankara University (Faculty of Political Science, Department of Economics) in 1989 and received her master's degree (1997) and doctorate (2005) from Gazi University Department of Economics. Beginning her career as an assistant specialist at Türkiye Kalkınma Bankası in 1990, she worked in the Bank's Economic and Social Research, Resources and International Relations, and Investments Portfolio units as a Specialist. When the Bank's Risk Monitoring Department was set up in 2001, she became its first assistant manager, a position that she held until 2006 when she became manager. Dr. Pekkkaya served as manager of the TKB Treasury unit in 2011-2013. She has been Risk Monitoring Manager since 13 September 2013.

Note

(*) Özkan Erdal served as Risk Monitoring Manager between 15 March 2011 - 6 September 2013.

SENIOR MANAGEMENT

From left to right: Zekai İŞILDAR, Adnan YALÇINCI, Metin PEHLİVAN, İrfan YAŞAR, Bahattin SEKKİN



METİN PEHLİVAN MEMBER OF THE BOARD OF DIRECTORS AND GENERAL MANAGER (A.)

Born in Tosya-Kastamonu in 1969, Mr. Metin Pehlivan graduated from the Faculty of Political Sciences, Department of Business Administration at Ankara University in 1991. Beginning his professional career as an Assistant Inspector at İşbank in 1992, Mr. Pehlivan served as the Deputy Manager at the Department of Corporate Loans between 2000 and 2006, as the Group Head of Corporate Marketing between 2006 and 2007 and as the Manager of the İstanbul Karaköy Branch between 2007 and 2009. He has been serving as an Executive Vice President of the Bank since September 15th, 2009 and a member of the Board of Directors and Acting General Manager since March 15th, 2011. Mr. Metin Pehlivan is currently in charge of the Legal Affairs, Corporate Marketing, Commercial Marketing and Human Resources. Mr. Pehlivan has been a member of the Management Committee of the Association of National Development Finance Institutions in Member Countries of the Islamic Development Bank (ADFIMI) since 31 March 2012 and has also been the vice chairman of the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) since 3 December 2013.

BAHATTİN SEKKİN EXECUTIVE VICE PRESIDENT

Born in Üçkuyu-Afyonkarahisar in 1956, Mr. Bahattin Sekkin graduated from the Faculty of Economics and Administrative Sciences, Department of Business Administration at Middle East Technical University, in 1980. Beginning his professional career as an Assistant Specialist at the Bank in 1981, Mr. Sekkin served as a Specialist between 1985 and 1990, a Senior Specialist in 1990, Assistant Manager between 1990 and 1997, Executive Vice President in 1997, Advisor to the General

Manager between 1997 and 1998, Executive Vice President in 1998 and Advisor to the General Manager between 1999 and 2003. He was also employed as Executive Director at Betonsan A.Ş. between 1987 and 1988 and at Keban Holding Sodyum Bikromat A.Ş. in 1988 and as Executive Vice President at Turkish Saudi Investment Holding in 1993. Mr. Sekkin has been serving as an Executive Vice President at the Bank since August 22nd, 2003. Mr. Bahattin Sekkin is currently in charge of Technology Monitoring and Research, Economic and Social Researches, Corporate Banking and Investments, and Intelligence and Financial Analysis departments.

ADNAN YALÇINCI EXECUTIVE VICE PRESIDENT

Born in Ankara in 1965, Mr. Adnan Yalçinci graduated from the Faculty of Economics and Administrative Sciences, Department of Public Finance at Dokuz Eylül University in 1987 and completed an MA degree from the Institute of Social Sciences at Gazi University. Beginning his professional career at the Regional Directorate of Forestry in 1986, Mr. Yalçinci worked for Türkiye Halk Bankası in 1988 and 1989. He later served as Assistant Specialist and Specialist at the Training and Organization Directorate, Research and Development Department and Organization Department of Ziraat Bank between 1989 and 2001. He served as the Administrator of Mamak/Ankara Branch and the Manager of the 100. yıl/Ankara Branch of Ziraat Bank between 2001 and 2005. Mr. Adnan Yalçinci has been an Executive Vice President at the Bank since October 14th, 2005 and served as a member of the Board of Directors from 2008 to 2009. Mr. Yalçinci is currently in charge of the Loan Follow up and Collection, Financial Affairs and Budget departments.

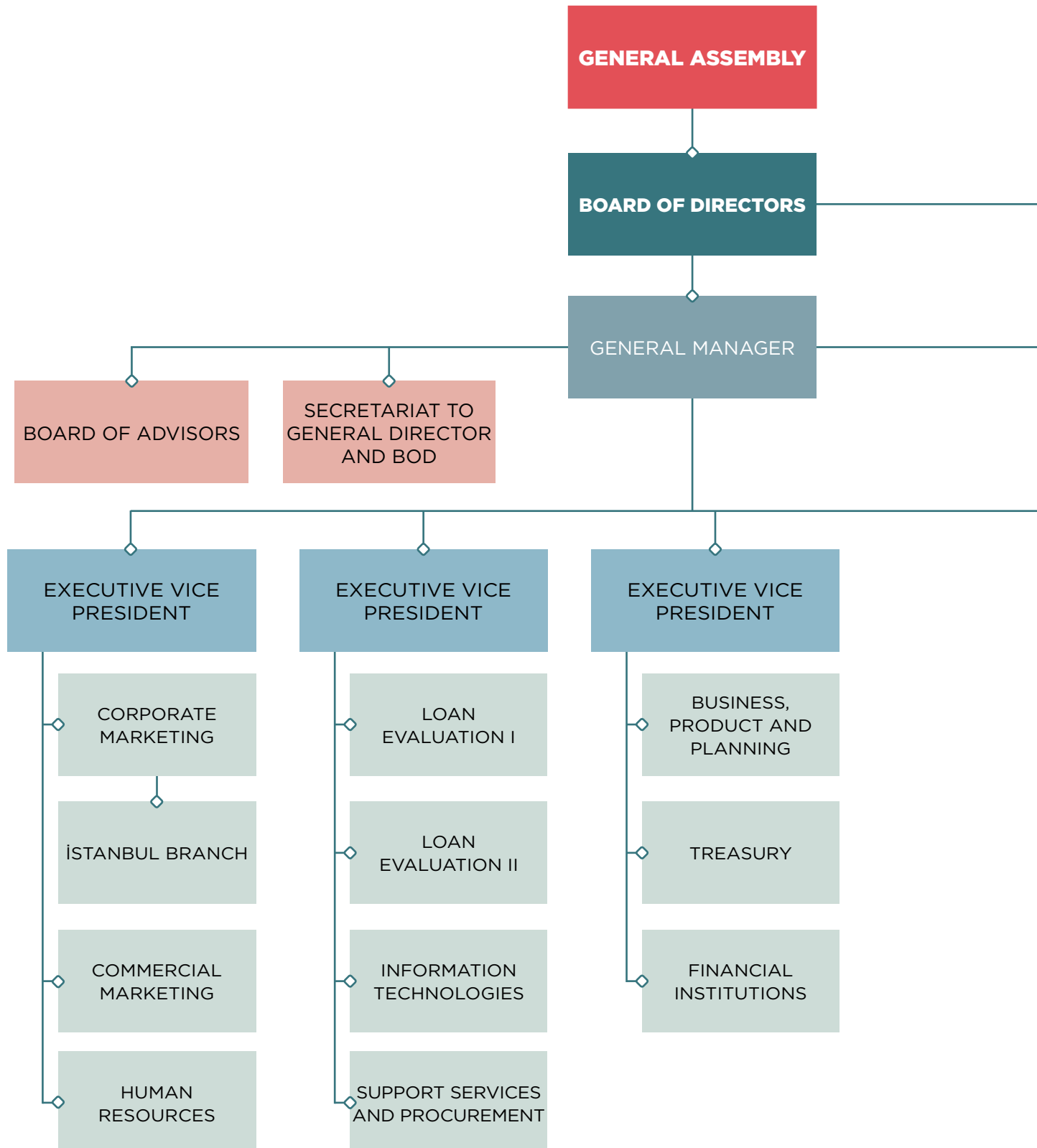
ZEKAI İŞILDAR EXECUTIVE VICE PRESIDENT

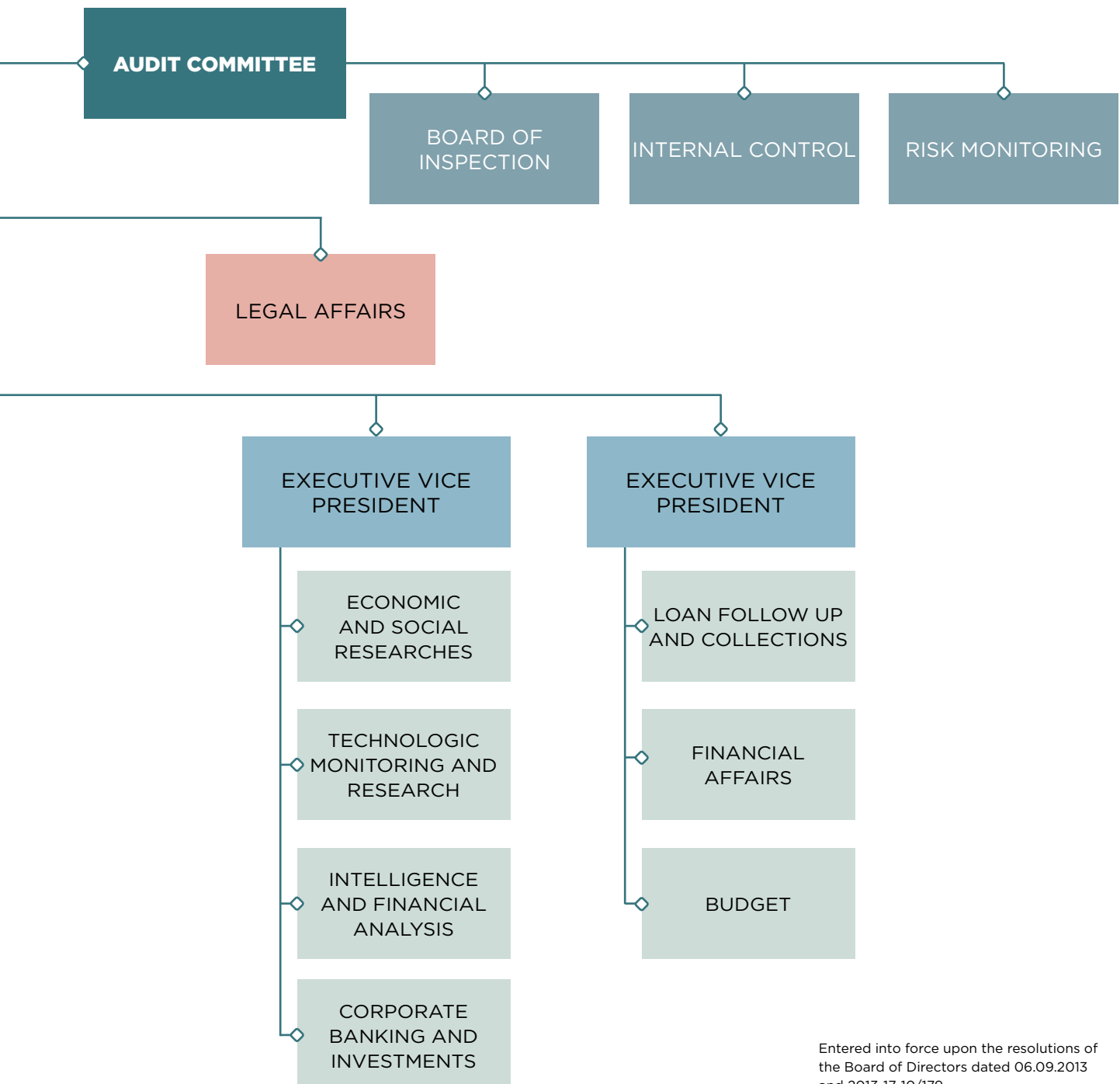
Born in Pınarbaşı-Kayseri in 1963, Mr. Zekai İşildar graduated from the Department of Mining Engineering at the Middle East Technical University in 1986. Beginning his professional career as an Assistant Specialist at the Bank in 1986, Mr. İşildar served as a Specialist, Senior Specialist and Manager. Afterwards, he was appointed an Acting Executive Vice President in 2007, and then an Executive Vice President in January 30th, 2009. Mr. Zekai İşildar has been also serving as a Board Member in various subsidiaries of the Bank. He is currently in charge of Loan Evaluation I, Loan Evaluation II, Support Services and Procurement and Information Technologies departments.

İRFAN YAŞAR EXECUTIVE VICE PRESIDENT

Born in Çubuk-Ankara in 1973, Mr. İrfan Yaşar graduated from the Faculty of Political Sciences, Department of Public Finance at Ankara University in 1997 and completed an MA from the University of Illinois in USA. Beginning his professional career as an Assistant Certified Bank Auditor on the Board of Certified Bank Auditors at the Undersecretariat of Treasury in 1998, Mr. Yaşar served as Assistant Certified Bank Auditor on the Board of Certified Bank Auditors at the Banking Regulation and Supervision Agency of Turkey (BRSA) between 2000 and 2002. He also served as Certified Bank Auditor from 2002 to 2008 and as Chief Certified Bank Auditor between 2008 and 2009. He has been an Executive Vice President of the Bank since December 16th, 2009. Mr. İrfan Yaşar is currently in charge of Business, Products and Planning, Financial Institutions and Treasury departments.

ORGANIZATION CHART





Entered into force upon the resolutions of the Board of Directors dated 06.09.2013 and 2013-17-10/179.

COMMITTEES

AUDIT COMMITTEE

The Audit Committee was formed following the Bank's Board of Directors' resolution no. 227 dated 31 October 2006 to execute audit/supervision activities of the Board of Directors and to perform certain internal systems functions in accordance with the provisions of the Regulation on the Bank's Internal Systems. The Audit Committee conducts its activities in accordance with the Audit Committee Operating Procedures and Principles that were approved by the Board of Directors' resolution no. 120 dated 13 June 2013.

The Audit Committee was formed in accordance with Board of Directors' decision number 277 and dated 31 October 2006. İrfan TOKGÖZ, Şerif ÇELENK and Zeki ÇİFTÇİ, Ph.D, who are members of Board of Directors, were selected as the Audit Committee members with decision number 100 and dated 27th May 2013. İrfan Tokgöz was selected as the President of the Audit Committee and Şerif Çelenk was selected as

the Deputy President of the Audit Committee by the Audit Committee's meeting on 29th May 2013.

Board of Inspection, Internal Control Department and Risk Monitoring Department, which are units of the internal systems, report directly to the Board of Directors; this reporting relationship is executed via the Audit Committee. The Audit Committee met 15 times during the reporting period passed 60 decisions to be submitted to the Bank's Board of Directors.

CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee was formed with the Bank's Board of Directors' resolution no. 185 dated 15 June 2007 in accordance with the Regulation on the Bank's Corporate Governance Principles issued by the Banking Regulation and Supervision Agency (BRSA) and published in the Official Gazette issue 26333 dated 1 November 2006, and with the Corporate Governance

Principles issued by the Capital Markets Board of Turkey (CMB). The Operating Procedures and Principles of the Corporate Governance Committee were put into effect by the Board of Directors' resolution no. 209 dated 24 July 2007; the operating procedures and principles of the said committee have been revised and transformed into the "Corporate Governance Committee Bylaws" by the Board of Directors resolution no. 283 dated 29 December 2011.

The function of the Committee is to work towards determining the principles of the Bank's corporate governance policy, to oversee compliance with corporate governance principles, carry out initiatives to make improvements in this respect and make recommendations to the Board of Directors. Zeki Çiftçi, Ph.D, who is a member of Board of Directors without executive duty, was selected as Corporate Governance Committee President, and Prof. Ahmet KESİK was selected as the Deputy President of Corporate Governance Committee on 27th May, 2013. The Corporate Banking and Investment Management act as the secretariat of Corporate Governance Committee and passed two decisions in 2013. Corporate Governance Committee is continuing to work toward improving the Bank's corporate governance practices.

MEMBERS OF THE AUDIT COMMITTEE AND THEIR PRIMARY FUNCTIONS

NAME	TITLE	PRIMARY FUNCTION
İrfan TOKGÖZ	Audit Committee Chairman	Undersecretariat of Treasury, Head of the Board of Treasury Controllers
Şerif ÇELENK	Audit Committee Vice Chairman	Banking Professional
Zeki ÇİFTÇİ, Ph.D	Member	Turkish Radio and Television Corporation, Assistant General Manager

MEMBERS OF THE CORPORATE GOVERNANCE COMMITTEE AND THEIR PRIMARY FUNCTIONS

NAME	TITLE	PRIMARY FUNCTION
Zeki ÇİFTÇİ, Ph.D	Corporate Governance Committee Chairman	Turkish Radio and Television Corporation, Assistant General Manager
Prof. Dr. Ahmet KESİK	Corporate Governance Committee Vice Chairman	Ministry of Development
Metin PEHLİVAN	Member	General Manager of Management Services (A.) Development Bank of Turkey, General Manager (A.)
Adnan YALÇINCI	Member	Development Bank of Turkey, Executive Vice President
İrfan YAŞAR	Member	Development Bank of Turkey, Executive Vice President
Zekai İŞILDAR	Member	Development Bank of Turkey, Executive Vice President
Bahattin SEKKİN	Member	Development Bank of Turkey, Executive Vice President
Hatice BAKIR	Member	Development Bank of Turkey, Human Resources Director
M. Serdar KABUKÇUOĞLU	Member	Development Bank of Turkey, Business, Product and Planning Director
Cem Cihangir ÜSTÜN	Member	Development Bank of Turkey, Information Technology Director
Aydın TOSUN	Member	Development Bank of Turkey, Financial Affairs Director
Metin ÇINAR	Member	Development Bank of Turkey, Corporate Banking and Investments Manager
Esra CEYLAN	Member	Development Bank of Turkey, Budget Manager
Hakan KILDOKUM	Member	Development Bank of Turkey, Capital Markets Legislation Compliance Officer, Corporate Banking and Investments Assistant Manager

(*) Hakan TOKAÇ, chaired the Committee between 20th May 2011 – 27th May 2013.

The TKB Board of Directors has decided that the duties of a nominating committee are to be carried out by the Bank's Corporate Governance Committee, as is allowed by Capital Markets Board communiques concerning the determination and application of corporate governance principles.

LOANS AND PARTICIPATIONS COMMITTEE

Loans-Participation Committee was set up to determine the principles governing the Bank's general lending and participation policy, plan the composition of the types of loans that are, or will be, part of the Bank's loan book, evaluate proposals put forth by related departments, oversee lending activities on a continuous basis

and facilitating the changes needed in accord with general economic policies.

The Loans and Participations Committee carries out its activities in accordance with the Loans and Participations Committee Bylaws as revised by the Board of Directors resolution no. 283 dated 29 December 2011.

COMMITTEES

The Committee is chaired by the General Manager and consists of the Bank's Executive Vice Presidents and managers

of related departments. Depending on the meeting agenda, other personnel may also be invited to the

Committee meetings. In 2013, the Committee met 26 times and passed 121 decisions to be submitted to the Bank's Board of Directors.

MEMBERS OF THE LOANS AND PARTICIPATIONS COMMITTEE AND THEIR PRIMARY FUNCTIONS

NAME	TITLE	PRIMARY FUNCTION
Metin PEHLİVAN	Chairman	General Manager (A.)
Zekai İŞILDAR	Vice Chairman	Executive Vice President
Bahattin SEKKİN	Member	Executive Vice President
Adnan YALÇINCI	Member	Executive Vice President
İrfan YAŞAR	Member	Executive Vice President
Related departments		Legal Affairs Loan Evaluation I Director Loan Evaluation II Director Loan Follow up and Collections Director Corporate Marketing Director Commercial Loans Marketing Director Intelligence and Financial Analysis Director

ASSETS AND LIABILITIES MANAGEMENT COMMITTEE

Assets and Liabilities Management Committee was set up to facilitate an effective and efficient management of the asset and liability items of the Bank's balance sheet. The Committee conducts its business in accordance with the Bank's vision, mission, strategic objectives and targets, risk management policies and strategies; it takes into consideration various factors including current or potential economic developments,

interest rates, maturity and currency.

Assets and Liabilities Management Committee was established by the Bank's Board of Directors resolution no. 213 dated 8 September 2008; the guidelines governing the operating procedures and principles of the committee were revised and was put in effect under the name "Assets and Liabilities Management Committee Bylaws" by the Board of Directors resolution no. 283 dated 29 December 2011.

The Committee is chaired by the General Manager and its members consist of Executive Vice Presidents. In the absence of the Chairman, the Executive Vice President of Financial Institutions Department chairs the meetings. Depending on the meeting agenda, the Chairman of the Committee may invite the related department directors or other personnel to attend the meetings. In 2013, the Committee met 19 times and passed 19 decisions to be submitted to the Bank's Board of Directors.

MEMBERS OF THE ASSETS AND LIABILITIES MANAGEMENT COMMITTEE AND THEIR PRIMARY FUNCTIONS

NAME	TITLE	PRIMARY FUNCTION
Metin PEHLİVAN	Chairman	General Manager (A.)
İrfan YAŞAR	Vice Chairman	Executive Vice President
Bahattin SEKKİN	Member	Executive Vice President
Adnan YALÇINCI	Member	Executive Vice President
Zekai İŞILDAR	Member	Executive Vice President

ENVIRONMENTAL MANAGEMENT COMMITTEE

As part of its Environmental Management Policy, Development Bank of Turkey aims to form, administer, improve, monitor and ensure corporate awareness about the Environmental Management System. To this end, the Environmental Management

Committee pursues its activities under the Functions, Authorities, Responsibilities and Operating Procedures and Principles of the Environmental Management Committee as revised by the Board of Directors resolution no. 144 dated 20 May 2011.

The Committee consists of a total of seven members appointed by the General Manager, one of whom is the representative selected from among executive vice presidents or managers and two are representative assistants elected from among other personnel. The Committee met 14 times in 2013.



MEMBERS OF THE ENVIRONMENTAL MANAGEMENT COMMITTEE AND THEIR PRIMARY FUNCTIONS

NAME	TITLE	PRIMARY FUNCTION
İbrahim SEVİN	Representative	Manager
Salih DEMİREL	Representative Assistant	Director
İlhan KALAYCI	Representative Assistant	Assistant Manager
İbrahim YILDIRIM	Member	Assistant Manager
Sema MOURGUES	Member	Senior Specialist
Caner Emre AKÇAY	Member	Specialist
Kurtay Kurtar ERBAŞ	Member	Senior Supervisor



INFORMATION TECHNOLOGY COMMITTEE

The Functions, Authorities and Operating Procedures and Principles of the Information Technology (IT) Committee was put in effect by the Development Bank of Turkey Board of Directors resolution no. 152 dated 30 June 2008; the guidelines governing the operating procedures and

principles of the committee were revised and enforced under the name "Information Technology Committee Bylaws" by the Board of Directors resolution no. 273 dated 8 December 2011. This resolution was passed for the purpose of overseeing the compliance of Information Technology systems, platforms and applications with the Bank's

main area of activity, business goals, related legislation and standards, to assess opportunities for cooperation and coordination in these matters and facilitate the implementation of corporate governance principles. In 2013, the Committee met four times and passed four decisions to be submitted to the Bank's Board of Directors.



MEMBERS OF THE INFORMATION TECHNOLOGY COMMITTEE AND THEIR PRIMARY FUNCTIONS

NAME	TITLE	PRIMARY FUNCTION
Metin PEHLİVAN	Chairman	General Manager (A.)
İrfan YAŞAR	Member	Executive Vice President
Adnan YALÇINCI	Member	Executive Vice President
Zekai İŞILDAR	Member	Executive Vice President
Bahattin SEKKİN	Member	Executive Vice President
Cem Cihangir ÜSTÜN	Member	Information Technology Director



COMMITTEES

COMPENSATION COMMITTEE

The BRSA's Regulation Amending the Regulation on the Banks' Corporate Governance Principles published in the Official Gazette issue 27959 dated 9 June 2011 obligates establishing a compensation policy that is aligned with the scope and structure of the Bank activities, its strategies, long-term goals and risk management structures, that prevents taking excessive risks, and that will contribute to effective risk management. The said

Regulation also requires a review of the compensation policy at least on an annual basis by the Board of Directors to ensure efficiency of the compensation policy; setting up a compensation committee made up of at least two members for the purpose of monitoring and overseeing compensation practices on behalf of the Board of Directors, which committee will be required to evaluate the compensation policy and implementations with respect to risk management and submit

its recommendations thereon in a report every year to the Board of Directors. Along the line, a Compensation Committee was formed with two non-executive Board members to evaluate the Bank's compensation policy and practices with respect to risk management and submit recommendations thereon to the Board of Directors by the Board of Directors resolution no. 272 dated 8 December 2011. In 2013, the Committee met two times and passed two decisions to be submitted to the Bank's Board of Directors.

MEMBERS OF THE COMPENSATION COMMITTEE AND THEIR PRIMARY FUNCTIONS

NAME	TITLE	PRIMARY FUNCTION
Şerif ÇELENK	Chairman	Banking Professional
Prof. Dr. Ahmet KESİK	Member	Ministry of Development General Manager of Management Services (A.)
Zeki ÇİFTÇİ, Ph.D	Member	Turkish Radio and Television Corporation, Assistant General Manager

(*) Ahmet YAMAN, chaired the Committee, and İrfan TOKGÖZ served as a member of the Committee between 8th December 2011 - 28th June 2013.

BUSINESS CONTINUITY MANAGEMENT COMMITTEE

In accordance with the Code of Banks Internal Systems, the Business Continuity Management Committee was formed in order to maintain and update the plans and procedures regarding business continuity policies. The Business Continuity Management Committee is

also responsible for taking measures, tracking the efficiency of projects and implementing the necessary measures related to these plans and projects.

The Business Continuity Management Committee undertakes its operations in accordance with the ratified decision no. 48 and dated 14th

March 2012 concerning the business continuity plan. The Committee meets to carry out its duty and responsibilities at least twice a year.

The Business Continuity Management Committee arranged two meetings in 2013, and passed three resolutions.

MEMBERS OF THE BUSINESS CONTINUITY MANAGEMENT COMMITTEE AND THEIR FUNDAMENTAL DUTIES

NAME	TITLE	PRIMARY FUNCTION
Metin PEHLİVAN	Chairman	General Manager (A.)
İrfan YAŞAR	Member	Executive Vice President
Adnan YALÇINCI	Member	Executive Vice President
Zekai İŞILDAR	Member	Executive Vice President
Bahattin SEKKİN	Member	Executive Vice President
Hatice BAKIR	Member	Human Resources Director
Abdulazim ÖZDEMİR	Member	Support Services and Procurement Director
Cem Cihangir ÜSTÜN	Member	Information Technology Director

EMERGENCY AND UNEXPECTED SITUATION PLAN AND SENIOR EMERGENCY AND UNEXPECTED SITUATION COMMITTEE

Having entered effect following decision no: 2013-16-01/162 by the Board of Directors, dated 17/08/2013, the Emergency and Unexpected Situation Plan and the Directive on the Senior Emergency and Unexpected Situation Committee were

prepared in accordance with the Banking Regulation and Supervision Agency's (BRSA) "Regulation on the Internal Systems of Banks", which was published in issue no: 28337 of the Official Gazette dated: 28/06/2012, and "Communiqué on Principles to be Considered in Information Systems Management in Banks", which was published in the Official Gazette dated: 14/09/2007, as well as paragraph "f" of

article "12" of the Law no. 4456 on the Establishment of the Development Bank of Turkey.

The Committee convenes at least twice a year, but more frequently if necessary, to fulfill its basic duties and responsibilities with respect to the Emergency Plan.

The committee convened twice and made two decisions in 2013.

MEMBERS OF THE SENIOR EMERGENCY AND UNEXPECTED SITUATION COMMITTEE AND THEIR FUNDAMENTAL DUTIES

NAME	TITLE	PRIMARY FUNCTION
Metin PEHLİVAN	Chairman	General Manager (A.)
İrfan YAŞAR	Member	Executive Vice President
Adnan YALÇINCI	Member	Executive Vice President
Zekai İŞILDAR	Member	Executive Vice President
Bahattin SEKKİN	Member	Executive Vice President
Osman KILIÇ	Member	Senior Legal Counselor
Abdulazim ÖZDEMİR	Member	Support Services and Procurement Director
Semra PEKKAYA, Ph.D	Member	Risk Monitoring Manager

PRINCIPLES OF THE BANK'S PERSONNEL POLICY

The principles of the Bank's personnel policy are defined in the Personnel Bylaws; in this framework, the workforce need is fulfilled by recruiting and placing the individuals possessing the competencies and qualifications required by the relevant position using the appropriate assessment tools and methods, in line with the vision and mission specific to human resources.

The recruitment and promotion of Inspectors and Assistant Inspectors is carried out in accordance with the "Audit Committee Code", while the recruitment and promotion of Specialist and Specialist Assistant is carried out in accordance with the "Specialist and Specialist Assistant Recruitment, Adequacy and Promotion Principles Code", while the recruitment and promotion of other employees is performed in accordance with the "Personnel Code".

Moreover, internships and skill training programs are offered to both university and vocational high school graduates. The Bank determines the career path and related issues of its personnel in accordance with Personnel Code and measures are carried out accordingly.

In order to achieve future goals and increase the quality of its personnel, the Bank offers training programs. Furthermore, in a bid to carry the current experience and knowledge to the future, priority is given employing adequate and high quality specialist personnel.

Since the Bank's personnel are working under a contract statute, the Labor Contract is signed on annual basis.

Employees have the opportunity to work at a higher level in accordance with their performance.

Employees are provided with the Bank's regulations, studies of the departments, updated announcements and supplementary resources in an efficient manner through our website and in-house intranet site.

Furthermore, certain efforts are undertaken in order to increase the effectiveness and efficiency of our Bank's operations.

The Bank aims to pursue and protect employee personal rights in accordance with the law and new policies.

The Bank aims to correctly apply the use of Right of Petition Law no. 3071 and the Right to Information Act no. 4982.

The assessment of several applications will be personal job carried out;

Informing the public regarding examinations prepared by the Bank through the press and the internet, and providing a written declaration of the result of the work carried out.

In addition to these, within the provisions of the Civil Servant Unions Law no.4688 and other related legislation, at the Corporate Management Council meetings, held with joint participation 4688.

There were 690 personnel at the end of 2012, of which 45 were working under a temporary contract. At the end of 2013, there were 654 personnel on the Bank's Payroll, of which 40 were working on temporary contracts.

The Bank has a branch office operating in İstanbul.

ACTIVITIES FOR WHICH SUPPORT SERVICES ARE RECEIVED

The services received by our Bank and within the scope of the Law no. 5188 and in accordance with the "Regulation Concerning the Outsourcing of Support Services by Banks and the Authorization of Organizations Providing Such Services" and the companies providing these services are presented below.

- Private security and guidance services - Pusat ve Kuzey Rüzgarı Güvenlik Adi Ortaklığı
- Server hosting services -Türk Telekom A.Ş.

CORPORATE GOVERNANCE COMPLIANCE REPORT

1. CORPORATE GOVERNANCE COMPLIANCE DECLARATION

The Development Bank of Turkey undertakes its operations in accordance with Law no. 4446 and other regulatory laws in this scope. The Bank undertakes the greatest care to comply with the obligatory principles of the Corporate Governance Code, issued by Capital Markets Board and maximum attention is paid for the issues that are not obligatory.

In this scope;

- A Corporate Governance Committee was formed and the Committee's operating procedures and principles were set out in the Corporate Governance Committee Regulation.
- Information Disclosure Policy, Profit Distribution Policy, Compensation Policy, and the List of Persons with Access to Inside Information were approved.
- The organization structure needed for the Shareholder Relations Department to execute its functions was put in place.
- The Bank strives to continually improve its website for its effective use in sharing information with investors and shareholders.

SECTION I - SHAREHOLDERS

2. SHAREHOLDER RELATIONS UNIT

On 2 March 2009, the Board of Directors resolved that the Bank's Corporate Banking and Investments Department shall carry out the functions of the "Shareholder Relations Unit", mandated by the Capital

Markets Board Communiqué Series IV, no. 41 on Principles to be complied with by Partnerships Governed by the Capital Markets Law and these duties are being carried out accordingly.

The contact information of the Shareholder Relations Unit managers is provided below:

Unit Manager:
Metin ÇINAR, Ph.D
Phone: +90 312 425 32 05 /
+90 312 418 3072
metin.cinar@kalkinma.com.tr
bankacilikyatirimlar@kalkinma.com.tr

Unit Assistant Manager:
Güldoğan HANCIOĞLU
Phone: +90 312 425 32 05 /
+90 312 418 30 72
guldogan.hancioglu@kalkinma.com.tr
bankacilikyatirimlar@kalkinma.com.tr

In 2013, 25 applications and information requests were processed and responded to.

3. EXERCISE OF SHAREHOLDERS' RIGHT TO OBTAIN INFORMATION

The Bank receives applications in writing from small shareholders requesting information on various topics. All of these were responded or referred to relevant units in writing or via electronic means as appropriate.

The Bank conducts ongoing efforts to improve the information disclosed on its web site. Announcements aiming to facilitate effective exercise of shareholder rights

are regularly posted on the website.

The Bank's Articles of Association do not recognize the appointment of a special auditor as an individual right. The Bank did not receive any requests for the appointment of a special auditor during the reporting period.

4. INFORMATION ABOUT GENERAL ASSEMBLY

The Extraordinary General Meeting (2013) called by the Development Bank of Turkey was held on March 29th, 2013 at 10:00 in the Bank's headquarters at the following address: "Necatibey Cad. No: 98, Kat: 7, Bakanlıklar/ ANKARA". The meeting invitation, including the agenda, was published, as prescribed in the Law and the articles of association, within the relevant timeframe, in the Turkish Trade Registry Gazette no: 8275 of March 11th, 2013, and in the Dünya and Star newspapers, both dated: March 9th, 2013. Upon review of the list of attendants, it was verified that out of 16,000,000,000 shares representing the company's share capital of TL 160,000,000.00, a total of 15,893,045,321.7 shares representing the company's share capital of TL 158,530,452.317 were represented at the meeting. The 2013 Annual General Meeting of the Development Bank of Turkey, covering the operations in 2012 was held on May 9th, 2013, under the supervision of the Ministry observer, at 10:00 at the Bank's headquarters at the

CORPORATE GOVERNANCE COMPLIANCE REPORT

following address: "Necatibey Cad. No: 98, Kat: 7, Bakanlıklar/ ANKARA". The meeting invitation including the agenda was published, as prescribed in the Law and the articles of association, within the relevant timeframe, in the Turkish Trade Registry Gazette no: 8303 of April 18th, 2013, and in the Dünya and Star daily newspapers, both dated: April 19th, 2013. Upon review of the list of attendants, it was verified that out of 16,000,000,000 shares representing the company's share capital of TL 160,000,000.00, a total of 15,853,072,096.7 shares representing the company's share capital of TL 158,530,720.967 were represented at the meeting.

In accordance with the related legislation; the Balance Sheet, Income Statement, Annual Report of the Board of Directors, Dividend Distribution Offer of the Board of Directors, Statutory Auditors' Report and the Independent Audit Report for the year were made available at the location of the meeting for the examination of the shareholders prior to the Ordinary General Assembly meeting.

The Annual General Meeting was held with the participation of members of the media and employees of the Bank.

In both the Annual General Meeting and the Extraordinary General Meeting, suggestions concerning the agenda were tabled by the representative of

the controlling shareholder, and were unanimously accepted.

Shareholders did not use their right to ask questions in either the Annual General Meeting or the Extraordinary General Meeting.

The minutes of General Assembly meetings can be reached on the Bank's website (www.kalkinma.com.tr).

5. VOTING RIGHTS AND MINORITY RIGHTS

The Bank's Articles of Association do not provide for privileges with respect to voting rights. The Bank's Charter Act and Articles of Association do not provide for the representation of minority shares in management or the cumulative voting system.

6. ENTITLEMENT TO DIVIDENDS

There are no privileges in participating in the Bank's profit.

Pursuant to the Bank's Charter Act and Articles of Association that is available at the Bank's website; "A first dividend is paid from the Bank's distributable profit, calculated by setting aside provisions for taxes and other legal obligations from the gross profit, in accordance with the provisions of the Turkish Commercial Code, Banking Law and other related legislation.

A portion of up to 5% of the profit remaining after the first dividend distribution as determined by the General Assembly, shall be set aside

as a bonus dividend for the employees to be distributed in accordance with the principles set by the Board of Directors, not to exceed three months of gross salary of employees. After other deductions and legal reserves stipulated by the Turkish Commercial Code and the General Assembly are also set aside, the remaining amount is distributed to the shareholders as second dividend by the General Assembly."

Accordingly, the Bank's Board of Directors presents its profit distribution proposal for the approval of the shareholders at the General Assembly.

The distribution of profit is made in accordance with the decision of the General Assembly and within the time frame stipulated by legislation.

Shareholders were informed about the Profit Distribution Policy. The latter, has been made public on the Bank's website.

7. TRANSFER OF SHARES

The Bank's Articles of Association do not contain any provisions restricting the transfer of shares.

SECTION II - PUBLIC DISCLOSURE AND TRANSPARENCY

8. INFORMATION DISCLOSURE POLICY OF THE COMPANY

The Bank's Information Disclosure Policy, was approved at the Extraordinary General Meeting on 9th May 2013 and

posted on the Bank's website. The Bank's Board of Directors is authorized for and charged with overseeing, supervising and improving the implementation of the Bank's Information Disclosure Policy.

Implementations of the Bank's Information Disclosure Policy are conducted under the supervision of the Corporate Governance Committee on behalf of the Board of Directors. The secretarial tasks of the Committee are carried out by the Corporate Banking and Investments Department, which also performs the functions of the Investor Relations Unit. Corporate Banking and Investments Department is in constant contact with other departments of the Bank in accordance with the Unit Information Disclosure Policy.

The Financial Affairs Department and the Budget Department are responsible for the announcement of annual and quarterly financial statements and their accompanying notes regarding the Bank's financial position as well as the annual reports.

9. COMPANY WEBSITE AND ITS CONTENT

The Bank's website (www.kalkinma.com.tr) contains the information regarding Corporate Governance Principles. Information may be accessed on the website in English as well.

10. ANNUAL REPORT

Banks' annual reports addresses all information requirements mentioned in Corporate Governance Principles.

SECTION III - STAKEHOLDERS

11. INFORMING THE STAKEHOLDERS

The Bank expends best effort in providing information to employees, creditors, clients and all interested parties. The Bank respects the principle of confidentiality by not disclosing the information it obtains due to its business relations to anybody other than the bodies laws and regulations allow.

The stakeholders and the media are informed verbally, directly in writing and through the electronic media as part of the Bank's Information Disclosure Policy practices. The Bank employs the following methods and tools to inform stakeholders:

- (a) Material Event Disclosures submitted to the Public Disclosure Platform
- (b) Financial Statements and their Accompanying notes, Independent Audit Reports and Declarations submitted to Borsa İstanbul and the CMB on a periodic basis
- (c) Annual and interim reports
- (d) Notices and announcements published in the Turkish Trade Registry Gazette and daily newspapers in certain circumstances (capital increase, General Assembly meetings, etc.)
- (e) The Bank's website www.kalkinma.com.tr

- (f) Press announcements made during the year via the print and visual media
- (g) Announcements made to data distribution institutions
- (h) Information requests received in writing or via electronic environment

In addition, the Bank conducts informational meetings for employees regarding the Bank's activities, objectives and goals.

12. STAKEHOLDERS' PARTICIPATION IN MANAGEMENT

There is no arrangement aimed at the participation of shareholders in the management.

13. HUMAN RESOURCES POLICY

The principles of the Bank's personnel policy are defined in the Personnel Regulation; in this framework, the workforce need is fulfilled by recruiting and placing the individuals possessing the competencies and qualifications required by the relevant position, employing appropriate assessment tools and methods, in line with the vision and mission specific to human resources.

The recruitments and promotions of Inspectors and Assistant Inspectors are conducted pursuant to the provisions of the Board of Inspection Regulation; the recruitments and promotions of Specialists and Assistant Specialists are conducted pursuant to the provisions of the Regulation on Recruitment, Proficiency and Promotion Principles for Specialists and

CORPORATE GOVERNANCE COMPLIANCE REPORT

Assistant Specialists; while promotion of other personnel is performed according to the provisions of the Personnel Bylaws.

Moreover, internships and skill training programs are offered to both university and vocational high school students.

The Bank determines the career paths of its personnel and related issues in accordance with Personnel Code and carries out the promotion of its personnel according to the plans that were determined in advance.

A total of 675 personnel were employed in different positions in the first half of 2013; this number had declined to 654 by the end of the year. In order to achieve the future goals of the Bank and increase the quality of its personnel, the Bank offers training programs. Furthermore, in a bid to carry the current experience and knowledge to the future, priority is given to employing qualified, high quality specialist personnel. Since the Bank's personnel are working under a contract statute, the Labor Contract is signed on an annual basis.

Employees have the opportunity for promotion in accordance with their performance and in line with their current positions after they are evaluated within the framework of specified performance evaluation criteria.

Employees are provided with access to the Bank's regulations, studies of the departments, updated announcements and supplementary resources in a rapid and efficient manner through our website and in-house intranet site.

Furthermore, efforts are undertaken aimed at increasing the effectiveness and efficiency of our Bank's operations: The Bank aims to pursue and protect employee personal rights in accordance with the law and new policies.

The Bank aims to correctly respond to any petitions submitted by personnel within the framework of the Use of Right of Petition Law no. 3071 and the Right to Information Act no. 4982.

The Bank performs the assessment of personal job applications.

The Bank informs the public regarding examinations prepared by the Bank through the press and the internet. The Bank provides a written declaration of the results of examinations through its website.

No complaint was received from any of the personnel with respect to discrimination.

In accordance with the provisions of the Civil Servant Unions Law no. 4688 and other related legislation, at the Corporate Management Council meetings held with joint participation of the Bank representatives and the representatives of the unionized employees, recommendations aimed at improving the social and personal rights of all employees and their working conditions are discussed and developed.

14. CODE OF ETHICS AND SOCIAL RESPONSIBILITY

An Ethics Commission was established within the Bank pursuant to article 29 titled "Ethics Commission" of the "Regulation on Codes of Ethical Conduct for Civil Servants and Application Procedures and Principles" published by the Office of the Prime Ministry in the Official Gazette issue no. 25785 dated 13 April 2005. It became effective on this date and with the approval of the Head Office, dated 22 April 2005 and numbered 1165. In accordance with article 23 of the same regulation with the title "Adhering to Ethical Conduct Principles" the "Ethics Contract" contained in the appendix of the regulation was signed by all Bank employees and placed in their personal files.

The Bank is a signatory to the Banking Ethics Principles that were declared by the Banks Association of Turkey on 26 July 2006.

As Turkey's development bank, Development Bank of Turkey is fully cognizant of the

importance of environmental awareness for achieving sustainable development. Being a state enterprise, the Bank assumes a socially responsible attitude in all of its activities and lending processes and attaches importance and priority to supporting renewable energy resources. Therefore, the Bank provides financing to renewable energy and energy efficiency projects, as well as industrial, tourism, healthcare and education sectors. To this end, Development Bank of Turkey participated in many fairs, congresses, conferences and workshops and closely monitored the developments in these areas; in addition, the Bank contributes to these platforms by sharing its experience and know-how via presentations and reports.

The Bank issued statements regarding energy and environmental issues on different platforms in an effort to raise awareness and accelerate development of the country in 2013, and provided training programs regarding the preparation of feasibility studies to Development Agencies. These training programs are especially focused on raising environmental awareness and increasing energy efficiency. In this context, the Bank undertakes the following within the scope of its marketing efforts:

- Requests documents required for environment concerning investments in all mid- and long-term loan applications submitted to the Bank by companies from

various sectors, especially tourism, industry and energy.

- Examines the ecological and environmental aspects in projects related to the energy, tourism and services sectors and also requests an Environmental Impact Assessment report, where necessary.
- Highlights issues concerning environmental management in the research reports that it issues.
- Has supported the Administration Organization of the Grand National Assembly of Turkey (TBMM) in order to facilitate the establishment of Environmental Management Systems in other public institutions and agencies.
- Having adopted the principle of reducing resource utilization and the negative environmental impacts resulting from its services and activities, the Development Bank of Turkey has been using Renewable Electricity since April 1st, 2013 in accordance with Article 19 of the Law no. 4734, which aims to utilize electricity which is generated from cheap and clean resources.
- The Bank keeps a close eye on the technological advancements, new products and services in Turkey and in the world, and continued to create a databank on the same, while keeping on with its technical assistance and consultancy offering.
- Energy sector projects financed by the Development Bank of Turkey resulted in a reduction of 2,919,833 tonnes in carbon emissions per year

between 2004 and 2013. In 2013, projects financed by the Bank are expected to lead to a total reduction of 379,067 tonnes in carbon emissions.

As an institution which finances sustainable development activities, the Development Bank of Turkey has aimed to apply the Environmental Management System and became the first public bank in Turkey to be awarded the related certificate from the Turkish Standards Institution (TSI) in 14th May, 2010. The Environmental Management System Certificate (ISO 14001) was approved and extended in 2013 following the relevant investigations conducted by the TSI, as it was in the previous years.

The Bank keeps a close eye on technological advancements, new products and services in Turkey and in the world, and continued to create a databank on such advancements while maintaining its technical assistance and consultancy services. Within the scope of training programs and its activities aimed at raising awareness, a training program was provided to the authorities of the Development Bank of Ethiopia concerning the Environmental Management System of the Development Bank of Turkey in May 2013. Moreover, in training sessions offered to the development agencies, the Bank provided information concerning its Environmental Management System.

CORPORATE GOVERNANCE COMPLIANCE REPORT

The Development Memorial Forest was set up by the Ankara Provincial Directorate of the Environment and Forestry in 2010 in the district of Etimesgut in Ankara on behalf of the Bank. The number of trees in the forest was increased to 4,000 and periodic maintenance was performed in 2013.

SECTION IV - BOARD OF DIRECTORS

15. THE STRUCTURE AND COMPOSITION OF THE BOARD OF DIRECTORS

The members of the Bank's Board of Directors are elected in accordance with the conditions stipulated by Turkish Commercial Code, Banking Law no. 5411 and the Bank's Charter Act no. 4456.

The Board of Directors is composed of seven members,

six members elected by the General Assembly from among shareholders plus the General Manager. The Board of Directors includes three independent members as a requirement stipulated by the Capital Markets Board's Notification related to the Determination of Corporate Governance Principles and their Implementation. There is no restriction for the Board members to be employed outside the Bank.

BOARD OF DIRECTORS (*)

NAME	TITLE	STARTING DATE OF CURRENT EMPLOYMENT	PLACE OF DUTY OUTSIDE THE BANK
Ahmet YAMAN	Chairman of the Board of Directors (A.) (Non-executive member)	2 May 2008	Deputy Undersecretary of Ministry of Development
Hakan TOKAÇ	Member of the Board of Directors (Non-executive member)	1 May 2007	Acting General Manager for Foreign Economic Relations in Undersecretariat of Treasury
İrfan TOKGÖZ	Member of the Board of Directors Audit Committee Chairman (Non-executive independent member)	2 May 2008 18 May 2012	Chairman of Treasury Controllers Board in Undersecretariat of Treasury
Şerif ÇELENK	Member of the Board of Directors Audit Committee Vice President Compensation Committee Member (Non-executive independent member)	2 March 2009 18 May 2012	Retired Banking Professional
Prof. Dr. Ahmet KESİK	Member of the Board of Directors Corporate Governance Committee Vice Chairman Compensation Committee Member (Non-executive member)	28 June 2013 15 May 2012 27 May 2013	Ministry of Development Management Services General Manager (A.)
Zeki ÇİFTÇİ, Ph.D	Member of the Board of Directors Audit Committee Member Corporate Governance Committee Member Compensation Committee Member (Non-executive independent member)	28 June 2013 15 May 2012 18 May 2012 27 May 2013	Turkish Radio and Television Corporation Board Member and Assistant General Manager
Metin PEHLİVAN	Member of the Board of Directors General Manager (A.) (Executive member)	28 June 2013 15 March 2011	

(*) In accordance with the decision taken in the General Assembly held on 9th May 2013, Hakan TOKAÇ was re-elected.

A biography of Board of Directors is included in the Board of Directors section in the annual reports.

16. WORKING PRINCIPLES OF THE BOARD OF DIRECTORS

It is stated that the Board of Directors shall arrange at least two meetings per month and 24 meetings per year with an electoral quorum, and decisions will be taken with a unanimity of votes without abstention vote; in the event of a split votes, the chairman's vote will count as two votes in accordance with Law no. 4456, under the Main Contract. The decisions reached in the meetings are recorded in the minute book in accordance with legislation, any and dissenting votes are recorded in the minute book, along with their justification. No member of the Board of Directors has the right to veto.

The Private Secretariat and Board of Directors Office is responsible for the information and communication of the Chairman and members of Board of Directors. While the agenda of the meeting is determined by the Chairman

and the General Manager, the date is determined by the Chairman.

Board of Directors of the Bank met a total of 24 times in 2013 and has taken 247 decisions, 28 of which are interim decisions.

17. NUMBER, STRUCTURE AND INDEPENDENCE OF COMMITTEES ESTABLISHED BY THE BOARD OF DIRECTORS

Members of the Bank's board of directors serve on more than one committee, in view of the obligation of independent members to be present in committees, the number of members on the Board and the duties of Board members outside the Bank.

AUDIT COMMITTEE

An Audit Committee was formed within the Board of Directors pursuant to article 24 of the Banking Law no. 5411 and Regulation on the Banks' Internal Systems, with the Bank's Board of Directors' resolution no. 227 dated 31 October 2006 in order to assist the Board of Directors in conducting its audit and oversight activities.

The Board of Directors assigned İrfan TOKGÖZ as Chairman, Şerif ÇELENK, Vice Chairman and Zeki ÇİFTÇİ, Ph.D, Member of the Audit Committee on 27th May 2013.

The Audit Committee conducts its activities in accordance with the Audit Committee Operating Procedures and Principles that were approved by the Board of Directors' resolution no. 36 dated 24 January 2007.

The secretarial tasks of the Committee are carried out by the Private Secretariat and Board of Directors' Office.

The Committee met 15 times and passed 60 decisions in 2013.



Chairman	İrfan TOKGÖZ (Non-executive, independent Board of Directors Member)
Vice Chairman	Şerif ÇELENK (Non-executive, independent Board of Directors Member)
Member	Zeki ÇİFTÇİ, Ph.D (Non-executive, independent Board of Directors Member)



CORPORATE GOVERNANCE COMPLIANCE REPORT

CORPORATE GOVERNANCE COMMITTEE (*)

Corporate Governance Committee was formed with the Bank's Board of Directors' resolution no. 185 dated 15 June 2007 in accordance with the "Regulation on the Bank's Corporate Governance Principles" issued by the Banking Regulation and Supervision Agency and published in the Official Gazette no. 26333 dated 1 November 2006 and the "Corporate Governance Principles" issued by the Capital Markets Board, to conduct studies for determining principles of the Bank's corporate governance policy, to oversee compliance with Corporate Governance Principles, to

carry out initiatives to make improvements in this respect and to make recommendations to the Board of Directors. The Operating Procedures and Principles of the Corporate Governance Committee Bylaws were put in effect by the Board of Directors resolution no. 209 dated 24 July 2007 and then transformed into the Corporate Governance Committee Bylaws by the Board of Directors decision no. 283 dated 29 December 2011; the Committee conducts its activities within this framework.

At the Board of Directors meeting of 27 May 2013, Zeki ÇİFTÇİ, Ph.D, a non-executive independent member of the Board of Directors was

elected as the Chairman of the Corporate Governance Committee and Prof. Dr. Ahmet KESİK, also a non-executive member of the Board of Directors, was elected as the Vice Chairman of the Committee.

The secretarial tasks of the Corporate Governance Committee are performed by the Corporate Banking and Investments Department. The Corporate Governance Committee met two times during 2013. Corporate Governance Committee is continuing to work toward improving the Bank's corporate governance practices.

Chairman:	Zeki ÇİFTÇİ, Ph.D (Non-executive, Board of Directors Member)
Vice Chairman:	Prof. Dr. Ahmet KESİK (Non-executive, Board of Directors Member)
Members:	Executive Vice Presidents managing the departments participating in the committee. Human Resources Director Financial Affairs Director Business, Product and Planning Director Corporate Banking and Investments Manager Budget Manager Information Technology Director Capital Markets Legislation Compliance Officer (pursuant to the Capital Markets Board Communiqué Serial: IV No: 41)

(*) Hakan TOKAÇ served as the Chairman of the Corporate Governance Committee between May 20th, 2011 and May 27th, 2013.

Furthermore, the Bank's board of directors decided that the duties of the Candidate Nomination Committee shall be performed by the Corporate Governance Committee. The decision was reached within

the framework of the Capital Markets Board's "Communiqué on the Determination and Implementation of Corporate Governance Principles".

COMPENSATION COMMITTEE

The BRSA's Regulation Amending the Regulation on the Banks' Corporate Governance Principles published in the Official Gazette issue 27959 dated 9

June 2011 obligates establishing a compensation policy that is aligned with the scope and structure of the Bank activities, its strategies, long-term goals and risk management structures, that prevents taking excessive risks, and that will contribute to effective risk management. Moreover, the Board of Directors is responsible for revising these policies, establishing a pricing committee which is responsible

for assessing pricing policies, creating recommendations in this area and preparing a report to the Board of Directors.

In this regard, Compensation Committee was formed with the Bank's Board of Directors' resolution no. 272 dated 8 December 2011 in order to evaluate, within the framework of risk management activities, the compensation policy and related applications, and to

present recommendations to the Board of Directors.

In the meeting of the Board of Directors held on June 28th, 2013, Mr. Şerif ÇELENK (board member) was appointed as the Chairman of the Compensation Committee, with Zeki ÇİFTÇİ, Ph.D, and Prof. Dr. Ahmet KESİK (board members) as members of the same committee.



Chairman:	Şerif ÇELENK (Non-executive, independent Board of Directors Member)
Member:	Prof. Dr. Ahmet KESİK (Non-executive Board of Directors Member)
Member:	Zeki ÇİFTÇİ, Ph.D (Non-executive, independent Board of Directors Member)



18. RISK MANAGEMENT AND THE INTERNAL CONTROL MECHANISM

Internal control, internal audit and risk management activities are conducted in accordance with the BRSA's "Code of Banks Internal Systems", which was declared on 28th June 2012.

The Audit Committee, which is formed of three members of Board of Directors without executive duty, is responsible for maintaining the efficiency and adequacy of internal systems, the completeness of information provided from the auditing and reporting systems, the pre-evaluation of ratings,

assessment and support services, the regular tracking of these agencies' activities, maintaining the subsidiaries' internal auditing activities and the consolidation of the process. The Audit Committee reports the activities and results of these activities carried out by The Board of Inspection, the Internal Control Management and Risk Monitoring Management to the Board of Directors every six months.

The Board of Inspection continues its annual auditing activities in line with the internal audit plans confirmed by Board of Directors. The

Board of Inspection Presidency also reports the operational results to Board of Directors through the Audit Committee every three months.

The Internal Control Management prepares a monthly report of the results of its operations which is submitted to the Audit Committee, the General Manager and the Board of Inspection.

Risk Monitoring Management prepares daily, weekly and monthly reports on the risk that the Bank has been exposed to and related analysis, along with

CORPORATE GOVERNANCE COMPLIANCE REPORT

an analysis of the potential risk that the Bank is likely to face. Quantitative risks arising from banking operations and the realized figures, in line with the Board of Directors' confirmed limitations, are reported in a monthly "Report of Monitoring Risk Limits" publication. These reports are submitted to the Audit Committee, the Board of Directors, Active-Passive Management, Senior Management and other related units. As such, executive, managing and auditing mechanisms are informed of the risks.

Risk Monitoring Management, in the scope of legal reporting, undertakes capital adequacy ratio calculations in accordance with Basel II criteria and conveys these to the BRSA. Furthermore, in the scope of legal reporting, the Interest Rate Standard Ratio Arising from Banking Accounts is calculated and reported to the BRSA.

The general principle of the Bank's risk policies are specialization in the areas determined by Foundation Legislation in accordance with the Bank's vision, mission and structure, taking the risk that can be defined, controlled and/or managed, and avoiding other risks that do not stem from their own operations. In this scope, the risks to be taken should be defined and controllable. Additionally, the Bank undertakes efforts to measure the current and potential effects of the risks exposed, to the extent permitted by risk measurement and reporting methods adopted.

The risk management is carried out under different committees determined by their operational areas. While the Active-Passive Management Committee determines the general policies concerning the Bank's current assets and foreign exchange exposure, the Credit Participation Committee determines the relevant credit risk policies.

19. THE COMPANY'S STRATEGIC POSITION

Law No. 4456 regulating the establishment of the Bank defines the objectives and scope of the Bank as follows: "With the aim of promoting Turkey's development, to grant loans to enterprises incorporated as joint stock companies, to provide them with financial and operational support by participating in them, to channel both domestic and foreign savings into investments bearing the potential to provide a contribution to the development of the country, to contribute to the development of the capital markets, to finance domestic, foreign and international joint investments, and to carry out all functions of development and investment banking."

The Bank's mission and vision adopted by the Board of Directors' decision no. 211 and dated 8th September 2008 are set out on the Bank's website.

The strategic targets of the Bank are approved by the Board of Directors and the annual budget and business plan is prepared in accordance with these targets. The strategic targets, in compliance with the strategic objectives of the Bank, are set out in the form of sub-objectives of each objective. Strategic targets are determined by taking into consideration the satisfactory, common, logical, outstanding, attainable and numerical qualities and with maximum participation.

The Bank's activities are arranged, in the form of tables, on the basis of the rate of attainment of the objectives and the past performances. These monthly reports, are submitted for the consideration of the Board of Directors. The annual reports, work programs and the budget are submitted to the Board of Directors for the approval. In addition, performance reports are prepared every six months.

20. FINANCIAL RIGHTS

The remuneration of members of the Board of Directors is determined by the General Assembly; with there is no additional compensation provided. Payments and benefits offered to the members of Board of Directors and senior managers, as well as the criteria for determining such remuneration, are presented to the public through KAP (Public Disclosure Platform) and our Company's official website (in the "Financial Reports" section under "Financial Information"), within the scope of the independent audit report issued every three months.

Personnel credits are made available to members of the Board of Directors in accordance with the rules applicable for the Bank's personnel as prescribed by the Personnel Loan Regulation. There is no credit, debt record or bail concerning any board member or post- holder whether directly or through a third party, other than the credits stated above.

According to Establishment Law no.4456, item 15, the pay and other financial and social benefits of Bank personnel are determined by decisions taken by the Council of Ministers after proposals are put forward by the General Manager, and confirmation by the Board of Directors and State Personnel Presidency. In addition, the Bank personnel were paid a bonus equivalent to one month's salary in January, April, July and October, in line with working days. However, the monthly average sum of the salary which is an average of all the payments done under the name of salary, social benefits, pay rises, amends, subventions and others (including the portion of the bonus corresponding to one month, excluding Board of Directors membership compensation) cannot exceed the upper limit determined by the Higher Planning Council.

SUMMARY OF BOARD OF DIRECTORS REPORT

As the only publicly owned development bank in Turkey, the Development Bank of Turkey supported private sector investments throughout 2013 by allocating long-term resources and successfully offered consultancy services based on its 38 years of knowledge and experience.

The total assets of the Development Bank of Turkey grew by 24% YoY to reach TL 3,556.1 million as of the end of 2013. The Development Bank of Turkey continued to support the real economy by providing loans throughout 2013. The loan volume of the Development Bank of Turkey increased by 22% YoY to TL 2,758.7 million by the end of 2013.

The Bank's loans/total assets ratio had reached 77.6% by the end of 2013. This compares with the 60.5% ratio for the entire banking industry and 65% for the subgroup of development and investment banks at the end of 2013. The Development Bank of Turkey continued to demonstrate a better performance than the sector average and the group of development and investment banks in 2013.

In 2013, the Bank recorded a return on equity of 6% and net interest income of TL 111.4 million.

In 2013, we maintained our efforts to acquire new resources, and the total amount of long-term loans we provided from abroad stood at around US\$ 840 million (TL 1.82 billion). As a result of such growth in loans provided from abroad, the loans/total liabilities ratio climbed to 74.2%. The non-performing loans balance rose to TL 124.9 million by the end of 2013. Because non-performing loans grew at a pace in excess of the Bank's total loan volume in 2013, the ratio of non-performing loans increased by nearly 0.3 percentage points YoY to 4.5%.

The Bank's capital adequacy ratio fell from 25.2% at the end of 2012 to 21.4% at the end of 2013 as a result of the steeper increase in the Bank's credit risk relative to its shareholders' equity, due to its expanding loan volume.

The Bank's liquid assets, which amounted to TL 488.6 million at the end of 2012, increased by 35.1% and reached TL 659.9 million by the end of December 2013. The main reason behind this upward movement was that the Bank's current assets have moved in parallel with the CBRT's funding policy. As a result of this policy, the share of Available for Sale Financial Assets (which securities are generally placed to) in total assets increased from 3.2% in December 2012 to 6.2% in

December 2013.
Dear stakeholders,

Development banks focus on areas where commercial banks do not operate because of their profit and risk perception. They play a key role in providing finance to investments in strategically important sectors or regions and major projects with specific challenges. This role is further enhanced through the offering of technical support, consultancy and training services to investors. The Development Bank of Turkey has been acting upon this philosophy and generating permanent value for Turkey for 38 years. The Bank is determined to fulfill this function at all times.

On behalf of the Board of Directors of the Development Bank of Turkey, we would like to thank all of our stakeholders for their support and contributions.

Development Bank of Turkey
Board of Directors

AMENDMENTS MADE IN PRIME CONTRACT AND REASONS

OLDER VERSION

CURRENT VERSION

DEVELOPMENT BANK OF TURKEY ARTICLES OF ASSOCIATION

PRIME CONTRACT OF DEVELOPMENT BANK OF TURKEY

Pursuant to CMB's Communiqué on the Determination and Implementation of Corporate Governance Principles

INCORPORATION ARTICLE - 1

A development and investment bank which is subject to the provisions of Law 4456 dated 17.10.1999 and the Articles of Association provided herein is hereby founded as a joint-stock company having legal entity.

INCORPORATION ARTICLE - 1

A development and investment bank which is subject to the provisions of Law 4456 dated 17.10.1999 and the **Prime Contract** provided herein is hereby founded as a joint-stock company having legal entity.

TITLE, HEAD OFFICE AND BRANCHES ARTICLE - 2

The trade title of the BANK is "TÜRKİYE KALKINMA BANKASI ANONİM ŞİRKETİ (TKB)", which is abbreviated as the "Development Bank of Turkey". It shall hereinafter be referred to as the "BANK" in these Articles of Association.

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The head office of the Bank is in Ankara, at the address of "Necatibey Cad. No: 98 ANKARA". In the event whereby the aforementioned address changes, the new address shall be registered with the trade registration office and announced through the Trade Registration Gazette of Turkey. The Ministry of Industry and Commerce and the Capital Markets Board shall also be informed thereof. Any notification to the registered and announced address shall be deemed as duly delivered to the BANK. Leaving the registered and announced address but failing to register the new address in due time shall be a reason for the termination of the BANK. The BANK, upon the decision of the Board of Directors, shall be entitled to open branches, liaison and representative offices in homeland and abroad, in accordance with the Banks' Law and the Turkish Commercial Code.

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AMENDMENTS MADE IN PRIME CONTRACT AND REASONS

BOARD OF DIRECTORS

ARTICLE - 9

The BANK shall be managed and represented by the Board of Directors. The Board of Directors may solely exercise its power to manage and represent the BANK or use such power through delegation of authority. In order for any documents and contracts to be prepared on behalf of the BANK to become effective and bind the BANK, it is necessary that they are signed by two people, who are authorized by the Board of Directors to represent and bind the BANK. The signatures of these people should be under the Bank's seal that indicates its title or trade title.

The Board of Directors is the decision making body accountable to the General Assembly of Shareholders.

a) The Board of Directors shall consist of seven members, including its president, who shall be:

1. The General Director; and
2. Six members elected by the General Assembly of Shareholders from among the shareholders.

b) Membership to the Board of Directors shall require:

1. Meeting the general conditions for appointment to the civil service;
2. Having received education of bachelor degree at least, and
3. To be elected by the General Assembly of Shareholders from among the shareholders. At least three members are required to have a bachelor degree either in; law, economics, business administration, finance, banking, public administration or an equivalent subject or in a branch of engineering related to the above-mentioned subjects. For the other members, professional expertise shall not be required.

c) The General Director shall be the president of the Board of Directors.

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c) The General Director shall be the president of the Board of Directors.

d) The members of the Board of Directors shall serve for a term of three years. A member whose term of office has expired may be re-elected. In the event that a membership becomes vacant before the expiry of the term of office, the provisions of the Turkish Commercial Code shall apply.

e) The Board of Directors shall meet at least twice a month, with an absolute majority of its members. It shall adapt its resolutions unanimously, under absolute majority. No abstention shall be allowed. In the event of a tie, the president's vote shall be considered as two votes.

The remuneration to be paid to the Members of the Board of Directors shall be determined by the General Assembly of Shareholders.

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The provisions of the Capital Markets Law, the Banking Law and the related legislation shall apply to the matters regarding the determination and election of independent board members, their qualifications, and similar issues.



DUTIES OF THE BOARD OF DIRECTORS

ARTICLE- 10

The basic duty of the Board of Directors is to ensure that the objectives of the BANK as laid down in the Law no. 4456 and in these Articles of Association are achieved, within the framework of the resolutions of the General Assembly of Shareholders, the relevant legislation, the development plan and annual programs.

DUTIES OF THE BOARD OF DIRECTORS

ARTICLE- 10

The basic duty of the Board of Directors is to ensure that the objectives of the BANK as laid down in the Law no. 4456 and in these Articles of Association are achieved, within the framework of the resolutions of the General Assembly of Shareholders, the relevant legislation, the development plan and annual programs.

Pursuant to the provisions of the Turkish Commercial Code No: 6102 and CMB's Communiqué on the Determination and Implementation of Corporate Governance Principles

AMENDMENTS MADE IN PRIME CONTRACT AND REASONS

In this context, the Board of Directors shall:

- a) Decides to extend loans to companies or participate in their capital, to establish companies under the leadership of the BANK, to sell or repurchase share certificates and to issue profit guarantees related to participation;
- b) Decides to open or close representations, branch offices and liaison offices at home or abroad;
- c) Takes the necessary precautions and decisions to obtain resources for the BANK;
- d) Approves, monitors and if necessary, modifies the medium and long-term plans and the annual programs to be drawn up under Article 7 hereof (Articles of Association);
- e) Prepares and proposes to the General Assembly of Shareholders; the annual report, the balance sheet, the profit and loss account and profit distribution plan;
- f) Establishes the necessary organization and working methods; decides on the regulations so that the activities of the BANK may be conducted efficiently;
- g) Upon any requisite of the General Director, appoints the top-level managers and determines their duties and powers;
- h) If the office of the President of the Board of Directors or the office of the General Director becomes vacant, elects the member of the Board of Directors who shall act as the President of the Board of Directors or the Deputy General Director who shall act as General Director and submits this election to the Minister for approval;
- i) Selects the candidates for the Board of Directors and auditors for the BANK's subsidiaries among

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- i) Selects the candidates for the Board of Directors and auditors for the BANK's subsidiaries among

persons who have the expertise in the field;

j) Carries out other duties assigned by the legislation.

If deemed necessary the Board of Directors may transfer some authority to the General Director by specifying the limits. The General Director shall inform the Board of Directors in its next meeting about his actions concerning the matters in which he is so authorized. Such delegation of power shall not relieve the Board of Directors of responsibility.

persons who have the expertise in the field;

j) Carries out other duties assigned by the legislation;

k) Sets up the Audit Committee, the Corporate Governance Committee and other committees stipulated by the related legislation within the framework of the provisions of the Turkish Commercial Code, the Capital Markets Law and the Banking Law, in order to ensure that activities of the Board of Directors may be conducted efficiently;

If deemed necessary the Board of Directors may transfer some authority to the General Director by specifying the limits. The General Director shall inform the Board of Directors in its next meeting about his actions concerning the matters in which he is so authorized. Such delegation of power shall not relieve the Board of Directors of responsibility.

BOARD OF AUDITORS ARTICLE - 13

The Bank's Board of Auditors shall consist of three members.

The members of the Board of Auditors shall be appointed by the General Assembly of Shareholders from among the candidates proposed by the shareholders.

The auditors shall be required to fulfill the same conditions as those applicable to members of the Board of Directors. The auditors shall serve in accordance with the relevant provisions of the Turkish Commercial Code.

The members of the Board of Auditors shall serve for a term of three years. An auditor whose term of office has expired may be re-elected. In the event that a membership become vacant before the expiry of the term of the office, the provisions of the Turkish Commercial Code shall apply.

The remuneration to be paid to the Members of the Board of Auditors shall be determined by the General Assembly of Shareholders.

INDEPENDENT AUDITOR ARTICLE - 13

The provisions of the Turkish Commercial Code shall apply to the election and discharge of auditor(s), and the termination of the contract with independent auditor(s).

Pursuant to the provisions of the Turkish Commercial Code No: 6102 on Auditing and Auditors

AMENDMENTS MADE IN PRIME CONTRACT AND REASONS

DISTRIBUTION OF PROFIT ARTICLE - 14

In accordance with the provisions of the Turkish Commercial Code, the Banks' Law and other relevant legislation, the first dividend shall be paid out of the disposable profit after deducting the taxes and setting aside other legal obligations from the gross profit of the BANK.

A portion of up to 5 %, to be determined by the General Assembly of Shareholders, of the profit that remains after the distribution of the first dividend shall be allocated for the personnel as cash dividends to be distributed within the principles set by the Board of Directors, subject to an upper limit in the amount of three month's gross salaries. Subsequently, any other allowances and reserves required by the Turkish Commercial Code and the General Assembly of Shareholders shall be set aside from the remaining profit, and the rest shall be paid out by the General Assembly of Shareholders as a second dividend to the shareholders.

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In accordance with the provisions of the Turkish Commercial Code, the **Banking** Law and other relevant legislation, the first dividend shall be paid out of the disposable profit after deducting the taxes and setting aside other legal obligations from the gross profit of the BANK.

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◇ To ensure compliance with the provisions of the Banking Law No: 5411

EXCEPTIONS, RIGHTS AND PRIVILEGES GRANTED TO THE BANK ARTICLE - 15

The BANK shall not be subject to auditing by the Audit Office, the Public Accounts Law No: 1050, the Public Procurement Law No: 2886, the Travel Allowances Law No: 6245 or to supplements and amendments thereto.

The BANK's moveable or immovable property, its cash or its rights and claims shall not be subject to attachment.

To fulfill its purpose of establishment and to operate in its scope of activities, the BANK shall dispose of, rent or lease out immovable property and establish pledges for and against, establish

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◇ Amendment of the Law no: 1050

mortgages, usufructs, easements or any other liabilities on property.

The loans extended by the BANK out of the Fund for the Promotion of Investments; and all types of repayments made to the BANK by the companies that use these loans, shall be exempt from the banking and insurance transactions tax. Promissory notes, receipts, letters of undertaking, contracts, letters of assignment, letters of guarantee and surety, letters and telegrams, advisory notes, transfer payment, shipment delivery and collection orders, all types of papers, registries, books and account statements which are related to those loan operations; the declarations and the balance-sheet and operating accounts extracts to be received by the BANK from the loan beneficiaries; the related chattel pledges, immovable property mortgage transactions, the promissory notes and rediscount notes made out by these companies to the order of the BANK, shall be exempt from the stamp duty, from the fees collected by notaries public and land registries and from all types of other fees and charges.

The purchase and sales of immovable property, as well as – in case of acquisition by the BANK at public auctions, bankruptcy and out sale – the purchase and transfer of moveable and fixed assets taken as collateral against the loans extended by the BANK according to its objectives; any transactions concerning the participation in auctions, in securing credits and in bond issuance abroad; repayments from loans extended, legal actions, proceedings and claims at courts and execution offices are exempted from any collateral, stamp duty, value added tax, inheritance and transfer tax, banking and insurance transactions tax, notary fees, brokerage, land registry fees, execution fees, collection fees,

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AMENDMENTS MADE IN PRIME CONTRACT AND REASONS

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ANNOUNCEMENTS ARTICLE - 16

Announcements shall be made within the framework of the provisions of the Turkish Commercial Code, the Banks' Law, the Capital Markets Law and the related legislation.

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To ensure compliance with the provisions of the Banking Law No: 5411

OTHER PROVISIONS ARTICLE - 17

Matters for which there is no provision set forth herein shall be governed by the Law no: 4456 on the Establishment of the Bank, as well as the provisions of the Turkish Commercial Code, the Banks' Law, the Capital Markets Law and the related legislation.

COMPLIANCE WITH THE PRINCIPLES OF CORPORATE GOVERNANCE ARTICLE - 17

The Corporate Governance Principles required by the Capital Market Board shall be respected. Any procedures performed and any resolutions adopted by the Board of Directors which do not comply with the essential principles shall be null and void and deemed to contravene the Prime Contract.

Pursuant to CMB's Communiqué on the Determination and Implementation of Corporate Governance Principles

The regulations of the Capital Market Board with respect to the corporate governance shall apply to the procedures considered significant in terms of the application of the Corporate Governance Principles, and to all kinds of related party procedures of the BANK, and to the procedures with respect to granting guarantees, liens and mortgages to third parties.

The related provisions of the Banking Law shall be reserved.

ARTICLE - 18

OTHER PROVISIONS ARTICLE - 18

Matters for which there is no provision set forth herein shall be governed by the Law no: 4456 on the Establishment of the Bank, as well as the provisions of the Turkish Commercial Code, the Banking Law, the Capital Markets Law and the related legislation.

To ensure compliance with the provisions of the Turkish Commercial Code No: 6102 and the Banking Law No: 5411

ASSESSMENT OF THE AUDIT COMMITTEE REGARDING THE OPERATION OF INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT SYSTEMS AND ITS ACTIVITIES DURING THE FISCAL YEAR

The Bank's Audit Committee conducts its activities within the framework of the provisions of "Regulation on Banks' Internal Systems" that was issued by the Banking Regulation and Supervision Agency and published in Official Gazette issue no. 28337 dated 28 June 2012. The Board of Inspection and Internal Control and Risk Monitoring Departments, which are part of the internal systems, report to the Board of Directors; this reporting line runs via the Audit Committee at the Bank.

The membership of the Board of Directors was reconstituted at the 2012 Ordinary General Assembly Meeting. Three of these members without executive duty - İrfan TOKGÖZ, Şerif ÇELENK and Zeki ÇİFTÇİ, Ph.D - were selected as members of the Audit Committee. İrfan TOKGÖZ, Şerif ÇELENK and Zeki ÇİFTÇİ, Ph.D served with the respective titles of Audit Committee Chairman, Audit Committee Vice Chairman and Member of the Audit Committee during 2013.

In article 7 of the Regulations concerning Internal Systems of the Banks, titled The Authority and Responsibilities of the Audit Committee it is stated that "the Audit committee is responsible for reporting the operations which are executed by itself and the results thereof, the measures to be taken and other issues which are required to be implemented such as to ensure banking activities

in safety to the Board of Directors, at least once every six months". In accordance with this regulation, the Board of Directors accepted the reports pertaining to second half of 2012 and the first half of 2013. Note that the Internal Control Management is responsible for tracking the duties and processes included in the mentioned reports.

The Board of Directors assented the "Audit Committee Regulations", "Risk Monitoring Unit Regulations", "Risk Management Strategies, Policies and Implementation Principles", and "Risk Limits and Implementation Principles" which were revised by new Turkish Commercial Code, and submitted to BRSA in 2013.

The operations executed by the units connected to the Audit Committee were tracked, while reports and suggestions regarding them were assessed and the summary of these activities for the period of 2013 is presented below.

ACTIVITIES OF THE INTERNAL CONTROL DEPARTMENT:

The monthly activity reports that are drafted by the Internal Control Department as a result of the inspections it performs at departments that are especially reflected in the financial reports were discussed and evaluated at the Audit Committee meetings.

The Internal Control Department immediately communicates the errors and deficiencies (if any) it identifies during the course of its control activities to the related departments, ensures their correction before the financial reports are issued, and tries to take necessary measures in coordination with the related departments to prevent recurrence of the same errors.

The activities of the related departments are reported to the Audit Committee, to the General Manager and the Board of Inspection on a monthly basis. The Department issued 12 Internal Control Activity Reports during 2013.

The Department added 26 more Standard Checkpoints in 2013 in addition to the existing 67 Standard Checkpoints; and moreover, it established 8 new Standard Checkpoints with a new study under the Reporting Section, raising the total number of Standard Checkpoints to 101.

MAIN OPERATIONS CONDUCTED BY BOARD OF INSPECTION;

The Bank's internal audit activities are conducted by the Board of Inspection. Seven candidates who achieved the highest scores in our Bank's Assistant Inspector examination started to work as assistant inspectors at the Bank in March 2013, while one assistant inspector left the Bank in September 2013.

ASSESSMENT OF THE AUDIT COMMITTEE REGARDING THE OPERATION OF INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT SYSTEMS AND ITS ACTIVITIES DURING THE FISCAL YEAR

The quarterly activity reports on the activities conducted by the Bank's Board of Inspection are submitted to the Audit Committee. After the approval of the reports by the Board of Directors, the reports are submitted to the BRSA.

Nine Inspection Reports with the Responses, Banking Processes and Information System Report, Support Services Inspection Report and one Survey Report were issued by the Board of Inspection during 2013.

ACTIVITIES OF THE RISK MONITORING DEPARTMENT:

Risks that the Development Bank of Turkey is currently or potentially exposed to are monitored by the Risk Monitoring Department on a daily basis via the "Daily Report", on a weekly basis via the "Weekly Report", and on a monthly basis via the "Risk Analysis of Development Bank of Turkey Based on Selected Indicators and Risk Groups" report and the "Risk Limits Monitoring Report".

The Daily Report contains summarized balance sheet, analyses of exchange risk and interest rate risk, and

actualizations of limits that are monitored on a daily basis. The Weekly Report covers domestic and overseas macroeconomic developments and actualizations of limits that are monitored on a weekly basis.

The Risk Analysis of Development Bank of Turkey Based on Selected Indicators and Risk Groups report includes analyses of liquidity risk, exchange risk, maturity risk, credit risk and interest rate risk. The Risk Limits Monitoring Report contains actualizations of limits that are defined by quantifiable risks and approved by the Board of Directors.

The monthly reports prepared by the Department are presented to the Board of Directors, Assets and Liabilities Management Committee, senior management and related departments after they are discussed by the Audit Committee.

The Capital Adequacy Ratio, calculated by the Risk Monitoring Department together with the Financial Affairs Department in the scope of legal reporting, has been prepared and reported to the

BRSA within the framework of the Basel II approach since July 2012. The standard ratio of the Interest Rate Risk Arising from Banking Accounts is calculated and reported to the BRSA by the Risk Monitoring Department within the scope of legal reporting.

An amendment was made to the Regulation on the Risk Monitoring Department pursuant to article 378 entitled "Early Detection and Management of Risk" of the Turkish Commercial Code no: 6102. Within the scope of this amendment, the following duty was assigned to the respective department in addition to its current duties: "To show the necessary efforts for the early detection of the risks that may endanger the existence, development and continuity of the Company, implementation of the actions that are necessary in relation to the identified risks and the management of the risk within the framework of the provisions of the section entitled "Early Detection and Management of Risk" in the Turkish Commercial Code; and to present such efforts to the Audit Committee."



ZEKİ ÇİFTÇİ, Ph.D
MEMBER OF THE AUDIT
COMMITTEE



ŞERİF ÇELENK
VICE CHAIRMAN OF THE
AUDIT COMMITTEE



İRFAN TOKGÖZ
CHAIRMAN OF THE AUDIT
COMMITTEE

RISK MANAGEMENT POLICIES

The general principles of the Bank's risk policies consist of specializing in areas of business that are consistent with its function, vision and structure established by the Charter Act; in this regard, it is the general principle to take only those risks that can be identified, controlled and/or managed, and try to avoid taking risks other than those that naturally arise due to the nature of its activities and are unavoidable. In addition, the Bank measures the current and potential future impact of the risk it takes to the extent allowed by risk measurement and reporting techniques and the Bank continues to do so in the future as well. In accordance with article 37 of the Regulation on the Banks' Internal Systems that was issued by the BRSA, the Bank establishes written limits that arise as a natural consequence of its activities; these risk limits are approved by the Board of Directors.

CREDIT RISK MANAGEMENT POLICIES

Credit risk is the probability of loss resulting from a client of the Bank being unable to fulfill their obligation, either partially or completely, as stated in the contract with the Bank. The Bank, in accordance with BRSA regulations and limitations, manages the credit risk with regard to the best options for credit volume, qualification and complexity.

The Bank defines measures and manages loan risk as well as all products and activities which bear credit risk.

In relation to credit risk management, credit volume, qualification and complexity is measured, monitored and analyzed with stress test and scenario analysis and the process and the results are reported to the Audit Committee and the General Manager. The assessment of new products and services in terms of credit risk is a requirement.

The conforming of credit decision support systems with the Bank's operational structure, size and complexity is constantly examined, developed and regulated by Board of Directors.

The Bank calculates the value at the credit risk in accordance with the "Regulation on Measurement and Evaluation of Capital Adequacy of Banks" and Basel II criteria. The management of credit risk, such as to sustain a capital adequacy standard ratio above minimal level, is essential and determined by the regulations.

Credit risk is monitored not only in terms of clients and firms but also with regard to the total credit portfolio and the composition thereof. Credit risk is monitored and managed in terms of sector, maturity, collateral, region, currency and type of credit. The Bank's credit risk management policy requires diversification of the credit portfolio.

The financial data of the parties which used credits, suspended credits or restructured credits from the Bank is tracked on a regular basis until maturity. Firms bearing relatively high levels of risk, or those for which a physical site visit is required, are examined by the Bank. As a result of the examinations and assessments, a monitoring report with developed suggestions is prepared. The Bank continues to undertake this policy on non-performing loans.

RISK MANAGEMENT POLICIES

MARKET RISK MANAGEMENT POLICY

The Bank is exposed to market risk as a result of its operations due to volatility in exchange rates, interest rates and share prices. The amount of exposure to market risk is calculated by the standard method and reported to the legal authority as stated in "Regulation on Banks' Capital Adequacy Measurement and Evaluation".

EXCHANGE RATE RISK MANAGEMENT POLICY

As a result of operations which involve the use of foreign currencies, the Bank is exposed to currency risk stemming from the Bank's net foreign exchange position in its assets and liabilities.

The Bank's exchange rate risk management policy is determined regarding financial situation of the Bank, economic developments and market trends and also profitability and efficiency in accordance with "Foreign Exchange Net Overall Position/Equity Standard Ratio" determined by the regulations. By protecting this basic target, the existing foreign currency holdings is placed with the most favorable interest rates and the opportunities in the conditions and time in forex markets, are utilised with the purpose of both assets and liabilities management.

To ensure the required exchange rate risk management mentioned as set out above, hedging by forward contracts, futures and swaps is used under necessary conditions.

MANAGEMENT POLICY OF INTEREST RATE RISK ARISING FROM BANKING ACCOUNTS

Interest rate risk is the probability of loss arising from changes in interest rates and the Bank's financial position. Interest rate risk arising from bank accounts includes repricing risk, yield curve risk, base risk and option risk. Interest rate risk is managed by the Asset and Liability Management Committee in the Bank.

The main aim in interest risk management is to minimize the maturity mismatch in Bank's balance sheet in order to avoid the effects arising from volatility in interest rates. In this scope, interest sensitive assets are managed through portfolio optimization, duration, interest rate expectations, alternative yield and commensurable loss. Compliance with the limits in interest risk management is a requirement accepted by the Board of Directors.

LIQUIDITY RISK MANAGEMENT POLICY

Liquidity risk represents the probability that the Bank's cash flow requirements, either predictable or unpredictable, cannot be met adequately without affecting daily operations or the financial structure, and that the Bank records losses.

In addition, liquidity risk can be interpreted as the risk facing the Bank in the event that a position cannot be closed or balanced due to a lack of market debt or high volatility, and as a result probability of recording losses.

The main policy regarding liquidity risk is to employ an active structure which fulfills all obligations under all circumstances. As a specialized bank, the Bank's liquidity requirements are more observable when compared to other commercial banks, and this provides the Bank with regular cash flow.

The types of asset and liabilities, maturity structure, and interest rate all comply with the decisions of the Assets and Liabilities Management Committee and the Bank performs a policy regarding liquidity ratios and risk limits determined by the regulations.

In order to manage liquidity risk, cash flows are forecasted by using predictable data with regard to the maturity structure of the Bank's Assets and Liabilities. It is essential to complete the placement of excess liquidity as an alternative yield or to meet liquidity requirement with minimum costs.

Besides, monthly proforma cash flows and balance sheet durations are monitored to anticipate probable risks for mid and long term liabilities.

OPERATIONAL RISK POLICY

Within the framework of the BRSA regulations, the Bank manages its operational risk in accordance with the amount, quality and level of sophistication of its activities and accepts the fact that the operational risk management process encompasses all activities and employees of the Bank. The Bank's main principle in this respect is that the Bank's personnel are aware of operational risks and evaluate their impacts, they take necessary measures to mitigate and/or eliminate risks or develop recommendations to achieve this and they conduct their activities in a control-cognizant manner while performing their duties, authorities and responsibilities.

New products and services are assessed from the viewpoint of personnel, process, system and externally-triggered operational risk.

The main objective of the Bank's operational risk management policies is to identify the risks before they occur and to report and analyze them on a regular basis. Accordingly, the basic principle in operational risk management policy is defined as taking the necessary measures in order to prevent the risk from occurring. The most effective policy tool in operational risk management is to intensify the controls over each stage of all of the identified business processes in the Bank.

COUNTERPARTY CREDIT RISK MANAGEMENT POLICY

Counterparty credit risk is the default risk of the counterpart in the transaction before the last obligatory payment.

The Bank takes precautions against credit risk arising from the counterparties, such as over counter derivative transactions.

CONCENTRATION RISK MANAGEMENT POLICY

Concentration risk includes the risks arising from concentration of credits in certain sectors or regions, concentration risk resulting from concentration of deposits and other financial resources, operational risk, operational concentration risk stemming from concentration of certain processes and technology systems operational loss, market concentration risks arising from the concentration risk of general market risk, stock market risk and exchange rate risk.

The Bank continues its operations by taking concentration risk into account. When the increase in concentration risk is examined, measures are taken to decrease it to an acceptable level.

ASSESSMENT OF FINANCIAL POSITION, PROFITABILITY AND DEBT SERVICING CAPABILITY

Financial data regarding the Bank's financial position as of 31 December 2013 is presented in the tables below in a comparative format with the respective financial data from 31 December 2012.

(TL MILLION)	DECEMBER 2012	DECEMBER 2013	CHANGE (VALUE)	CHANGE (%)
Total Assets	2,870.1	3,556.1	686.0	23.9
Total Assets (US\$ million)	1,617.6	1,703.4	85.8	5.3
Loans	2,254.4	2,758.7	504.3	22.4
Foreign Resources	2,293.2	2,952.0	658.8	28.7
Shareholders' Equity	576.9	604.1	27.2	4.7
Free Capital (*)	442.7	427.1	-15.6	-3.5
Total Income	200.8	167.3	-33.5	-16.7
Total Expenditures	145.7	120.1	-25.6	-17.6
Provision for Taxes	11.5	10.6	-0.9	-7.8
Profit/Loss	43.6	36.6	-7.0	-16.1
Standard Capital Adequacy Ratio	25.2	21.4	-3.8	-15.1

* Free Capital=Shareholders' Equity - (Subsidiaries+Affiliated Companies+Fixed Assets+Non Performing Loans (Net)+Deferred Tax Asset+Prepaid Expenses)

The total assets of the Development Bank of Turkey increased by 24% during 2013, from TL 2,870.1 million at the end of 2012 to TL 3,556.1 million at the end of 2013. Total lending, which amounted to TL 2,254.4 million at the end of 2012 increased by 22% to reach TL 2,758.7 million at the end of 2013. As the rate of growth in loans increased slightly below the rate of growth in assets, the share of loans in total assets decreased from 78.5% at the end of 2012 to 77.6% at the end of 2013.

The increase in credit volume was largely a result of long term loans provided from foreign financial institutions. Credits obtained increased by 25.6%, from TL 2,101.0 million at the end of 2012 to TL 2,639.5 million at the end of 2013. Shareholder's equity increased by 5% to reach TL 604.1 million in 2013.

There was a decline in both total revenues and total expenditures in 2013. Total revenues decreased by 17% (TL 33.5 million) to TL 167.3

million, while total expenditures declined by 18% (TL 25.6 million) to TL 120.1 million.

Our Bank's net profit, decreased by 16% to TL 36.6 million.

The Bank's capital adequacy ratio fell from 25.2% at the end of 2012 to 21.4% by the end of 2013 because the increase in the Bank's credit risk exceeded the increase in its shareholders' equity due to its expanding loan volume.

COMPOSITION OF ASSETS (%)	DECEMBER 2012	DECEMBER 2013
Cash Balances, Central Bank and Securities at Fair Value through Profit or Loss	0.1	0.1
Banks and Other Financial Institutions	9.1	8.2
Money Markets	4.7	4.1
Available for Sale Marketable Securities	3.2	6.2
Loans	78.5	77.6
Non-Performing Loans (net)	1.7	2.3
Securities Held to Maturity	1.0	0.8
Subsidiaries and Affiliates	0.7	0.5
Tangible Fixed Assets	1.9	1.8
Other Assets	0.8	0.7
Total	100.0	100.0

Maintaining balanced growth in its assets, the Bank's current assets and loans increased by 35.1% and 22.4% respectively in 2013. The share of loans in total assets decreased from 78.5% in December 2012 to 77.6% at the end of 2013.

TOTAL LOANS (TL MILLION)	DECEMBER 2012	DECEMBER 2013
Loans	2,254.4	2,758.7
Non-Performing Loans (Gross)	97.2	124.9
Loan Provisions (-)	49.2	44.4
Non-Performing Loans (Net)	48.0	80.5

ASSET QUALITY (%)	DECEMBER 2012	DECEMBER 2013
Loans/Total Assets	78.5	77.6
Non-Performing Loans (Net)/Total Assets	1.7	2.3
Non-Performing Loans (Net)/Total Loans	2.1	2.9
Loan Provisions/Non-Performing Loans	50.6	35.5
Non-Performing Loans (Gross)/Total Assets	3.4	3.5
Non-Performing Loans (Gross)/Total Loans (Gross)	4.2	4.5

ASSESSMENT OF FINANCIAL POSITION, PROFITABILITY AND DEBT SERVICING CAPABILITY

Non-Performing Loans balance increased from TL 97.2 million at the end of 2012 to TL 124.9 million at the end of 2013. Due to the increase in the lending volume that outdid the rise in the non-performing loans during 2013, gross NPL ratio increased by nearly 0.3 points year-on and dropped to the order of 4.5%.

LIQUID ASSETS (TL MILLION)	DECEMBER 2012	DECEMBER 2013
Cash Balances and Central Bank	0.3	1.7
Securities at Fair Value through Profit or Loss	1.1	1.1
Banks and Other Financial Institutions	261.2	289.7
Money Markets	134.7	145.6
Available for Sale Marketable Securities	91.3	221.8
Total	488.6	659.9

The Bank's liquid assets, that amounted to TL 488.6 million at the end of 2012, increased by 35.1% to TL 659.9 million as of the end of December 2013. The share of liquid assets in total assets increased from 17% to 18.6%. The key reason behind this increase was the Bank's preference to move its liquid assets parallel to CBT's funding policies. As a result of this policy, the share of Available For Sale Financial Assets in total assets increased from 3.2% in December 2012 to 6.2% in 2013.

COMPOSITION OF LIABILITIES (%)	DECEMBER 2012	DECEMBER 2013
Money Markets	2.9	6.2
Borrowings	73.2	74.2
Funds	1.6	0.7
Provisions	1.7	1.6
Other Liabilities	0.5	0.3
Shareholders' Equity	20.1	17.0
Profit/Loss for the Period	1.5	1.0
Total	100.0	100.0

As a result of the increase in borrowing and funds obtained from money markets when compared to shareholder's equity, the share of shareholders' equity decreased from 20.1% in 2012 to 17% in 2013. As a result of the 25.6% increase in credits (mostly taken from outside Turkey), the share of credit obtained in total liabilities increased from 73.2% at the end of 2012 to 74.2% at the end of 2013.



SOURCES OF PROFIT/LOSS (TL MILLION)	DECEMBER 2012	DECEMBER 2013
Interest Margin	113.6	111.4
FX Margin	3.4	-3.5
Fee and Commission Margin	5.3	4.7
Securities Trading Margin	-1.3	0.5
Derivative Financial Transactions Margin	-1.2	0.4
Other Income Margin	-64.7	-66.3
Profit before Taxes	55.1	47.2
Provision for Taxes (-)	11.5	10.6
Net Profit (Loss)	43.6	36.6

COMPOSITION OF REVENUES/EXPENDITURES (%)	DECEMBER 2012	DECEMBER 2013
Income	100.0	100.0
Interest Income	83.3	86.8
Foreign Exchange Income	3.5	1.8
Commission Income	3.2	3.3
Gains from Securities Trading	0.2	0.3
Gains from Derivatives Trading	0.0	0.5
Other Income	9.8	7.3
Expenditures	100.0	100.0
Interest Expenditures	36.9	28.3
Foreign Exchange Expenditures	2.5	5.5
Commission Expenditures	0.8	0.6
Securities Trading Expenditures	1.1	0.0
Derivatives Trading Expenditures	0.8	0.3
Other Expenditures	57.9	65.3

COMPOSITION OF INTEREST INCOME/EXPENDITURES (%)	DECEMBER 2012	DECEMBER 2013
Interest Income	100.0	100.0
From Loans	65.9	76.9
From Banks	4.5	3.9
From Money Market Operations	12.6	8.8
From Securities	17.0	10.4
Interest Expenditures	100.0	100.0
On Money Market Operations	40.1	22.7
On Borrowings	54.3	72.1
Other	5.6	5.2

An analysis of the Bank's sources of revenues and expenditures indicates that interest margin was the key source of profitability. Interest margin declined YoY to TL 111.4 million in 2013. In 2013, the Bank recorded an exchange rate loss of TL 3.5 million (compared to the exchange rate gain recorded in 2012), while its fee and commission income declined slightly to TL 4.7 million.

Interest income came mainly on the back of the Bank's improving loan supply activities and treasury transactions. Looking at the composition of interest income, there was an increase in the share of interest income generated from loans, while the share of interest income from banks, money market transactions and securities decreased. In terms of interest expenditures, on the other hand, the share of interest paid on money market transactions decreased

from 40.1% to 22.7%, while the share of interest paid on loans received increased to 72.1%.

The Bank's net profit for 2013 decreased by 16% YoY to TL 36.6 million. As well as the decline in net profit, the Bank's return on assets (RoA) decreased from 1.5% to 1% and the return on equity (RoE) from 7.6% to 6.1% due to the Bank's increasing total assets and shareholders' equity.



CREDIT RATINGS

In accordance with the “Regulations on Annual Reports” and “Regulations on Rating Agencies’ Authorization and Activities” issued by

the Banking Regulation and Supervision Agency and published in issue 26333 of the Official Gazette dated 1st November 2006, the Bank was

assessed by Fitch Ratings and credit ratings were issued on 12th November 2013. The credit ratings were updated on the Bank’s website.

	2012	2013
FOREIGN CURRENCY COMMITMENTS		
Long-Term	BBB-	BBB-
Short-Term	F3	F3
Outlook	Stable	Stable
TURKISH LIRA COMMITMENTS		
Long-Term	BBB	BBB
Short-Term	F3	F3
Outlook	Stable	Stable
NATIONAL		
Long-Term	AAA(TUR)	AAA(TUR)
Outlook	Stable	Stable
Support Rating	2	2
Baseline Support Rating	BBB-	BBB-

FINANCIAL INFORMATION AND INDICATIVE RATIOS SELECTED FOR THE 2009-2013 PERIOD

(TL MILLION)	2009	2010	2011	2012	2013
Total Assets	1,287.0	1,597.2	2,793.8	2,870.1	3,556.1
Liquid Assets	324.7	298.2	815.7	488.6	659.9
Total Loans	802.3	1,178.2	1,859.2	2,254.4	2,758.7
Non-performing Loans (net)	27.9	27.5	48.3	48.0	80.5
Total Foreign Resources	788.0	1,083.5	2,264.9	2,293.2	2,952.0
Paid-in Capital	160.0	160.0	160.0	160.0	160.0
Shareholders' Equity	499.0	513.7	528.9	576.9	604.1
Net Interest Income	72.8	62.8	91.5	113.6	111.4
Net Profit	25.6	21.1	23.8	43.6	36.6
%					
Total Loans/Total Assets	62.3	73.8	66.5	78.5	77.6
Non-Performing Loans (gross)/Total Loans (gross)	10.8	6.3	4.9	4.2	4.5
Total Foreign Resources/Total Liabilities	61.2	67.8	81.1	79.9	83.0
Shareholders' Equity/Total Assets	38.8	32.2	18.9	20.1	17.0
Return on Assets (ROA)	2.0	1.3	0.9	1.5	1.0
Return on Equity (ROE)	5.1	4.1	4.5	7.6	6.1

TÜRKİYE KALKINMA BANKASI A.Ş.
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013

Convenience Translation of the Audit Report and the Financial Statements Originally Issued in Turkish

To the Board of Directors of Türkiye Kalkınma Bankası A.Ş. Ankara

We have audited the accompanying unconsolidated balance sheet of Türkiye Kalkınma Bankası A.Ş. as at 31 December 2013, and the related unconsolidated statements of income, cash flows, and changes in shareholders' equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Statement Related to the Responsibility of the Board of Directors of the Bank for the Financial Statements:

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

Auditor's Responsibility:

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

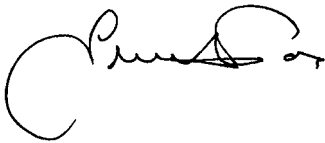
Independent Auditor's Opinion:

In our opinion, the accompanying unconsolidated financial statements present fairly, in all material respects, the financial position of Türkiye Kalkınma Bankası A.Ş. as at 31 December 2013 and the results of its operations and its cash flows for the year then ended in accordance with the prevailing accounting principles and standards set out as per the Article 37 of the Banking Act No: 5411, and other regulations, communiqués and circulars in respect of accounting and financial reporting and pronouncements made by Banking Regulation and Supervision Agency.

Ankara, 14 February 2014

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.

Member of **DELOITTE TOUCHE TOHMATSU LIMITED**



Erdem Taş
 Partner, Chief auditor, SMMM

Additional paragraph for the English translation:

The effect of the differences between the accounting principles summarized in Section 3 and the accounting principles generally accepted in countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards (IFRS) have not been quantified and reflected in the accompanying financial statements. The accounting principles used in the preparation of the accompanying financial statements differ materially from IFRS. Accordingly, the accompanying financial statements are not intended to present the Bank's financial position and results of its operations in accordance with accounting principles generally accepted in such countries of users of the financial statements and IFRS.

TÜRKİYE KALKINMA BANKASI A.Ş.**THE UNCONSOLIDATED FINANCIAL REPORT AS OF
31 DECEMBER 2013**

The Headquarters Address Necatibey Cad. No: 98 P.K.06100 Bakanlıklar/ANKARA
 Telephone and Facsimile Tel: 0312 231 84 00
 Fax: 0312 418 78 67
 Website Address http://www.kalkinma.com.tr
 E-mail Address muhasebe@kalkinma.com.tr

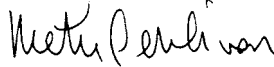
The unconsolidated financial report for the year-end prepared in accordance with the "Communiqué on Financial Statements and Related Disclosures and Notes to be Announced to Public by Banks" as regulated by Banking Regulation and Supervision Agency, consists of the following sections.

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON ACCOUNTING POLICIES OF THE BANK
- INFORMATION ON THE FINANCIAL STRUCTURE OF THE BANK
- DISCLOSURES AND NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- INDEPENDENT AUDITORS' REPORT

The unconsolidated financial statements and related disclosures and notes included in this report are prepared, unless otherwise stated, in **Thousand Turkish Liras**, in accordance with the Procedures and Principles Regarding Banks' Accounting Practices and Maintaining Documents, Turkish Financial Reporting Standards and the related appendices and interpretations and our Bank's financial records, and they have been independently audited and enclosed.



Ahmet YAMAN
Chairman of Board of
Directors (By Proxy)



Metin PEHLİVAN
Board of Directors Member
and General Manager
(By Proxy)



İrfan TOKGÖZ
Chairman of Audit
Committee

ATTENDANT

Şerif ÇELENK
Chairman of Audit
Committee (By Proxy)



Zeki ÇİFTÇİ
Member of Audit
Committee



Adnan YALÇINCI
Assistant General Manager
Responsible for Financial Reporting



Aydın TOSUN
Head of Financial Affairs

Information on the authorized personnel to whom questions related to this financial report may be directed

Name Surname/Title: Özgür Özel/Finance Manager
 Tel No: 0 312 417 92 00 - 2506
 Fax No: 0 312 418 22 94

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TÜRKİYE KALKINMA BANKASI A.Ş.**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

(AMOUNTS EXPRESSED IN THOUSANDS OF THE TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

SECTION ONE**GENERAL INFORMATION****I- Establishment Date of the Bank, Initial Articles of Association, History of the Bank Including the Changes of These Articles:**

The Bank was established on 27 November 1975 according to the Decree Based on Law numbered 13 as a related institution of the Ministry of Trade and Technology with the legal title of "Devlet Sanayi ve İşçi Yatırım Bankası A.Ş.". Some adjustments were made on the status of the Bank with the Decree Based on Law numbered 165 dated November 14, 1983.

On 15 July 1988, its legal title was changed to Türkiye Kalkınma Bankası A.Ş. by being associated to the Prime Ministry in the context of the Decree Based on Law numbered 329 and in parallel with the developments in its service range. The Bank had become a development and investment bank that provides financing support to companies in tourism sector as well as trade sector by taking over T.C. Turizm Bankası A.Ş. with all of its assets and liabilities with the decision of Supreme Planning Council dated January 20, 1989 and numbered 89/T-2. Also with the Decree Based on Law numbered 401 dated February 12, 1990, some of the articles related to the Bank status were changed.

With the Law dated October 14, 1999 and numbered 4456, Decrees Based on Law numbered 13, 165, 329 and 401 were revoked and the establishment and operating principles of the Bank were rearranged

II- Capital Structure of the Bank, Shareholders that Retain Direct or Indirect Control and Management of the Bank Solely or Together, Changes about These Issues During the Year And Disclosures about the Group:

The capital ceiling of the Bank which is subject to registered capital system is TL 500.000 Thousand. The issued capital considering the registered capital is TL 160.000 Thousand (The Bank's capital consist of 16 Billion lots that one of each costs TL 0,01), and the shareholders and their shares in the issued capital are shown below.

Shareholders	Share Amount (Thousand TL)	Share (%)	Share Capital (Thousand TL)	Trading Capital (Thousand TL)
Treasury	158.530	99,08	158.530	-
Other Shareholders	1.470	0,92	1.470	-
Total	160.000	100,00	160.000	-

III- Explanations Regarding the Bank's Chairman and Members of Board of Directors, Audit Committee Members, Chief Executive Officer and Executive Vice Presidents And Their Shares Attributable to the Bank, if any:**Chairman and Members of the Board of Directors:**

Name Surname	Duty	Assignment Date	Education Level	Experience in Banking Sector(Years)
Ahmet YAMAN	Chairman of the Board (By Proxy)	02.05.2008	Master's Degree	26
Metin PEHLİVAN	Member of the Board	15.03.2011	Bachelor	20
Hakan TOKAÇ	Member of the Board	01.05.2007	Master's Degree	20
İrfan TOKGÖZ	Member of the Board	02.05.2008	Master's Degree	20
Şerif ÇELENK	Member of the Board	02.03.2009	Bachelor	32
Zeki ÇİFTÇİ	Member of the Board	15.05.2012	Doctorate	27
Ahmet KESİK	Member of the Board	15.05.2012	Doctorate	27

Board of Supervisors:

Name Surname	Duty	Assignment Date	Education Level	Experience in Banking Sector(Years)
Mustafa GÜNEŞ	Member of Board of Supervisors	30.04.2008	Bachelor	11
Ferhat KARAŞ	Member of Board of Supervisors	28.01.2010	Master's Degree	17
Davut KARATAŞ	Member of Board of Supervisors	24.05.2010	Bachelor	22

(*) Board of Supervisors of the Bank has been litigated as of 31 March 2013 according to 2nd paragraph of temporary 6th clause of the Law No.6102.

TÜRKİYE KALKINMA BANKASI A.Ş.**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

(AMOUNTS EXPRESSED IN THOUSANDS OF THE TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

General Manager, Assistant General Managers:

Name Surname	Duty ^(*)	Assignment Date	Education Level	Experience in Banking Sector(Years)
Metin PEHLİVAN	General Manager (By Proxy) All areas	15.03.2011	Bachelor	20
Metin PEHLİVAN	AGM/Human Res.-İstanbul Branch-Loan Marketing	15.09.2009	Bachelor	20
Bahattin SEKKİN	AGM/Tech.Mon.-Ins.Comm.-Econ. and Social Res.-Credit Ins.	22.08.2003	Bachelor	31
Adnan YALÇINCI	AGM/Loan Follow-up and Coll.-Fiscal Aff.-Budgeting	14.10.2005	Master's Degree	23
Zekai İŞILDAR	AGM/Loan Evaluation I-II, Support Services	30.01.2009	Bachelor	27
İrfan YAŞAR	AGM/Fin.Inst.-Business Product-Treasury - Information Technology	16.12.2009	Master's Degree	14

(*) Commence by the decision of Board of Directors numbered of 2013/17-10-179 and dated 6 September 2013.

Chairman of Inspection Committee:

Name Surname	Duty	Assignment Date	Education Level	Experience in Banking Sector(Years)
Fatih ŞAHİN	Chairman of Inspection Committee	21.02.2012	Bachelor	13

Executives mentioned above do not own any shares of the Bank in the part which is not publicly traded.

IV- Information About Persons And Institutions that Have Qualified Shares Attributable to the Bank:

The Under secretariat of Treasury owns 99,08% of the shares of the Bank.

V- Summary of Functions and Lines of Activities of the Bank:

The line of activities of Türkiye Kalkınma Bankası A.Ş. which is a development and investment bank are; to provide loans to enterprises having the status of "Incorporated Company" in the spirit of profitability and productivity for the development of Turkey, to finance and give operational support by participating to enterprises, to direct domestic and foreign savings into development investments, to assist in the development of capital market, to finance domestic, foreign and international joint ventures and carry out all kinds of development and investment banking activities

VI- Information on application differences between consolidation practices as per the Regulation on Preparation of Consolidated Financial Statements of Banks and the Turkish Accounting Standards, and entities subject to full or proportional consolidation or deducted from equity or not subject to any of these three methods:

Since Kalkınma Yatırım Menkul Değerler A.Ş. which is the subsidiary of the Bank is in liquidation process, the Bank has lost control over its subsidiary in accordance with the related provisions of TAS and TFRS and net investment value of Kalkınma Yatırım Menkul Değerler A.Ş. in liquidation has been reclassified to financial assets available for sale. Therefore, no consolidated financial statements has been prepared.

VII- Current or likely actual or legal barriers to immediate transfer of equity or repayment of debts between the bank and its subsidiaries:

As explained above, Kalkınma Yatırım Menkul Değerler A.Ş. is in liquidation process, and transfer of equity is expected to be made at the end of the liquidation process.

SECTION TWO**UNCONSOLIDATED FINANCIAL STATEMENTS**

- I- Balance Sheet
- II- Statement of Off-Balance Sheet Accounts
- III- Statement of Income
- IV- Statement of Profit or Loss Account under Shareholders' Equity
- V- Statement of Changes in Shareholders' Equity
- VI- Statement of Cash Flow
- VII- Statement of Profit Distribution

TÜRKİYE KALKINMA BANKASI A.Ş.

UNCONSOLIDATED BALANCE SHEET

(STATEMENT OF FINANCIAL POSITION)

(AMOUNTS EXPRESSED IN THOUSANDS OF THE TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

		THOUSANDS OF TL					
		AUDITED CURRENT PERIOD (31/12/2013)			AUDITED PRIOR PERIOD (31/12/2012)		
ASSETS	Disc.	TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(1)	1.706	-	1.706	319	-	319
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	1.068	-	1.068	1.122	-	1.122
2.1 Trading Financial Assets		1.068	-	1.068	1.122	-	1.122
2.1.1 Public Sector Debt Securities		1.068	-	1.068	1.104	-	1.104
2.1.2 Share Certificates		-	-	-	-	-	-
2.1.3 Financial Assets Held for Trading		-	-	-	18	-	18
2.1.4 Other Marketable Securities		-	-	-	-	-	-
2.2 Financial Assets at Fair Value Through Profit and Loss		-	-	-	-	-	-
2.2.1 Public Sector Debt Securities		-	-	-	-	-	-
2.2.2 Share Certificates		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other Marketable Securities		-	-	-	-	-	-
III. BANKS	(3)	163.496	126.246	289.742	221.837	39.380	261.217
IV. MONEY MARKET PLACEMENTS		145.569	-	145.569	134.670	-	134.670
4.1 Interbank Money Market Placements		-	-	-	4.600	-	4.600
4.2 Istanbul Stock Exchange Money Market Placements		-	-	-	-	-	-
4.3 Receivables from Reverse Repurchase Agreements		145.569	-	145.569	130.070	-	130.070
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(4)	219.500	2.347	221.847	91.065	199	91.264
5.1 Share Certificates		8.039	-	8.039	955	-	955
5.2 Public Sector Debt Securities		208.242	219	208.461	86.182	199	86.381
5.3 Other Marketable Securities		3.219	2.128	5.347	3.928	-	3.928
VI. LOANS	(5)	282.956	2.475.776	2.758.732	297.095	1.957.315	2.254.410
6.1 Loans		202.443	2.475.776	2.678.219	249.076	1.957.315	2.206.391
6.1.1 Loans Extended to Risk Group of the Bank		-	-	-	-	-	-
6.1.2 Public Sector Debt Securities		-	-	-	-	-	-
6.1.3 Other		202.443	2.475.776	2.678.219	249.076	1.957.315	2.206.391
6.2 Loans Under Follow-Up		124.907	-	124.907	97.220	-	97.220
6.3 Specific Provisions (-)		44.394	-	44.394	49.201	-	49.201
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. HELD TO MATURITY INVESTMENTS (Net)	(6)	29.739	-	29.739	29.733	-	29.733
8.1 Public Sector Debt Securities		29.739	-	29.739	29.733	-	29.733
8.2 Other Marketable Securities		-	-	-	-	-	-
IX. INVESTMENTS IN ASSOCIATES (Net)	(7)	8.111	9.907	18.018	7.691	5.513	13.204
9.1 Accounted with Equity Method		-	-	-	-	-	-
9.2 Unconsolidated Associates		8.111	9.907	18.018	7.691	5.513	13.204
9.2.1 Financial Investments		-	9.907	9.907	-	5.513	5.513
9.2.2 Non-financial Investments		8.111	-	8.111	7.691	-	7.691

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

TÜRKİYE KALKINMA BANKASI A.Ş.**UNCONSOLIDATED BALANCE SHEET
(STATEMENT OF FINANCIAL POSITION)**

(AMOUNTS EXPRESSED IN THOUSANDS OF THE TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

		THOUSANDS OF TL						
		Disc.	AUDITED CURRENT PERIOD (31/12/2013)			AUDITED PRIOR PERIOD (31/12/2012)		
ASSETS	TL		FC	Total	TL	FC	Total	
X.	INVESTMENTS IN SUBSIDIARIES (Net)	(8)	-	-	-	6.357	-	6.357
10.1	Unconsolidated Financial Subsidiaries		-	-	-	6.357	-	6.357
10.2	Unconsolidated Non-financial Subsidiaries		-	-	-	-	-	-
XI.	JOINT VENTURES (Net)	(9)	-	-	-	-	-	-
11.1	Accounted with Equity Method		-	-	-	-	-	-
11.2	Unconsolidated Joint Ventures		-	-	-	-	-	-
11.2.1	Financial Joint Ventures		-	-	-	-	-	-
11.2.2	Non-financial Joint Ventures		-	-	-	-	-	-
XII.	FINANCE LEASE RECEIVABLES (Net)	(10)	3	-	3	5	-	5
12.1	Finance Lease Receivables		-	-	-	-	-	-
12.2	Operating Lease Receivables		3	-	3	5	-	5
12.3	Other		-	-	-	-	-	-
12.4	Unearned Income (-)		-	-	-	-	-	-
XIII.	DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES	(11)	-	-	-	-	-	-
13.1	Fair Value Risk Hedging		-	-	-	-	-	-
13.2	Cash Flow Risk Hedging		-	-	-	-	-	-
13.3	Net Abroad Investment Risk Hedging		-	-	-	-	-	-
XIV.	TANGIBLE ASSETS (Net)	(12)	64.696	-	64.696	54.101	-	54.101
XV.	INTANGIBLE ASSETS (Net)	(13)	1.627	-	1.627	784	-	784
15.1	Goodwill		-	-	-	-	-	-
15.2	Other		1.627	-	1.627	784	-	784
XVI.	INVESTMENT PROPERTIES (Net)	(14)	1.110	-	1.110	1.153	-	1.153
XVII.	TAX ASSET	(15)	6.939	-	6.939	6.846	-	6.846
17.1	Current Tax Assets		-	-	-	-	-	-
17.2	Deferred Tax Assets		6.939	-	6.939	6.846	-	6.846
XVIII.	ASSETS FOR ASSET HELD FOR SALE AND HELD FROM DISCONTINUED OPERATIONS	(16)	-	-	-	-	-	-
18.1	Held for Sale Purpose		-	-	-	-	-	-
18.2	Held from Discontinued Operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	(17)	13.288	1.973	15.261	13.048	1.820	14.868
TOTAL ASSETS			939.808	2.616.249	3.556.057	865.826	2.004.227	2.870.053

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

TÜRKİYE KALKINMA BANKASI A.Ş.

UNCONSOLIDATED BALANCE SHEET

(STATEMENT OF FINANCIAL POSITION)

(AMOUNTS EXPRESSED IN THOUSANDS OF THE TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

		THOUSANDS OF TL						
		Disc.	AUDITED CURRENT PERIOD (31/12/2013)			AUDITED PRIOR PERIOD (31/12/2012)		
LIABILITIES AND EQUITY			TL	FC	Total	TL	FC	Total
I.	DEPOSITS	(1)	-	-	-	-	-	-
1.1	Deposits Held by the Risk Group of the Bank		-	-	-	-	-	-
1.2	Other		-	-	-	-	-	-
II.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	-	-	-	1.096	-	1.096
III.	BORROWING FUNDING LOANS	(3)	-	2.639.545	2.639.545	-	2.101.037	2.101.037
IV.	MONEY MARKET BALANCES		221.766	-	221.766	81.549	-	81.549
4.1	Interbank Money Market Takings		-	-	-	-	-	-
4.2	Istanbul Stock Exchange Takasbank Takings		-	-	-	-	-	-
4.3	Funds From Repurchase Agreements		221.766	-	221.766	81.549	-	81.549
V.	MARKETABLE SECURITIES ISSUED (Net)		-	-	-	-	-	-
5.1	Bills		-	-	-	-	-	-
5.2	Asset-backed Securities		-	-	-	-	-	-
5.3	Bonds		-	-	-	-	-	-
VI.	FUNDS		24.438	64	24.502	47.083	54	47.137
6.1	Borrower Funds		-	-	-	-	-	-
6.2	Other		24.438	64	24.502	47.083	54	47.137
VII.	SUNDRY CREDITORS		3.162	583	3.745	3.411	1.821	5.232
VIII.	OTHER LIABILITIES	(4)	4.185	542	4.727	3.790	307	4.097
IX.	FACTORING PAYABLES		-	-	-	-	-	-
X.	FINANCE LEASE PAYABLES (Net)	(5)	-	-	-	-	-	-
10.1	Finance Lease Payables		-	-	-	-	-	-
10.2	Operating Lease Payables		-	-	-	-	-	-
10.3	Other		-	-	-	-	-	-
10.4	Deferred Finance Lease Expenses (-)		-	-	-	-	-	-
XI.	DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING	(6)	-	-	-	-	-	-
11.1	Fair Value Risk Hedging		-	-	-	-	-	-
11.2	Cash Flow Risk Hedging		-	-	-	-	-	-
11.3	Net Abroad Investment Risk Hedging		-	-	-	-	-	-
XII.	PROVISIONS	(7)	54.945	-	54.945	47.743	-	47.743
12.1	General Loan Provisions		27.491	-	27.491	23.008	-	23.008
12.2	Restructuring Provisions		-	-	-	-	-	-
12.3	Employee Benefits Provisions		27.454	-	27.454	24.735	-	24.735
12.4	Insurance Technical Reserves (Net)		-	-	-	-	-	-
12.5	Other Provisions		-	-	-	-	-	-
XIII.	TAX LIABILITY	(8)	2.730	-	2.730	5.264	-	5.264
13.1	Current Tax Liability		2.730	-	2.730	5.264	-	5.264
13.2	Deferred Tax Liability		-	-	-	-	-	-

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

TÜRKİYE KALKINMA BANKASI A.Ş.**UNCONSOLIDATED BALANCE SHEET
(STATEMENT OF FINANCIAL POSITION)**

(AMOUNTS EXPRESSED IN THOUSANDS OF THE TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

		THOUSANDS OF TL						
		Disc.	AUDITED CURRENT PERIOD (31/12/2013)			AUDITED PRIOR PERIOD (31/12/2012)		
LIABILITIES AND EQUITY			TL	FC	Total	TL	FC	Total
XIV.	LIABILITIES FOR ASSET HELD FOR SALE AND HELD FROM DISCONTINUED OPERATIONS	(9)	-	-	-	-	-	-
14.1	Held for Sale Purpose		-	-	-	-	-	-
14.2	Held from Discontinued Operations		-	-	-	-	-	-
XV.	TIER -II CAPITAL	(10)	-	-	-	-	-	-
XVI.	SHAREHOLDERS' EQUITY	(11)	604.137	(40)	604.097	576.896	2	576.898
16.1	Paid-in Capital		160.000	-	160.000	160.000	-	160.000
16.2	Capital Reserves		210.217	(40)	210.177	210.847	2	210.849
16.2.1	Share Premium		1.491	-	1.491	1.491	-	1.491
16.2.2	Share Cancellation Profits		-	-	-	-	-	-
16.2.3	Marketable Securities Revaluation Fund		2.308	(40)	2.268	3.282	2	3.284
16.2.4	Tangible Assets Revaluation Reserves		-	-	-	-	-	-
16.2.5	Intangible Assets Revaluation Reserves		-	-	-	-	-	-
16.2.6	Revaluation Reserves of Real Estates for Investment Purpose		-	-	-	-	-	-
16.2.7	Non-paid-up Shares of Subsidiaries, Associates and Joint Ventures		-	-	-	-	-	-
16.2.8	Hedging Funds (Effective Portion)		-	-	-	-	-	-
16.2.9	Value Increase on Assets Held for Sale and Held From Discontinued Operations		-	-	-	-	-	-
16.2.10	Other Capital Reserves		206.418	-	206.418	206.074	-	206.074
16.3	Profit Reserves		197.299	-	197.299	162.419	-	162.419
16.3.1	Legal Reserves		32.075	-	32.075	29.992	-	29.992
16.3.2	Statutory Reserves		-	-	-	-	-	-
16.3.3	Extraordinary Reserves		163.588	-	163.588	132.427	-	132.427
16.3.4	Other Profit Reserves		1.636	-	1.636	-	-	-
16.4	Profit/Loss		36.621	-	36.621	43.630	-	43.630
16.4.1	Prior Years Income/Loss		-	-	-	-	-	-
16.4.2	Period Profit/Loss		36.621	-	36.621	43.630	-	43.630
			-					
TOTAL LIABILITIES AND EQUITY			915.363	2.640.694	3.556.057	766.832	2.103.221	2.870.053

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

TÜRKİYE KALKINMA BANKASI A.Ş.**UNCONSOLIDATED OFF BALANCE SHEET ACCOUNTS**

(AMOUNTS EXPRESSED IN THOUSANDS OF THE TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

		THOUSANDS OF TL					
		AUDITED CURRENT PERIOD (31/12/2013)			AUDITED PRIOR PERIOD (31/12/2012)		
	Disc.	TL	FC	Total	TL	FC	Total
A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)		130.157	898.435	1.028.592	134.711	848.263	982.974
I. GUARANTEES AND SURETYSHIPS	(1), (3)	40	12.716	12.756	46	56.981	57.027
1.1. Letters of Guarantee		40	-	40	46	-	46
1.1.1. Guarantees Subject to Public Procurement Law		-	-	-	-	-	-
1.1.2. Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3. Other Letters of Guarantee		40	-	40	46	-	46
1.2. Bank Loans		-	-	-	-	-	-
1.2.1. Import Acceptances		-	-	-	-	-	-
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letters of Credit		-	12.716	12.716	-	56.981	56.981
1.3.1. Documentary Letters of Credit		-	12.716	12.716	-	56.981	56.981
1.3.2. Other Letters of Credit		-	-	-	-	-	-
1.4. Guaranteed Prefinancings		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to Central Bank of Turkish Republic		-	-	-	-	-	-
1.5.2. Other Endorsements		-	-	-	-	-	-
1.6. Purchase Guarantees on Marketable Security Issuance		-	-	-	-	-	-
1.7. Factoring Guarantees		-	-	-	-	-	-
1.8. Other Guarantees		-	-	-	-	-	-
1.9. Other Suretyships		-	-	-	-	-	-
II. COMMITMENTS	(1), (3)	130.117	885.719	1.015.836	46.697	704.371	751.068
2.1. Irrevocable Commitments		-	15.353	15.353	-	16.000	16.000
2.1.1. Forward Asset Purchase Commitments		-	-	-	-	-	-
2.1.2. Forward Deposit Purchase and Sale Commitments		-	-	-	-	-	-
2.1.3. Capital Commitments to Subsidiaries and Associates		-	15.353	15.353	-	16.000	16.000
2.1.4. Loan Granting Commitments		-	-	-	-	-	-
2.1.5. Securities Underwriting Commitments		-	-	-	-	-	-
2.1.6. Payment Commitments for Reserve Deposits		-	-	-	-	-	-
2.1.7. Payment Commitments for Cheques		-	-	-	-	-	-
2.1.8. Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9. Commitments for Credit Card Expenditure Limits		-	-	-	-	-	-
2.1.10. Commitments for Credit Cards and Banking Services Promotions		-	-	-	-	-	-
2.1.11. Receivables from Short Sale Commitments		-	-	-	-	-	-
2.1.12. Payables for Short Sale Commitments		-	-	-	-	-	-
2.1.13. Other Irrevocable Commitments		-	-	-	-	-	-
2.2. Revocable Commitments		130.117	870.366	1.000.483	46.697	688.371	735.068
2.2.1. Revocable Loan Granting Commitments		130.117	870.366	1.000.483	46.697	688.371	735.068
2.2.2. Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(2)	-	-	-	87.968	86.911	174.879
3.1. Derivative Financial Instruments for Hedging		-	-	-	-	-	-
3.1.1. Fair Value Risk Hedging Transactions		-	-	-	-	-	-
3.1.2. Cash flow Risk Hedging Transactions		-	-	-	-	-	-
3.1.3. Net Abroad Investment Risk Hedging Transactions		-	-	-	-	-	-

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

TÜRKİYE KALKINMA BANKASI A.Ş.**UNCONSOLIDATED OFF BALANCE SHEET ACCOUNTS**

(AMOUNTS EXPRESSED IN THOUSANDS OF THE TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

		THOUSANDS OF TL					
	Disc.	AUDITED CURRENT PERIOD (31/12/2013)			AUDITED PRIOR PERIOD (31/12/2012)		
		TL	FC	Total	TL	FC	Total
3.2	Transactions for Trading	-	-	-	87.968	86.911	174.879
3.2.1	Forward Foreign Currency Buy/Sell Transactions	-	-	-	2.543	2.523	5.066
3.2.1.1	Forward Foreign Currency Transactions-Buy	-	-	-	2.543	-	2.543
3.2.1.2	Forward Foreign Currency Transactions-Sell	-	-	-	-	2.523	2.523
3.2.2	Currency and Interest Rate Swaps	-	-	-	85.425	84.388	169.813
3.2.2.1	Currency Swap-Buy	-	-	-	-	84.388	84.388
3.2.2.2	Currency Swap-Sell	-	-	-	85.425	-	85.425
3.2.2.3	Interest Rate Swap-Buy	-	-	-	-	-	-
3.2.2.4	Interest Rate Swap-Sell	-	-	-	-	-	-
3.2.3	Currency, Interest Rate and Marketable Securities Options	-	-	-	-	-	-
3.2.3.1	Currency Call Options	-	-	-	-	-	-
3.2.3.2	Currency Put Options	-	-	-	-	-	-
3.2.3.3	Interest Rate Call Options	-	-	-	-	-	-
3.2.3.4	Interest Rate Put Options	-	-	-	-	-	-
3.2.3.5	Marketable Securities Call Options	-	-	-	-	-	-
3.2.3.6	Marketable Securities Put Options	-	-	-	-	-	-
3.2.4	Currency Futures	-	-	-	-	-	-
3.2.4.1	Currency Futures-Buy	-	-	-	-	-	-
3.2.4.2	Currency Futures-Sell	-	-	-	-	-	-
3.2.5	Interest Rate Buy/Sell Futures	-	-	-	-	-	-
3.2.5.1	Interest Rate Futures-Buy	-	-	-	-	-	-
3.2.5.2	Interest Rate Futures-Sell	-	-	-	-	-	-
3.2.6	Other	-	-	-	-	-	-
B. CUSTODY AND PLEDGED ASSETS (IV+V+VI)		1.568.190	9.765.065	11.333.255	1.967.239	7.361.635	9.328.874
IV. CUSTODIES		1.340	372	1.712	2.079	496	2.575
4.1.	Assets Under Management	-	-	-	-	-	-
4.2.	Custody Marketable Securities	1.340	-	1.340	2.079	-	2.079
4.3.	Cheques in Collection Process	-	258	258	-	-	-
4.4.	Commercial Notes in Collection Process	-	-	-	-	-	-
4.5.	Other Assets in Collection Process	-	-	-	-	-	-
4.6.	Underwritten Securities	-	-	-	-	-	-
4.7.	Other Custodies	-	114	114	-	496	496
4.8.	Custodians	-	-	-	-	-	-
V. PLEDGED ASSETS		1.565.250	9.763.314	11.328.564	1.963.560	7.360.017	9.323.577
5.1.	Marketable Securities	-	-	-	-	-	-
5.2.	Collateral Notes	164.731	2.076.909	2.241.640	320.470	1.662.119	1.982.589
5.3.	Commodity	-	-	-	-	-	-
5.4.	Warranty	-	-	-	-	-	-
5.5.	Land and Buildings	697.836	5.226.411	5.924.247	908.836	3.756.643	4.665.479
5.6.	Other Pledged Assets	177.568	1.634.596	1.812.164	205.070	1.386.646	1.591.716
5.7.	Pledges	525.115	825.398	1.350.513	529.184	554.609	1.083.793
VI. ACCEPTED BILL GUARANTEES AND SURETIES		1.600	1.379	2.979	1.600	1.122	2.722
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		1.698.347	10.663.500	12.361.847	2.101.950	8.209.898	10.311.848

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

TÜRKİYE KALKINMA BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF INCOME

(AMOUNTS EXPRESSED IN THOUSANDS OF THE TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

		THOUSANDS OF TL		
INCOME AND EXPENSES		Disc.	AUDITED CURRENT PERIOD (01/01/2013-31/12/2013)	AUDITED PRIOR PERIOD (01/01/2012-31/12/2012)
I.	INTEREST INCOME	(1)	145.306	167.329
1.1	Interest on loans		111.808	110.245
1.2	Interest received from reserve deposits		-	-
1.3	Interest received from banks		5.623	7.504
1.4	Interest received from money market placements		12.787	21.099
1.5	Interest income on marketable securities		15.065	28.478
1.5.1	Financial assets held for trading		77	638
1.5.2	Financial assets at fair value through profit and loss		-	-
1.5.3	Financial assets available-for-sale		12.816	25.070
1.5.4	Investments held-to-maturity		2.172	2.770
1.6	Finance lease income		-	-
1.7	Other interest income	(12)	23	3
II.	INTEREST EXPENSE	(2)	33.938	53.745
2.1	Interest on deposits		-	-
2.2	Interest on borrowings		24.472	29.190
2.3	Interest on money market borrowings		7.717	21.537
2.4	Interest on marketable securities issued		-	-
2.5	Other interest expense	(12)	1.749	3.018
III.	NET INTEREST INCOME (I - II)		111.368	113.584
IV.	NET FEES AND COMMISSIONS INCOME		4.746	5.257
4.1	Fees and commissions income		5.447	6.350
4.1.1	Non-cash loans		647	759
4.1.2	Other	(12)	4.800	5.591
4.2	Fees and commissions expenses		701	1.093
4.2.1	Non-cash loans		-	-
4.2.2	Other	(12)	701	1.093
V.	DIVIDEND INCOME	(3)	185	330
VI.	NET TRADING PROFIT	(4)	(2.625)	924
6.1	Profit/Loss from capital market operations		474	(1.258)
6.2	Profit/Loss from financial derivative transactions		438	(1.190)
6.3	Foreign exchange gains/losses		(3.537)	3.372
VII.	OTHER OPERATING INCOME	(5)	12.039	19.381
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		125.713	139.476
IX.	LOANS AND OTHER RECEIVABLES IMPAIRMENT LOSS PROVISIONS (-)	(6)	9.296	15.298
X.	OTHER OPERATING EXPENSES(-)	(7)	69.155	69.095
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		47.262	55.083
XII.	AMOUNT RECORDED IN EXCESS AS GAIN AFTER MERGER		-	-
XIII.	PROFIT/LOSSES FROM EQUITY METHOD APPLIED SUBSIDIARIES		-	-
XIV.	GAIN/(LOSS) ON NET MONETARY POSITION		-	-
XV.	INCOME/(LOSS) BEFORE TAXES (XI+XII+XIII+XIV)	(8)	47.262	55.083
XVI.	INCOME TAX PROVISION (±)	(9)	(10.641)	(11.453)
16.1	Current tax provision		(10.565)	(13.089)
16.2	Deferred tax provision		(76)	1.636
XVII.	NET OPERATING INCOME AFTER TAX (XV±XVI)	(10)	36.621	43.630
XVIII.	INCOME FROM DISCONTINUED OPERATIONS		-	-
18.1	Property and equipment income held for sale		-	-
18.2	Sale profits from associates, subsidiaries and joint ventures (business partners)		-	-
18.3	Other income from terminated operations		-	-
XIX.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
19.1	Property and equipment expense held for sale		-	-
19.2	Sale losses from associates, subsidiaries and joint ventures (business partners)		-	-
19.3	Other expenses from discontinued operations		-	-
XX.	INCOME/EXPENSE BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII-XIX)	(8)	-	-
XXI.	PROVISION FOR TAXES ON INCOME FROM DISCONTINUED OPERATIONS (±)	(9)	-	-
21.1	Current tax provision		-	-
21.2	Deferred tax provision		-	-
XXII.	NET PROFIT/LOSSES FROM DISCONTINUED OPERATIONS (XX±XXI)	(10)	-	-
XXIII.	NET PROFIT/(LOSS) (XVII+XXII)	(11)	36.621	43.630
Earnings per share			0,00229	0,00273

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

TÜRKİYE KALKINMA BANKASI A.Ş.**STATEMENT OF UNCONSOLIDATED PROFIT AND LOSS
ACCOUNTED FOR UNDER EQUITY**

(AMOUNTS EXPRESSED IN THOUSANDS OF THE TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY	THOUSANDS OF TL AUDITED	
	CURRENT PERIOD (01/01/2013-31/12/2013)	PRIOR PERIOD (01/01/2012-31/12/2012)
I. Additions to marketable securities revaluation differences for available for sale financial assets	(1.273)	7.236
II. Tangible assets revaluation differences	-	-
III. Intangible assets revaluation differences	-	-
IV. Foreign exchange differences for foreign currency transactions	-	-
V. Profit/Loss from derivative financial instruments for cash flow hedge purposes (Effective portion of fair value differences)	-	-
VI. Profit/Loss from derivative financial instruments for hedge of net investment in foreign operations (Effective portion of fair value differences)	-	-
VII. The effect of corrections of errors and changes in accounting policies	-	-
VIII. Other profit loss items accounted under equity due to TAS	430	-
IX. Deferred tax of valuation differences	169	(1.098)
X. Total Net Profit/Loss accounted under equity (I+II+...+IX)	(674)	6.138
XI. Profit/Loss	2	(1.745)
11.1. Change in fair value of marketable securities (Transfer to Profit/Loss)	2	(1.745)
11.2. Reclassification and transfer of derivatives accounted for cash flow hedge purposes to Income Statement	-	-
11.3. Transfer of hedge of net investments in foreign operations to Income Statement	-	-
11.4. Other	-	-
XII. Total Profit/Loss accounted for the period (X±XI)	(672)	4.393

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

TÜRKİYE KALKINMA BANKASI A.Ş.**UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AUDITED**

(AMOUNTS EXPRESSED IN THOUSANDS OF THE TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

THOUSANDS OF TL

CHANGES IN SHARE HOLDERS' EQUITY	Disc.	Paid-in Capital	Effect of Inflation Adjustments on Paid in Capital	Share Premium	Share Certificate Cancellation Profit	Legal Reserves	Statutory Reserves
PRIOR PERIOD							
(31/12/2012)							
I. Balance at end of prior period		160.000	206.074	1.491	-	28.804	-
II. Corrections according to TAS 8							
2.1.The effect of corrections of errors		-	-	-	-	-	-
2.2.The effects of changes in accounting policy		-	-	-	-	-	-
III. New Balance (I + II)		-	-	-	-	-	-
Changes within the period		-	-	-	-	-	-
IV. Increase/Decrease generated by merger		-	-	-	-	-	-
V. Valuation changes in marketable securities		-	-	-	-	-	-
VI. Hedging Funds (Effective Portion)		-	-	-	-	-	-
6.1.Cash-flow hedge		-	-	-	-	-	-
6.2.Hedges for investment made in foreign countries		-	-	-	-	-	-
VII. Revaluation changes of property and equipment		-	-	-	-	-	-
VIII. Revaluation changes of intangible assets		-	-	-	-	-	-
IX. Free shares from investment and associates, subsidiaries and joint ventures (business partners)		-	-	-	-	-	-
X. Foreign exchange differences		-	-	-	-	-	-
XI. Changes after disposal of securities		-	-	-	-	-	-
XII. Changes after reclassification of securities		-	-	-	-	-	-
XIII. Effect of changes in shareholders' equity of investments and associates to bank's shareholders equity		-	-	-	-	-	-
XIV. Increase in capital		-	-	-	-	-	-
14.1. Cash		-	-	-	-	-	-
14.2. From internal resources		-	-	-	-	-	-
XV. Issuance of share certificates at end of period		-	-	-	-	1.188	-
XVI. Share cancellation profits		-	-	-	-	-	-
XVII. Adjustment to paid-in capital		-	-	-	-	1.188	-
XVIII. Other		-	-	-	-	-	-
XIX. Net profit or losses							
XX. Profit distribution		160.000	206.074	1.491	-	29.992	-
20.1. Dividends distributed		-	-	-	-	1.116	-
20.2. Transfers to legal reserves		-	-	-	-	-	-
20.3. Other		-	-	-	-	-	-
Closing Balance (III+IV+V +...+XVIII+XIX+XX)		-	-	-	-	2.376	-

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

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TÜRKİYE KALKINMA BANKASI A.Ş.**UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AUDITED**

(AMOUNTS EXPRESSED IN THOUSANDS OF THE TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

THOUSANDS OF TL

CHANGES IN SHARE HOLDERS' EQUITY	Disc.	Paid-in Capital	Effect of Inflation Adjustments on Paid in Capital	Share Premium	Share Certificate Cancellation Profit	Legal Reserves	Statutory Reserves
CURRENT PERIOD							
(31/12/2012)							
I. Balance at end of prior period		160.000	206.074	1.491	-	29.992	-
Changes within the period		-	-	-	-	-	-
IV. Increase/Decrease generated by merger		-	-	-	-	-	-
V. Valuation changes in marketable securities		-	-	-	-	-	-
VI. Hedging Funds (Effective Portion)		-	-	-	-	-	-
6.1. Cash-flow hedge		-	-	-	-	-	-
6.2. Hedges for investment made in foreign countries		-	-	-	-	-	-
VII. Revaluation changes of property and equipment		-	-	-	-	-	-
VIII. Revaluation changes of intangible assets		-	-	-	-	-	-
IX. Free shares from investment and associates, subsidiaries and joint ventures (business partners)		-	-	-	-	-	-
X. Foreign exchange differences		-	-	-	-	-	-
XI. Changes after disposal of securities		-	-	-	-	-	-
XII. Changes after reclassification of securities		-	-	-	-	-	-
XIII. Effect of changes in shareholders' equity of investments and associates to bank's shareholders equity		-	-	-	-	-	-
XIV. Increase in capital		-	-	-	-	-	-
14.1. Cash		-	-	-	-	-	-
14.2. From internal resources		-	-	-	-	-	-
XV. Issuance of share certificates at end of period		-	-	-	-	-	-
XVI. Share cancellation profits		-	-	-	-	-	-
XVII. Adjustment to paid-in capital		-	-	-	-	-	-
XVIII. Other		-	-	-	-	-	-
XIX. Net profit or losses		-	-	-	-	-	-
XX. Profit distribution		-	-	-	-	2.083	-
20.1. Dividends distributed		-	-	-	-	-	-
20.2. Transfers to legal reserves		-	-	-	-	2.083	-
20.3. Other		-	-	-	-	-	-
Closing Balance (III+IV+V +...+XVIII+XIX+XX)		160.000	206.074	1.491	-	32.075	-

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

Extraordinary Reserves	Other Reserves	Current Period Net Income (Loss)	Prior Period Net Income/ (Loss)	Valuation changes in marketable sec.	Revaluation changes in prop. and equip. and int. assets	Free shares from shareholders	Hedging funds	Valu. chan. in pro. and equip. held for sale purp./term. op.	Total Equity
132.427	-	-	43.630	3.284	-	-	-	-	576.898
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	(1.016)	-	-	-	-	(1.016)
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	344	-	-	-	-	-	-	-	344
-	-	36.621	-	-	-	-	-	-	36.621
31.161	1.636	-	(43.630)	-	-	-	-	-	(8.750)
-	-	-	(8.750)	-	-	-	-	-	(8.750)
31.161	1.636	-	(34.880)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
163.588	1.980	36.621	-	2.268	-	-	-	-	604.097

TÜRKİYE KALKINMA BANKASI A.Ş.**UNCONSOLIDATED STATEMENT OF CASH FLOWS**

(AMOUNTS EXPRESSED IN THOUSANDS OF THE TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

Disc.	THOUSANDS OF TL	
	AUDITED CURRENT PERIOD (01/01/2013-31/12/2013)	AUDITED PRIOR PERIOD (01/01/2012-31/12/2012)
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1. Operating profit before changes in operating assets and liabilities (+)	37.772	155.345
1.1.1. Interest received (+)	140.636	177.882
1.1.2. Interest paid (-)	(34.026)	(54.581)
1.1.3. Dividend received(+)	185	330
1.1.4. Fees and commissions received (+)	5.447	6.350
1.1.5. Other income (+)	1.027	961
1.1.6. Collections from previously written off loans (+)	10.773	7.296
1.1.7. Cash payments to personnel and service suppliers (-)	(51.184)	(48.612)
1.1.8. Taxes paid (-)	(14.193)	(14.946)
1.1.9. Other (+/-)	(20.893)	80.665
1.2. Assets and Liabilities Subject to Banking Operations	131.496	(398.104)
1.2.1. Net (increase) decrease in financial assets held for sale (+/-)	32	61.752
1.2.2. Net (increase) decrease in financial assets at fair value through profit or loss (+/-)	-	-
1.2.3. Net (increase) decrease in due from banks and other financial institutions (+/-)	-	-
1.2.4. Net (increase) decrease in loans (+/-)	(81.136)	(450.493)
1.2.5. Net (increase) decrease in other assets (+/-)	(394)	(356)
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 loans borrowed (+/-)	96.114	433.212
1.2.9. Net increase (decrease) in matured payables (+/-)	-	-
1.2.10. Net increase (decrease) in other liabilities (+/-)	116.880	(442.219)
I. Net cash provided from banking operations (+/-)	169.268	(242.759)
B. CASH FLOWS FROM INVESTMENT ACTIVITIES		
II. Net cash provided from investing activities (+/-)	(132.411)	486.490
2.1. Cash paid for purchase of joint ventures, associates and subsidiaries (-)	(3.864)	(4.004)
2.2. Cash obtained from sale of entities joint ventures, associates and subsidiaries (+)	-	-
2.3. Fixed assets purchases (-)	(503)	(178)
2.4. Fixed assets sales(+)	372	177
2.5. Cash paid for purchase of financial assets available for sale (-)	(445.594)	(417.593)
2.6. Cash obtained from sale of financial assets available for sale (+)	318.473	902.831
2.7. Cash paid for purchase of investment securities (-)	(11.276)	(18.443)
2.8. Cash obtained from sale of investment securities (+)	11.375	24.056
2.9. Other (+/-)	(1.394)	(356)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net cash provided from financing activities (+/-)	(8.750)	-
3.1. Cash obtained from loans borrowed and securities issued (+)	-	-
3.2. Cash used for repayment of loans borrowed and securities issued (-)	-	-
3.3. Marketable securities issued (+)	-	-
3.4. Dividends paid (-)	(8.750)	-
3.5. Payments for finance leases (-)	-	-
3.6. Other (+/-)	-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents(+/-)	12.941	(1.166)
V. Net increase/(decrease) in cash and cash equivalents (I+II+III+IV)	41.048	242.565
VI. Cash and cash equivalents at beginning of the period (+)	(2)	153.284
VII. Cash and cash equivalents at end of the period (V+VI)	(3)	395.849

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

TÜRKİYE KALKINMA BANKASI A.Ş.

PROFIT DISTRIBUTION TABLE

(AMOUNTS EXPRESSED IN THOUSANDS OF THE TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

	THOUSANDS OF TL	
	AUDITED CURRENT PERIOD (31/12/2013)	AUDITED PRIOR PERIOD (31/12/2012)
I. DISTRIBUTION OF CURRENT YEAR PROFIT		
1.1.CURRENT YEAR PROFIT	47.262	55.083
1.2.TAXES AND DUTIES PAYABLE	10.641	11.453
1.2.1.Corporate tax (Income tax)	10.565	13.089
1.2.2.Income withholding tax	-	-
1.2.3.Other taxes and duties	76	(1.636)
A. NET PROFIT FOR THE YEAR (1.1-1.2)	36.621	43.630
1.3.ACCUMULATED LOSSES (-)	-	-
1.4.FIRST LEGAL RESERVES (-)	-	2.008
1.5.OTHER STATUTORY RESERVES (-)	-	-
B. NET PROFIT AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5))]	36.621	41.622
1.6.FIRST DIVIDEND TO SHAREHOLDERS (-)	-	8.000
1.6.1.To owners of ordinary shares	-	8.000
1.6.2.To owners of privileged shares	-	-
1.6.3.To owners of redeemed shares	-	-
1.6.4.To profit sharing bonds	-	-
1.6.5.To holders of profit and loss sharing certificates	-	-
1.7.DIVIDENDS TO PERSONNEL (-)	-	750
1.8.DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9.SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1.To owners of ordinary shares	-	-
1.9.2.To owners of privileged shares	-	-
1.9.3.To owners of redeemed shares	-	-
1.9.4.To profit sharing bonds	-	-
1.9.5.To holders of profit and loss sharing certificates	-	-
1.10.SECOND LEGAL RESERVES (-)	-	75
1.11.STATUTORY RESERVES (-)	-	-
1.12.EXTRAORDINARY RESERVES	-	31.161
1.13.OTHER RESERVES	-	1.636
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 redeemed 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	-	-
3.2. TO OWNERS OF ORDINARY SHARES (%)	-	-
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 (%)	-	-

^(*) Profit Distribution decision is taken by the General Assembly of the Bank. As of the report date, the General Assembly meeting has not been held.

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

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SECTION THREE**ACCOUNTING POLICIES****I- Explanations on Basis of Presentation:****a. The preparation of financial statements and related notes according to Turkish Accounting Standards and “Regulation on the Procedures And Principles Regarding Banks’ Accounting Practices and Maintaining Documents”:**

The unconsolidated financial statements and related disclosures are prepared in accordance with the Public Oversight Accounting and Auditing Standards Authority (POA) and Turkish Financial Reporting Standards (TFRS) effective by the Turkish Accounting Standards Board and related appendixes and interpretations concerning those standards, and “Regulation on the Procedures And Principles Regarding Banks’ Accounting Practices and Maintaining Documents” dated 1 November 2006 and numbered 26333 which is related to Banking Law numbered 5411 and other legislations, interpretations and circulars issued related to basis for accounting and financial reporting by Banking Regulation and Supervision Agency. The Bank keeps its records in Turkish Liras (TL) in accordance with the Banking Law, Turkish Trade Law and Turkish Tax Legislations.

b. Basis of valuation used in the preparation of financial statements:

Accounting policies for the preparation of financial statements and valuation principles used are applied in line with Turkish Accounting Standards, Turkish Financial Reporting Standards and the related legislations, communiqués and decrees published by the Banking Regulation and Supervision Agency.

c. Accounting policies used for the correct interpretation of financial statements:

Financial statements are prepared in Turkish Liras and are based on historical cost except financial assets and liabilities presented with fair value.

All of the financial statements as of 31 December 2013 are presented comparatively with the audited balances as of 31 December 2012. In order to give information about financial position and performance trends, unconsolidated financial statements of the Bank has been prepared comparatively with the prior period balances. In the aspect of having compliance with the presentation of current year unconsolidated financial statements, the comparative information can be reclassified and important differences are explained when necessary

Unless otherwise stated, all balances in the financial statements, related notes and explanations expressed in Thousand Turkish Lira.

II- Explanations on Utilization Strategy of Financial Instruments and Foreign Currency Transactions:

The majority of the liabilities of the balance sheet of the Bank consist of funds obtained from domestic and international markets. The majority of funds obtained domestically consist of funds provided by international institutions such as World Bank and Council of European Development Bank via Turkish Treasury and budget originated funds and the rest consists of funds provided through short-term money market transactions within the framework of balance sheet management. The Bank acts as an intermediary for those funds provided by the Turkish Treasury to be utilized in various sectors. The funds obtained internationally consist of medium and long term loans borrowed from World Bank, and European Investment Bank and Council of European Development Bank, Islamic Development Bank, French Development Agency and Japan International Corporation Bank.

During the utilization of the funds obtained, the Bank pays attention for utilization of loans in line with borrowing conditions while taking assets-liability consistency into account, and tries to avoid maturity, exchange rate and liquidity risks. Exchange rate risk, interest rate risk and liquidity risk are measured and monitored on a regular basis, necessary measures were taken as a result of changes in the market data and balance sheet management is performed within the predetermined risk limits and legal limits.

A non-speculative exchange rate position risk management is applied to limit the Bank’s exchange rate risk. For that reason, during the determination of the allocation of balance sheet and off-balance sheet assets according to currencies, foreign currency management policy is applied in the most effective way.

Commercial placements are directed to high-profit and low-risk assets by taking Bank-specific and domestic economic expectations, market conditions, expectations and inclinations of loan customers, risks like interest, liquidity, exchange rate etc. into account, and safety policy is kept in the foreground for placement activities. Basic macro goals concerning balance sheet sizes are determined during budgeting and the transactions are carried out according to work programs prepared in this context.

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The exchange rates, interest and price movements are closely monitored; transaction and control limits that are developed from the Bank's previous experiences are based on when taking positions as well as legal limits. In this way, limit excesses are prevented.

During foreign currency transactions, procedures detailed below are applied.

a. Foreign currency monetary assets and liabilities are translated to Turkish Lira (TL) with the buying exchange rates announced by the Bank at the end of period and foreign exchange differences are accounted as foreign exchange gain or loss.

b. There is no exchange rate differences capitalized as of balance sheet date.

c. Basic principles of exchange rate risk management policy: Decisions to avoid exchange rate and parity risks are taken by the Asset- Liability Committee that meets regularly. The decisions are in line with the models prepared in the context of the basic boundaries of Foreign Currency Net General Position/Shareholders' Equity Ratio which is included in legal requirements, and those decisions are carried out carefully. To avoid parity risk, foreign exchange position is managed by taking singular and general positions.

d. Foreign currency transactions are calculated using the exchange rates prevailing at the dates of transactions and the profit/losses are included in the income statement of the related period.

III- Explanations on Derivative Instruments:

The derivative transactions of the Bank are composed of foreign exchange swap and forward exchange agreements. The Bank has no derivative instruments decomposed from the main contract. Derivative financial instruments are recorded with the fair value at the date of agreement and valued at fair value in the following reporting periods. In addition, the receivables and payables arising from these transactions are accounted at off-balance sheet accounts. Depending on valuation difference being positive or negative, mentioned differences are presented on the related balance sheet accounts.

IV- Explanations on Interest Income and Expenses:

Interest income and expenses are recognized on an accrual basis using the effective interest method (the rate that equals the future cash flows of a financial asset or liability to its present net book value) in conformity with TAS 39 "Financial Instruments: Recognition and Measurement".

If a financial asset possesses on uncollected interest accrual before its acquisition by the Bank, interest collected afterwards is separated into periods such as before its acquisition and after acquisition, and only the part of after acquisition is recognized as interest income on the income statement.

Realized and unrealized interest accruals of non-performing loans and other receivables are canceled in line with the "Regulation on Procedures and Principles for Determination of Qualification of Loans and Other Receivables, and Allocation of Provisions" published in the Official Gazette dated 1 November 2006 and numbered 26333 and those amounts are not included in the income statement unless collected.

V- Explanations on Fees and Commission Income and Expenses:

Fees and commissions received from cash loans, that are not attributable to interest rates applied, and fees for banking services are recorded as income on the date of collection. Fees and commissions paid for the funds borrowed, which are not attributable to interest rates of the funds borrowed, are recorded as expense on the date of the payment. All other commissions and fees income and expenses, excluding the above mentioned commissions are recorded on an accrual basis. Earnings in return of agreements or as a result of services provided for real or legal third parties for purchase or sale of assets are recorded as income when collected.

VI- Explanations on Financial Assets:

Financial assets mainly constitute the Bank's commercial activities and operations. These instruments have the ability to expose, affect and diminish the liquidity, credit and interest rate risks in the financial statements.

The financial assets of the Bank are classified and accounted as "Financial Assets at Fair Value Through Profit and Loss", "Financial Assets Available-for-Sale", "Loans and Receivables" or "Investments Held to Maturity". The sale and purchase of financial assets are accounted by "delivery date". The classification of financial assets has been decided by management of the bank considering the purpose of purchase on purchase date.

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Financial Assets at Fair Value through Profit and Loss:

Financial assets held for trading are financial assets, which are either acquired for generating a profit from short-term fluctuations in price or dealer's margin, or are financial assets included in a portfolio with a pattern of short-term profit taking.

Trading securities are initially recognized at cost and carried at fair value in the financial statements. Marketable securities that are traded in Istanbul Stock Exchange (ISE) are carried at weighted average exchange prices of ISE as of the balance sheet date.

Gains or losses arising as a result of valuation of held for trading financial assets are accounted under profit/loss accounts. Positive difference between the cost and amortized value is recorded under "Interest Income". Positive difference between fair value and amortized value is recorded under "Capital Market Operations Profit", negative difference is recorded under "Capital Market Operations Loss".

Financial assets at fair value through profit and loss are financial assets which are not acquired for trading, however, are classified as financial assets at fair value through profit and loss during the initial recognition. The Bank has no financial assets classified as Financial Assets at Fair Value through Profit and Loss.

Financial Assets Available-for-Sale:

Financial assets available-for-sale represents non-derivative financial assets except for loans and receivables, investments held to maturity and financial assets at fair value through profit and loss.

Financial assets available-for-sale are initially recognized at cost including the transaction costs and carried at fair value in the financial statements. Marketable securities that are traded in Istanbul Stock Exchange (ISE) are carried at weighted average exchange prices of ISE as of the balance sheet date. In the case a price does not occur in an active market, it is accepted that fair value cannot be reliably determined and amortized value which is calculated using the internal rate of return is accepted as the fair value. The difference between the cost and fair value is accounted as interest income accrual or impairment loss. Interest income for available-for-sale financial assets with fixed or floating interest rate shows the difference between cost and amortized amount calculated using internal rate of return and accounted as interest income from marketable securities. Unrealized gains and losses arising from changes in fair value of the financial assets available-for-sale and which are denoting the difference between fair value and amortized cost of financial assets, are recognized in the "Marketable Securities Revaluation Differences". Amounts accounted under equity are reflected to income statement when financial assets available-for-sale are sold.

Loans and Receivables:

Loans and receivables represent unquoted financial assets in an active market that provide money, goods or services to the debtor with fixed or determinable payments.

Loans and receivables are initially recognized with cost and carried at amortized cost calculated using the internal rate of return at the subsequent recognition. Transaction fees, dues and other expenses paid for loan guarantees are reflected to the customers.

Granted loans by the Bank consists of investment and working capital loans, and fund originated loans.

Foreign currency indexed loans are followed at TL accounts after converting into TL by using the opening exchange rates. Repayments are calculated using the exchange rates at the repayment dates and exchange differences are recognized under the foreign currency income and expense accounts in the income statement.

Non-performing loans are classified in accordance with the "Regulation on Procedures and Principles for Determination of Qualification of Loans and Other Receivables, and Allocation of Provisions" published in the Official Gazette dated 1 November 2006 and numbered 26333, and ultimately amended by the legislation published in Official Gazette dated 8 October 2013 and numbered 28789. For the cash loans classified as non-performing, specific provision is set for the remaining loan balance after deducting collateral amount, which is calculated by taking collaterals admission rates into account, and by using the rates specified in the communiqué. Specific provisions are reflected to "820 Provisions and Impairment Expenses - 82000 Specific Provisions Expenses" account. Provisions released in same year are recognized as a credit under the "Provision Expenses", released portion of the previous period provisions are recognized under "Other Operating Income" account. Collections are accounted under "Non-performing Loans (including collections from Doubtful Receivables)" and "Interest on Uncollectible Loans and Other Receivables" accounts.

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Cash and Cash Equivalents:

Cash and cash equivalents are cash on hand, demand deposits and other highly liquid short-term investments with maturity of 3 months or less following the date of purchase, which is readily convertible to a known amount of cash, and does not bear the risk of significant amount of value change. The carrying amount of these assets represents their fair values.

Investments Held To Maturity:

Investments held to maturity are non-derivative financial assets, other than those which are classified at fair value through profit and loss or available for sale or loans and receivables at initial recognition, for which there is an intention of holding until maturity and the relevant conditions for fulfillment of such intention, including the funding ability, and for which there are fixed or determinable payments with fixed maturity.

Investments held to maturity are subsequently measured at amortized cost using internal rate of return, and they are accounted for by setting forth provision for impairment loss or by posting interest income accrual. Interests received from investments held to maturity are recognized as interest income.

The Bank does not have any financial assets that are previously classified as investments held-to-maturity but prohibited to be classified in this portfolio for two years because of incompliance with the principles of financial assets classification.

VII- Explanations on Impairment of Financial Assets:

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

If expected recoverable amount of financial assets which is the discounted amount of expected future cash flows using internal rate of return, or fair value of the financial assets are lower than their carrying amount, these financial assets are considered as impaired. Provision is set for impairment loss and the provision is reflected to income statement.

The changes in the value of financial assets held for sale are reflected to income statement in the related period.

If expenses financial assets available for sale are subject to permanent impairment, the amount is debited to "Value Loss Expenses for Securities" account in line with the related Turkish Accounting Standard.

Impairment losses attributable to the investments held to maturity are measured as the difference between the present value of estimated future cash flows which is the discounted amount using the original interest rate of financial asset and the carrying amount of the asset. The related difference is recognized as a loss and it decreases the carrying value of the financial asset. In subsequent periods, if the impairment loss amount decreases, impairment loss recognized is reversed.

Loans portfolio is regularly monitored by management of the Bank and if any doubts on the collectability of the loans arise, the related loans are classified in accordance with the "Regulation on Procedures and Principles for Determination of Qualification of Loans and Other Receivables, and Allocation of Provisions" published in the Official Gazette numbered 26333 and dated 1 November 2006. For the cash loans classified as non-performing, specific provision is set for the remaining loan balance after deducting collateral amount, which is calculated by taking collaterals admission rates into account, and by using the rates specified in the communiqué. Besides specific provisions, the Bank allocates general loan loss provision in line with related regulations.

VIII- Explanations on Offsetting of Financial Assets and Liabilities:

Financial assets and liabilities are offset on balance sheet when the Bank has a legally enforceable right to set off, and the intention of collecting or paying the net amount of related assets and liabilities or the right to offset the assets and liabilities simultaneously.

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IX- Explanations on Sales and Repurchase Agreements and Lending Of Securities:

Securities sold in repurchase agreements (repo) are accounted in balance sheet accounts in line with Uniform Chart of Account. Accordingly, the government bonds and treasury bills sold to the clients in the context of repurchase agreements are classified as "Subject to Repurchase Agreements" and are valued by market prices in or discounted values using internal rate of returns according to the holding purposes in the Bank portfolio. Funds gained by repurchase agreements are shown as a separate entry in the liability accounts and interest expense accrual is calculated for these funds.

Securities that were purchased in back selling commitment (reverse repurchase agreements) are shown as a line item under 'Money Market Placements" line. For the difference between the purchase of securities and resale prices determined by the reverse repo agreements for the period; income accrual is calculated using the internal rate of return method. There are no marketable securities that are subjected to lending.

X- Explanations on Assets Held For Sale and Discontinued Operations:

Assets that are classified as held for sale are measured at the lower of its carrying amount and fair value less costs to sell. Depreciation on these assets is stopped, and these assets disclosed separately in the balance sheet. In order to classify a tangible fixed asset as held for sale, the asset (or the disposal group) should be available for an immediate sale in its present condition subject to the terms of any regular sales of such assets (or such disposal groups) and the sale should be highly probable. For a highly probable sale, the appropriate level of management must be committed to a plan to sell the asset (or the disposal group), and an active program to complete the plan should be initiated to locate a customer. Also, the asset (or the disposal group) should have an active market sale value, which is a reasonable value in relation to its current fair value. Events or circumstances may extend the completion of the sale more than one year. Such assets are still classified as held for sale if there is sufficient evidence that the delay in the sale process is due to the events and circumstances occurred beyond the control of the entity or the entity remains committed to its plan to sell the asset (or disposal group). The Bank has no assets classified as held for sale.

A discontinued operation is a component of a bank that either has been disposed of, or is classified as held for sale. Gains or losses relating to discontinued operations are presented separately in the income statement. The Bank has no discontinued operations.

XI- Explanations on Goodwill and Other Intangible Assets:

As at the balance sheet date, there is no goodwill recorded in the unconsolidated balance sheet of the Bank.

Intangible fixed assets first are carried at cost which includes acquisition costs and other direct costs beared necessary for the assets to become ready for use. Subsequent to recognition, intangible assets are presented in financial statements at cost less any accumulated amortization and accumulated impairment losses, if any.

Amortization is charged on a straight-line basis over their estimated useful lives which is 33,33%.

Useful life of other intangible assets are determined by the consideration of items like expected usage period of the asset, technical, technological or other kind of obsolesce and maintenance costs incurred to obtain economic benefit from the assets.

Expenses related to existing computer software and computer software improvement that enhance original content and useful life, are capitalized over the software. Those capitalized expenses are amortized over the remaining useful life of the related assets using the "straight line method".

XII- Explanations on Tangible Fixed Assets:

Tangible fixed assets are carried at cost which includes acquisition costs and other direct costs beared necessary for the assets to become ready for use, and if results of appraisal reports exceed the costs, they are not subject to any revaluation. Subsequent to recognition, tangible fixed assets are presented in financial statements at cost less any accumulated depreciation and accumulated impairment losses, if any.

The Bank's tangible fixed assets purchased before 1 January 2005 are carried at restated cost in the balance sheet before 31 December 2004 and its tangible fixed assets that are purchased subsequent to 1 January 2005 are valued at historical cost.

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Gain or loss arising from the disposal or retirement of an item of tangible fixed assets is determined as the difference between the sales proceeds and the carrying amount of that asset and is recognized in profit or loss.

Ordinary maintenance and repair expenses of tangible fixed assets items are recognized as expenses. Investment expenditures that increase the future benefit by enhancing the capacity of tangible assets are capitalized. Investment expenditures include cost items that extend the useful life of the asset, increase the servicing capabilities of the asset, improve the quality of goods or services produced or reduces the costs.

According to "Prime Ministry Circular numbered 2012/15 on Transactions of Public Institutions and Organizations Regarding Their Immovables" published in the Official Gazette dated 16 June 2012 and numbered 28325, public institutions and organizations (excluding Municipalities and Special Provincial Directorates) and companies, more than 50% of whose capital is owned by state institutions and organizations, has to get the approval of the Prime Ministry for transactions like sale, lease, easement, exchange, assign, transfer of immovables in their own property or savings to public institutions and organizations, foundations, associations or their companies, real or legal persons. Therefore, all transactions of the Bank regarding its immovables and specified under the mentioned circular are subject to approval of the Prime Ministry. Other than the issue mentioned, there are no mortgages, pledges or similar precautionary measures on tangible fixed assets or commitments given for the purchase or any restrictions designated for the use of those tangible fixed assets

Tangible fixed assets are amortized by using the straight-line method over their estimated useful lives. Estimated depreciation rates of tangible fixed assets are as follows;

	Estimated Useful Life (Years)	Amortization Rate (%)
Building	50	2
Banks	50	2
Vehicles	5	20
Other Tangible Assets	3-15	6,66-33,33

There is no change in accounting estimations that has material effect in the current period or that is expected to have effect in the subsequent periods.

The Bank has no discontinued operations, and accounts tangible fixed assets acquired due to receivables in line with the "Regulation on Procedures and Principles for Sales and Purchase of Precious Metal and Disposal of Commodities That Have Been Acquired due to Receivables by Banks" which is published at Official Gazette dated 1 November 2006 and numbered 26333. These assets are not subject to revaluation.

XIII- Explanations on Leasing Transactions:

The Bank, as the lessee, recognizes its leasing operations in accordance with the requirements of the Turkish Accounting Standards (TAS 17) "Leases". Lease receivables other than financial lease receivables and from the rental of assets that are not used in banking operations, not collected as of the balance sheet are included under lease receivables account.

As of balance sheet data, the Bank has three real estates under operational leasing agreement and two of these real estates are presented as investment property on balance sheet. Investment property, which is property, held to earn rentals and/or for capital appreciation is carried at cost less accumulated depreciation and any accumulated impairment losses. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day to day servicing of an investment property. Depreciation is provided on investment property on a straight line basis. The depreciation period for investment property is 50 years. Real estate under operational leasing which is acquired due to receivables are accounted in line with the provisions of the "Regulation on Procedures and Principles for Sales and Purchase of Precious Metal and Disposal of Commodities That Have Been Acquired due to Receivables by Banks" which is published at Official Gazette dated 1 November 2006 and numbered 26333; and the Bank brings those real estates for sale at regular intervals.

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XIV- Explanations on Provisions and Contingent Liabilities:

The Bank provides provision in case of an existing liability (legal or implicit) as a result of an incident that took place in the past, there is possibility of disposal of assets that bring economic benefit and the liability is measurable.

Provisions other than the specific and general provisions set for loans and other receivables and provisory liabilities are accounted in accordance with "Turkish Accounting Standard on Provisions, Contingent Liabilities and Contingent Assets Corresponding" (TAS 37).

For transactions that can affect financial structure, provisions are provided by using the existing data if they are accurate, otherwise by using the estimates.

XV- Explanations on Employee Benefit Liabilities:

Employee benefits liabilities are recognized in accordance with the Turkish Accounting Standard No: 19 "Employee Benefits".

There is no fund to which the Bank personnel are members. However, personnel are members of Personnel Assistance and Additional Social Security Foundation of Türkiye Kalkınma Bankası A.Ş. and the Bank has no obligations regarding this foundation, accordingly no provision is reserved in the accompanying financial statements. The Bank allocates provision for unused vacation at the financial statements.

Under the Turkish legislation as supplemented by union agreements, lump sum payments are made to all employees who retire or whose employment is terminated without due cause. According to the related legislation, depending on the status and position of the employee in the Bank and social security institution, retirement pay provision is calculated in two ways; if the employee is a state employee, the calculation is based on retirement pension for the working period of the state employee, and if the employee is a blue-collar worker, the calculation is based on the final salary at the date of retirement or leave (to the extent that the payments and/or salary amount does not exceed the Retirement Payment Provision ceiling).

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at 31 December 2013, the provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 6,28% and a discount rate of 9,66%, resulting in a real discount rate of approximately 3,18% (31 December 2012: 2,22%). As the maximum liability is revised semiannually, the maximum amount of TL 3.438,22 thousand effective from 1 January 2014 has been taken into consideration in calculation of provision from employment termination benefits (1 January 2013: TL 3.129,25 thousand).

Actuarial losses and gains are recognised in "Other Legal Reserves" under shareholders' equity as per revised TAS 19.

XVI- Explanations on Taxation:

In accordance with the Article 32 of the Corporate Tax Law No: 5520, the corporate tax rate is calculated at the rate of 20%. The tax legislation requires advance tax to be calculated using the corporate tax rate and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the corporate tax liability for the year. Accrued advance tax as of 31 December 2013 will be paid in 17 February 2014, to be offset against the final corporate tax liability for the current year.

Tax expense is the sum of the current tax expense and deferred tax charge. Current year tax liability is calculated over taxable profit. Taxable profit is different from the profit in the income statement since taxable income for the following years or deductible income or expenses and non-taxable and non-deductible income or expense items are excluded.

In accordance with the Turkish Accounting Standard (TAS 12) "Income Tax", the bank calculates and recognizes deferred tax asset and liability for temporary differences between the carrying amounts of balances at financial statements and the corresponding tax bases used in the computation of taxable profit, using income liability method. According to tax legislation, differences on the date of acquisition of assets and liabilities that do not affect taxable profit or accounting profit are excluded from deferred tax calculation. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of other assets and liabilities other than goodwill or business combination in a transaction that affects neither the taxable profit nor the accounting profit.

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

Deferred tax is calculated at the tax rates that are expected to be applied in the period in which the liability is settled or the asset realized and reflected to income statement as expense or income, except when deferred tax relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with equity.

Prepaid corporation taxes and corporation tax liabilities are offset as they relate to income taxes levied by the same taxation authority. Deferred tax assets and liabilities are also offset.

XVII- Additional Explanations on Borrowings:

The Bank accounts its debt instruments in accordance with the Turkish Accounting Standard (TAS 39) "Financial Instruments: Recognition and Measurement". In the following periods, all financial liabilities are carried at amortized cost by using the internal rate of return method. The Bank has no borrowings that require hedging techniques for accounting and valuation of debt instruments and liabilities representing the borrowings.

The Bank continues its financial support that it provided and still providing by acquiring sources from domestic and international markets. The Bank acts as an intermediary for funds provided by Turkish Treasury to be utilized domestically. Disbursement from this source has been finalized and there has been no new source transfer from the Undersecretariat of Treasury. Funds are recorded to the Banks' liabilities on the date of transfer. The maturity dates and interest rates of these funds are determined by the public authority by Communiqué on Investment Incentive.

The present foreign funds of the Bank are medium and long term loans from World Bank, European Investment Bank, Council of European Development Bank, Islamic Development Bank, French Development Agency and Japan International Corporation Bank are recorded to related accounts on the date and with the cost the funds are available to the Bank.

The Bank generally prefers providing loans in parallel to the borrowing terms like maturity date, interest rate, interest type and currency type to avoid maturity, exchange rate and liquidity risks.

The Bank has issued no convertible bonds and debt instruments.

XVIII- Explanations on Shares Issued:

Transaction costs related to share issuance are recognized as expenses.

The Bank has not issued shares in 2012 and 2013.

XIX- Explanations on Bill Guarantees and Acceptances:

Commitments regarding bill guarantees and acceptances of the Bank are presented in the "Off Balance Sheet" commitments.

XX- Explanations on Government Incentives:

There are no government incentives utilized by the Bank in the current and prior period.

XXI- Explanations on Segment Reporting:

Besides investment banking, the sale and purchase of investment funds of the Bank, sale and purchase of government bonds and treasury bills and repurchase agreements and money swaps and forward exchange transactions are conducted by Treasury Department.

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As of 31 December 2013, explanations on segment reporting in line with “Financial Statements to be Publicly Announced and the Accompanying Policies and Disclosures” are shown below

Current Period - (31.12.2013)	Treasury	Investment Banking	Undistributed⁽¹⁾	Total Operations of the Bank
OPERATING INCOME/EXPENSE				
Interest income	33.475	111.808	23	145.306
Interest income on loans	-	111.808	-	111.808
Interest income on banks	5.623	-	-	5.623
Interest income on interbank money market placements	12.787	-	-	12.787
Interest income on marketable securities	15.065	-	-	15.065
Other interest income	-	-	23	23
Interest expense	(7.717)	(26.221)	-	(33.938)
Interest expense on borrowings	-	(24.472)	-	(24.472)
Interest on money market transactions	(7.717)	-	-	(7.717)
Other interest expense	-	(1.749)	-	(1.749)
Net fees and commissions income	(701)	5.234	213	4.746
Fees and commissions received	-	5.234	213	5.447
Fees and commissions paid	(701)	-	-	(701)
Dividend income	-	185	-	185
Trading profit/loss (net)	1.222	(3.847)	-	(2.625)
Profit/loss from capital market operations (net)	474	-	-	474
Profit/loss from derivative transactions (net)	438	-	-	438
Foreign exchange gains/losses (net)	310	(3.847)	-	(3.537)
Other operating income	92	11.113	834	12.039
Provisions for losses on loans and other receivables	-	(9.242)	(54)	(9.296)
Other operating expense	-	-	(69.155)	(69.155)
Profit before tax	26.371	89.030	(68.139)	47.262
Tax provision	-	-	(10.641)	(10.641)
Net profit for the period	26.371	89.030	(78.780)	36.621
SEGMENT ASSETS ⁽²⁾	679.926	2.811.982	64.149	3.556.057
Financial assets at fair value through profit and loss	1.068	-	-	1.068
Banks and money market placements	435.311	-	-	435.311
Available for sale financial assets	213.808	6.357	1.682	221.847
Loans and receivables	-	2.758.732	-	2.758.732
Investments held to maturity	29.739	-	-	29.739
Associates and subsidiaries	-	18.018	-	18.018
Tangible assets (net)	-	26.902	37.794	64.696
Intangible assets (net)	-	-	1.627	1.627
Investment property	-	-	1.110	1.110
Other assets	-	1.973	21.936	23.909
SEGMENT LIABILITIES ⁽²⁾	221.766	2.691.538	642.753	3.556.057
Derivative financial liabilities held for trading	-	-	-	-
Funds borrowed and funds	-	2.664.047	-	2.664.047
Money market balances	221.766	-	-	221.766
Provisions	-	27.491	27.454	54.945
Shareholders' equity	-	-	604.097	604.097
Other liabilities	-	-	11.202	11.202

⁽¹⁾ Income and balance sheet items that cannot be decomposed between treasury and investment banking operations are presented at this column.

⁽²⁾ There is no receivable and payable due to fund transfer between segments.

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Prior Period - (31.12.2012)	Treasury	Investment Banking	Undistributed⁽¹⁾	Total Operations of the Bank
OPERATING INCOME/EXPENSE				
Interest income	57.081	110.245	3	167.329
Interest income on loans	-	110.245	-	110.245
Interest income on banks	7.504	-	-	7.504
Interest income on interbank money market placements	21.099	-	-	21.099
Interest income on marketable securities	28.478	-	-	28.478
Other interest income	-	-	3	3
Interest expense	(24.130)	(29.615)	-	(53.745)
Interest expense on borrowings	(2.593)	(26.597)	-	(29.190)
Interest on money market transactions	(21.537)	-	-	(21.537)
Other interest expense	-	(3.018)	-	(3.018)
Net fees and commissions income	(1.093)	5.401	949	5.257
Fees and commissions received	-	5.401	949	6.350
Fees and commissions paid	(1.093)	-	-	(1.093)
Dividend income	-	330	-	330
Trading profit/loss (net)	(1.940)	2.864	-	924
Profit/loss from capital market operations (net)	(1.258)	-	-	(1.258)
Profit/loss from derivative transactions (net)	(1.190)	-	-	(1.190)
Foreign exchange gains/losses (net)	508	2.864	-	3.372
Other operating income	127	18.518	736	19.381
Provisions for losses on loans and other receivables	-	(14.507)	(791)	(15.298)
Other operating expense	-	-	(69.095)	(69.095)
Profit before tax	30.045	93.236	(68.198)	55.083
Tax provision	-	-	(11.453)	(11.453)
Net profit for the period	30.045	93.236	(79.651)	43.630
SEGMENT ASSETS ⁽²⁾ (31.12.2012)	517.051	2.289.780	63.222	2.870.053
Financial assets at fair value through profit and loss	1.122	-	-	1.122
Banks and money market placements	395.887	-	-	395.887
Available for sale financial assets	90.309	-	955	91.264
Loans and receivables	-	2.254.410	-	2.254.410
Investments held to maturity	29.733	-	-	29.733
Associates and subsidiaries	-	19.561	-	19.561
Tangible assets (net)	-	14.000	40.101	54.101
Intangible assets (net)	-	-	784	784
Investment property	-	-	1.153	1.153
Other assets	-	1.809	20.229	22.038
SEGMENT LIABILITIES ⁽²⁾ (31.12.2012)	129.782	2.124.045	616.226	2.870.053
Derivative financial liabilities held for trading	1.096	-	-	1.096
Funds borrowed and funds	47.137	2.101.037	-	2.148.174
Money market balances	81.549	-	-	81.549
Provisions	-	23.008	24.735	47.743
Shareholders' equity	-	-	576.898	576.898
Other liabilities	-	-	14.593	14.593

⁽¹⁾ Income and balance sheet items that cannot be decomposed between treasury and investment banking operations are presented at this column.

⁽²⁾ There is no receivable and payable due to fund transfer between segments.

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XXII- Explanations on Other Matters:

The General Assembly of the Bank for the year 2012 was carried out on 9 May 2013. In accordance with the decision taken by Board of Directors on 18 April 2013, out of the profit for the year 2012 amounting to TL 43,630 Thousand, TL 2,008 Thousand is transferred to first degree legal reserves. Out of the net distributable profit amounting to TL 39,985 Thousand, which is the remaining profit after deduction of first degree legal reserve, TL 8,000 Thousand and TL 750 Thousand are distributed as dividend to shareholders and personnel, respectively, TL 75 Thousand is transferred to second degree legal reserves and TL 31,161 Thousand is transferred to extraordinary reserves. According to Communiqué of BRSA dated 8 December 2004 and numbered 2004/3, deferred tax income is not considered during profit distribution, amounting to TL 1.636 Thousand is not considered during profit distribution.

SECTION FOUR**INFORMATION ON FINANCIAL STRUCTURE****I - Explanations related to capital adequacy ratio:**

The capital adequacy standard ratio of the Bank is 21,38% (31 December 2012: 25,15%).

Beginning from 1 July 2012, capital adequacy ratio is calculated within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" (the "Regulation") and "Communiqué on Credit Risk Mitigation Techniques" published in the Official Gazette dated 28 June 2012 and numbered 28337, and the "Regulation on Equities of Banks" published in the Official Gazette dated 1 November 2006 and numbered 26333.

In capital adequacy standard ratio calculation, based upon the data prepared from accounting records in compliance with the current legislation, the Standard Method is used to calculate capital adequacy for Credit Risk and Market Risk and Basic Indicator Approach is used annually for Operational Risk.

The Bank has not recalculated the prior period's capital adequacy ratio as it is not required in accordance with the "Communiqué on Financial Statements and Related Disclosures and Notes to be Announced to Public by Banks" which was published in Official Gazette dated 28 June 2012 and numbered 28337.

In calculation of value at credit risk, the Bank assesses credit items in related risk weights by considering risk categories, rating notes and other risk reducing factors under the framework of "Communiqué on Credit Risk Mitigation Techniques".

The non-cash loans and commitments and the receivables from counterparties in such transactions are weighted after netting with specific provisions that are calculated based on the "Regulation on Procedures and Principles for Determination of Qualification of Loans and Other Receivables, and Allocation of Provisions" and classified under liabilities. The net amounts are then multiplied by the rates stated in the Article 5 of the Regulation, reduced as per the "Communiqué on Credit Risk Mitigation Techniques" and then included in the relevant risk classification defined in the article 6 and weighted as per Appendix-1 of the Regulation.

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As per the article 5 of the Regulation, the “counterparty credit risk” is calculated for repurchase and reverse repurchase agreements.

	Risk Weights Bank Only						
	0%	20%	50%	75%	100%	150%	200%
Value at Credit Risk	-	32.699	347.849	5.967	2.266.861	40.583	9.816
Risk Categories	53.492	163.494	695.697	7.956	2.266.861	27.055	4.908
Conditional and unconditional receivables from central governments or central banks	43.457	-	-	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	163.494	182.306	-	437.519	-	-
Conditional and unconditional corporate receivables	-	-	-	-	1.475.574	-	-
Conditional and unconditional retail receivables	2.360	-	-	7.956	-	-	-
Conditional and unconditional receivables secured by real estate mortgages	619	-	513.391	-	200.661	-	-
Overdue receivables	-	-	-	-	54.063	26.450	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	605	4.908
Securities collateralized by mortgages	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-
Short-term receivables from banks and brokerage houses and short-term corporate receivables	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-	-
Other receivables	7.056	-	-	-	99.044	-	-

(*) There is no credit risk classified under 10% and 250% risk weights.

Summary information related to capital adequacy ratio:

	Bank Only	
	Current Period (31.12.2013)	Prior Period (31.12.2012)
Capital Requirement for Credit Risk (Value at Credit Risk *0,08) (CRCR)	216.302	173.981
Capital Requirement for Market Risk (MRCR)	4.116	3.262
Capital Requirement for Operational Risk (ORCR)	14.398	12.433
Shareholders' Equity	627.414	596.351
Shareholders' Equity/((CRCR + MRCR + ORCR) *12,5) *100	21,38	25,15

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Components of Shareholders' Equity Items:

	Current Period	Prior Period
CORE CAPITAL		
Paid in Capital	160.000	160.000
Nominal Capital	160.000	160.000
Capital Commitments (-)	-	-
Inflation Adjustments to Paid-in Capital	206.074	206.074
Share Premium	1.491	1.491
Share Cancellation Profits	-	-
Legal Reserves	197.299	162.419
Inflation Adjustments to Legal Reserves	-	-
Profit	36.621	43.630
Net profit for the period	36.621	43.630
Retained Earnings	-	-
Provision for Possible Losses (up to 25% of Core Capital)	-	-
Income on Sale of Equity Shares and Real Estates	-	-
Primary Subordinated Debts	-	-
Loss (in excess of Reserves) (-)	-	-
Current Period's Losses	-	-
Prior Periods' Losses	-	-
Leasehold Improvements on Operational Leases (-)	58	13
Intangible Assets (-)	1.627	784
Deferred Tax Asset in Excess of 10% of Core Capital (-)	-	-
Limit excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-	-
Total Core Capital	599.800	572.817
SUPPLEMENTARY CAPITAL		
Generic Provisions	27.491	23.008
45% of Movable Assets Revaluation Fund	-	-
45% of Immovable Assets Revaluation Fund	-	-
Bonus Shares of Subsidiaries, Associates and Jointly Controlled Entities (Joint Ventures)	-	-
Primary Subordinated Debts excluding the Portion included in Core Capital	-	-
Secondary Subordinated Debts	-	-
45% of Securities Value Increase Fund	1.021	1.478
Inflation Adjustments to Other Capital and Profit Reserves and Prior Periods' Profit/Loss	-	-
Total Supplementary Capital	28.512	24.486
CAPITAL	628.312	597.303
DEDUCTIONS FROM CAPITAL	898	952
Unconsolidated Investments in Entities (domestic/foreign) Operating in Banking and Financial Sectors at 10% or more	-	-
Investments in Entities (domestic/foreign) Operating in Banking and Financial Sectors at less Than 10% exceeding 10% or more of the Total Core and Supplementary Capitals	-	-
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the Form of Secondary Subordinated Debts and Debt Instruments purchased from Such Parties Qualified as Primary or Secondary Subordinated Debts	-	-
Loan granted to Customer against the Articles 50 and 51 of the Banking Law	-	-
Net Book Values of Immovables exceeding 50% of the Capital and of Assets Acquired Against Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law But Retained more than Five Years	898	952
Securitization Positions to be Deducted from Equity	-	-
Others	-	-
TOTAL SHARE HOLDERS' EQUITY	627.414	596.351

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

As indicated in "Risk Management Strategies, Policies and Application Principles" which is approved by the Board of Directors, the principals of the Bank's internal assessment and the capital adequacy policy is to construct robust, effective and complete strategies and processes for the continuous assessment for the types, components and distribution of the capital which is necessary against current or potential risks that the Bank could be subject to, and maintenance of the current capital.

Accordingly, possible capital needs which might arise in the future are assessed by taking the account of the activities of the Bank in accordance with its own strategies and targets. This assessment includes the interest rate risk, liquidity risk, reputational risk, residual risk, concentration risk, strategy risk, and country and transfer risks arising from banking activities besides the market, credit and operational risks directly affecting its legal capital adequacy ratio.

II- Explanations related to credit risk:

The Bank is not subject to the general loan restrictions defined by the Article 54 of the Banking Law numbered 5411. However, in the Bank's Loan Regulation, the loan limits are determined mostly in parallel with the limitations set out in the Law.

All loan placements of the Bank are allocated in accordance with legal legislations and reports prepared by Intelligence and Financial Analysis Department and Loan Assessment Department and with approvals of Loan Investment Committee and Board of Directors. Since the placements of the Bank are in the form of project financing, the amount of loan that can be disbursed to a firm is basically determined during project assessment stage and disbursements are made in a controlled manner through monitoring of expenditures.

For loan allocations, sectors are defined in accordance with borrowing conditions. The Sectoral distribution of the loan customers is monitored and those distributions are taken into account during placement decisions and goals.

All loans allocated by the Bank are collateralized. Besides suretyships of real persons or companies, real estate and tangible assets mortgages, business company liens, foreign currency notes and other liquid assets, bank guarantee letters comprise loan collaterals.

There is no limitation on daily transactions. However, risk concentration on off- balance sheet is monitored.

The creditworthiness of debtors is monitored periodically in accordance with related legislation. In case of an increase in risk level of borrower, the Bank reviews credit limits and obtains additional guarantee letter if necessary.

Loan monitoring department actively takes part in the measuring, analyzing and monitoring processes in order to determine credit risk level, and reports periodically to Board of Directors, Board of Supervisors and top management.

In accordance with the policies determined in Turkish Accounting Standards ("TAS");

Overdue Loans are the loans that overdue up to 90 days but not impaired. For such loans, "Generic Provisions" are allocated as per the Provisioning Regulation.

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

Within asset-liability management framework, forward and other derivatives are executed by taking legal limits into consideration. Credit risks faced due to those transactions are managed with the other risks arises from market movements. When their percentage in the balance sheet is considered, credit risk beared by the Bank is low. If the credit risk from the derivative product is very high, then the credit risk reducing methods are performed. Currently, the Bank does not have any options.

The Bank allocates generic and specific provisions according to "Regulation on Procedures and Principles for Determination of Qualifications of Loans and Allocation of Provisions". Indemnified non- cash loans are subject to the same risk weight with overdue loans.

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Total amount of exposures without considering the effect of credit risk mitigation but after the offsetting process and average value of risks in related period which are decomposed by risk categories and types are presented below:

Risk categories	Current Period Risk Amount ^(*)	Average Risk Amount ^(**)
Conditional and unconditional receivables from central governments or central banks	31.665	30.407
Conditional and unconditional receivables from banks and brokerage houses	632.532	476.117
Conditional and unconditional corporate receivables	1.625.045	1.577.331
Conditional and unconditional retail receivables	14.464	16.909
Conditional and unconditional receivables secured by real estate property	723.631	427.893
Overdue receivables	80.513	52.880
Receivables defined in high risk category by BRSA	5.513	5.466
Other Receivables	106.100	98.183

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

^(**) Average credit risk is calculated as the arithmetical average of monthly amounts calculated for the period beginning by the issuance of Regulation on Measurement and Assessment of Capital Adequacy of Banks" until the end of the year (Including the period between 31.07.2012 and 31.12.2013).

Restructured loans whose amortization schedule has changed are followed in the accounts which are specified by related regulations and monitored in accordance with the Bank's credit risk policies. Accordingly, commercial activities of debtors are analyzed and repayments are monitored whether they are in line with the repayments schedules or not and necessary precautions are taken.

The Bank bears low credit risk due to its foreign banking transactions.

a) The Bank's top 100 and 200 cash loan customers compose 95,85% and 99,80% of the total cash loan portfolio, respectively (31 December 2012: 95,54 and 99,97%).

b) The Bank's top 100 and 200 cash and non-cash loan customers compose 75,29% and 78,40% of the total on and off balance sheet assets, respectively (31 December 2012: 77,18% and 80,67%).

c) The Bank's top 100 and 200 non-cash loan customers compose 100% of the total non-cash loans (31 December 2012: 100%).

The generic loan loss provision related with the credit risk beared by the Bank is TL 27.491 thousand (31 December 2011: TL 23.008 thousand).

Specific provisions and interest accruals are excluded in the calculation of rates above.

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Profile of Significant Risks in Major Regions:

	Risk Categories							
	Conditional and unconditional receivables from central governments or central banks	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional corporate receivables	Conditional and unconditional retail receivables	Conditional and unconditional receivables secured by real estate property	Overdue receivables	Receivables defined in high risk category by BRSA	Others
Current Period (31.12.2013)								
Domestic	31.665	630.859	1.609.692	14.464	723.631	80.513	5.513	-
European Union (EU) Countries	-	1.378	15.353	-	-	-	-	-
OECD Countries ^(*)	-	29	-	-	-	-	-	-
Off-Shore Banking Regions	-	-	-	-	-	-	-	-
USA, Canada	-	266	-	-	-	-	-	-
Other Countries	-	-	-	-	-	-	-	-
Associates, Subsidiaries and Joint -Ventures	-	-	-	-	-	-	-	18.018
Unallocated Assets ^(**)	-	-	-	-	-	-	-	88.082
Total	31.665	632.532	1.625.045	14.464	723.631	80.513	5.513	106.100
Prior Period (31.12.2012)								
Domestic	30.293	609.842	1.482.632	22.503	388.509	48.018	3.123	1
European Union (EU) Countries	-	349	16.000	-	-	-	-	-
OECD Countries ^(*)	-	30	-	-	-	-	-	-
Off-Shore Banking Regions	-	-	-	-	-	-	-	-
USA, Canada	-	435	-	-	-	-	-	-
Other Countries	-	-	-	-	-	-	-	-
Associates, Subsidiaries and Joint -Ventures	-	-	-	-	-	-	-	19.561
Unallocated Assets ^(**)	-	-	-	-	-	-	-	77.110
Total	30.293	610.656	1.498.632	22.503	388.509	48.018	3.123	96.672

^(*) Includes OECD countries other than EU countries, USA and Canada^(**) Includes asset and liability items that cannot be allocated on a consistent basis.^(***) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

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Risk Profile by Sectors or Counterparties:

Current Period (31 December 2013)	Conditional and unconditional receivables from central governments or central banks	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional corporate receivables	Conditional and unconditional retail receivables	Conditional and unconditional receivables secured by real estate property
Agriculture	-	-	-	-	9.220
Farming and Stockbreeding	-	-	-	-	-
Forestry	-	-	-	-	9.220
Fishery	-	-	-	-	-
Manufacturing	-	-	1.367.311	9.232	685.915
Mining and Quarrying	-	-	-	-	-
Production	-	-	299.898	8.628	93.170
Electricity, Gas, Water	-	-	1.067.413	604	592.745
Construction	-	-	-	-	-
Services	31.665	632.532	257.734	5.191	28.496
Wholesale and Retail Trade	-	-	-	-	-
Accommodation and Dining	-	-	213.074	5.190	17.902
Transportation and Telecommunication	-	-	-	-	-
Financial Institutions	31.665	632.532	15.352	1	-
Real Estate and Rental Services	-	-	-	-	-
Professional Services	-	-	-	-	-
Educational Services	-	-	-	-	-
Health and Social Services	-	-	29.308	-	10.594
Others	-	-	-	41	-
Total	31.665	632.532	1.625.045	14.464	723.631

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

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Overdue receivables	Receivables defined in high risk category by BRSA	Others	TL	FC	TOTAL
-	-	-	-	9.220	9.220
-	-	-	-	-	-
-	-	-	-	9.220	9.220
-	-	-	-	-	-
19.387	-	4.358	458.495	1.627.708	2.086.203
-	-	-	-	-	-
19.387	-	4.358	32.845	392.596	425.441
-	-	-	425.650	1.235.112	1.660.762
897	-	-	897	-	897
60.229	-	13.660	322.335	707.170	1.029.505
-	-	3.746	3.746	-	3.746
53.660	-	7	74.568	215.265	289.833
-	-	-	-	-	-
-	-	9.907	226.679	462.778	689.457
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6.569	-	-	17.344	29.127	46.471
-	5.513	88.082	93.636	-	93.636
80.513	5.513	106.100	875.365	2.344.098	3.219.463

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(AMOUNTS EXPRESSED IN THOUSANDS OF THE TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

Analysis of Maturity-Bearing Risks According to Remaining Maturities

Risk Categories	Term to Maturity				
	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year
Conditional and unconditional receivables from central governments or central banks	905	-	-	9.035	20.094
Conditional and unconditional receivables from banks and brokerage houses	282.812	2.353	37.004	46.669	245.508
Conditional and unconditional corporate receivables	74.390	24.255	41.565	93.166	1.391.669
Conditional and unconditional retail receivables	860	760	792	2.420	9.630
Conditional and unconditional receivables secured by real estate property	60.059	12.046	17.554	40.139	593.833
Receivables defined in high risk category by BRSA	4	7	10	19	5.473
Total	419.030	39.421	96.925	191.448	2.266.207

^(*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.**Information on Risk Categories**

For the determination of risk weights for risk classes defined in the article 6 of the "Regulation on Measurement and Assessment of Capital Adequacy of Banks", all counter parties are treated as non-rated since no rating agency is authorized by the Bank.

Credit Risk by Risk Weights:

Risk Weights	0%	10%	20%	50%	75%	100%	150%	200%	Deductions from Equity
Before Credit Risk Mitigation	38.721	-	163.494	547.112	14.464	2.423.709	27.055	4.908	-
After Credit Risk Mitigation	53.492	-	163.494	695.697	7.956	2.266.861	27.055	4.908	-

Information by Major Sectors or Type of Counterparties:

In accordance with the policies determined by Turkish Accounting Standards;

Overdue Loans; are the loans that overdue up to 90 days but not impaired. For such loans, "Generic Provisions" are allocated as per the Provisioning Regulation.

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

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Major Sectors	Credit Risks			
	Impaired Loans	Overdue Loans	Value Adjustments	Provisions
Agriculture	-	1.557	31	-
Farming and Stockbreeding	-	1.557	31	-
Forestry	-	-	-	-
Fishery	-	-	-	-
Manufacturing	45.534	716	13	26.146
Mining and Quarrying	6.840	-	-	1.710
Production	38.695	716	13	24.436
Electricity, Gas and Water	-	-	-	-
Construction	1.809	-	-	912
Services	76.302	186	4	16.074
Wholesale and Retail Trade	-	-	-	-
Accommodation and Dining	67.472	186	4	13.812
Transportation and Telecommunication	72	-	-	72
Financial Institutions	-	-	-	-
Real Estate and Rental Services	-	-	-	-
Professional Services	-	-	-	-
Educational Services	-	-	-	-
Health and Social Services	8.758	-	-	2.190
Others	1.262	-	-	1.262
Total	124.907	2.459	48	44.394

Information on Movements in Value Adjustments and Provisions:

	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments	Closing Balance
1. Specific Provisions	49.201	4.078	(8.885)	-	44.394
2. Generic Provisions	23.008	5.164	(681)	-	27.491

III- Explanations related to market risk:

Market risk is calculated within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" published in the Official Gazette dated 28 June 2012 and numbered 28337 and legally reported.

Besides monthly calculation made as per standard method, market risk is calculated daily as per Value at Risk ("VaR") method and reported to top management. Calculations are made using Historical Simulation method. In order to test the reliability of the VaR model, back tests are performed. Stress tests are also applied in order to reflect the effects of prospective severe market fluctuations in the market parameters on income statement.

In compliance with the "Regulation on Banks' Internal Control and Risk Management Systems" published in the Official Gazette dated 28 June 2012 and numbered 28337, Board of Directors determine risk limits considering the major risks beared by the Bank and revise these limits based the market conditions and the strategies of the Bank.

The reports prepared for the monitoring of the risk limits are regularly submitted to the Board of Directors, Audit Committee and top management.

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a) Information related to market risk:

	Amount
(I) Capital Requirement to be Employed For General Market Risk - Standard Method	684
(II) Capital Requirement to be Employed For Specific Risk - Standard Method	-
(III) Capital Requirement to be Employed For Specific Risks of Securitization Positions- Standard Method	-
(IV) Capital Requirement to be Employed For Currency Risk - Standard Method	3.410
(V) Capital Requirement to be Employed For Commodity Risk - Standard Method	-
(VI) Capital Requirement to be Employed For Settlement Risk - Standard Method	-
(VII) Total Capital Requirement to be Employed For Market Risk Resulting From Options - Standard Method	-
(VIII) Capital Requirement to be Employed For Counterparty Credit Risks - Standard Method	22
(IX) Total Capital Requirement to be Employed For Market Risk in Banks Using Risk Measurement Model	-
(X) Total Capital Requirement to be Employed For Market Risk (I+II+III+IV+V+VI+VIII)	4.116
(XI) Value-At-Market Risk ((12,5 x IX) or (12,5 x X))	51.450

b) Average market risk table calculated at the end of each month during the period

	Current Period (31.12.2013)			Prior Period (31.12.2012)		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	630	1.411	178	534	1.010	260
Common Stock Risk	-	-	-	193	580	-
Currency Risk	2.207	3.731	1.327	2.921	3.181	2.593
Commodity Risk	-	-	-	-	-	-
Settlement Risk	-	-	-	-	-	-
Option Risk	-	-	-	-	-	-
Counterparty Credit Risk	39	110	2	16	84	-
Total Value at Risk	2.876	5.252	1.507	3.664	4.855	2.853

Information on Counterparty Risk:

For derivative transactions and repurchase agreements, counterparty credit risks are calculated. In counterparty credit risk calculations, the fair value methodology is used according to the Appendix-2 of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks". In case of derivative transactions, the total of replacement costs and potential credit risks is considered as the risk amount. The replacement costs are calculated valuing the contracts at their fair values. The potential credit risks are calculated multiplying the contract amounts with the credit conversion factors set in the appendix of the regulation

In the current period, the Bank has no counter party risk related to purchase/sale accounts.

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IV- Explanations related to operational risk:

Value at operational risk is calculated as per standard method within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" Article 14 and legally reported. Two and a half times of average of fifteen percent of the Bank's gross profit in recent three years is considered as value at operational risk.

The annual gross income, as presented in the statements of income, is composed of net interest income by adding net fees and commissions income, dividend income from shares except for the subsidiaries and associates, net trading income/(expense) and other operating income and after deducting realized gains/losses from the sale of securities held-to-maturity, extraordinary income, operating expenses due to support services and income derived from insurance claims at year-end.

Basic Indicator Method:

	31.12.2010	31.12.2011	31.12.2012	Total/No. Of Years of Positive Gross Income	Rate (%)	Total
Gross Income	70.498	95.720	121.752	95.990	15	14.398
Value at Operational Risk (Total*12,5)	179.981					

V- Explanations related to currency risk:

Standard Method stated in the statutory reporting is used to measure the currency risk of the Bank.

In addition, the daily exchange rate risk faced by the Bank can be determined by the foreign currency balance sheets that are prepared to include singular positions. Proforma foreign currency balance sheets are used in the calculation of the future possible currency risk (including foreign currency based assets and liabilities).

The Bank has no hedge instruments against foreign exchange debt instruments and net foreign exchange investments.

To limit the amount of exchange risk exposed, a non-speculative foreign currency position risk management is adopted and used in the distribution of balance sheet and off-balance sheet assets according to their currencies.

Foreign exchange buying rates announced by the Bank on the financial statements date and the previous five working days are as follows:

Date	USD	EURO	100 JPY
31/12/2013	2,08760	2,87230	1,99140
30/12/2013	2,13130	2,92560	2,03290
27/12/2013	2,11000	2,89810	2,01680
26/12/2013	2,07390	2,83320	1,98740
25/12/2013	2,05770	2,81060	1,97400
24/12/2013	2,08720	2,85360	2,00850

The simple arithmetic average value of the foreign exchange buying rates of the Bank for the thirty days before the balance sheet date are; USD: 2,05122 TL, EURO: 2,80569 TL, 100 JPY: 1,98850 TL.

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Information on the currency risk of the Bank:

	EURO	USD	Other FC ⁽¹⁾	Total
Current Period (31.12.2013)				
Assets				
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	-	-	-	-
Banks	87.898	38.155	193	126.246
Financial assets at fair value through profit and loss	-	-	-	-
Money market placements	-	-	-	-
Financial assets available for sale		2.347		2.347
Loans	1.636.847	836.997	1.932	2.475.776
Subsidiaries, associates and jointly controlled entities (joint ventures)	9.907	-	-	9.907
Investments held to maturity	-	-	-	-
Derivative financial assets for hedging purposes	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other assets ⁽⁴⁾	739	1.234		1.973
Total assets	1.735.391	878.733	2.125	2.616.249
Liabilities				
Banks deposits	-	-	-	-
Foreign Exchange deposits	-	-	-	-
Money market borrowings	-	-	-	-
Funds provided from other financial institutions	1.761.048	876.640	1.921	2.639.609
Marketable securities issued	-	-	-	-
Sundry creditors	340	243	-	583
Derivative financial liabilities for hedging purposes	-	-	-	-
Other liabilities	542	(40)	-	502
Total liabilities	1.761.930	876.843	1.921	2.640.694
Net balance sheet position	(26.539)	1.890	204	(24.445)
Net off-balance sheet position	-	-	-	-
Assets on derivative instruments	-	-	-	-
Liabilities on derivative instruments	-	-	-	-
Non-cash loans	8.682	4.034	-	12.716
Prior Period (31.12.2012)				
Total assets	1.269.604	722.016	12.607	2.004.227
Total liabilities	1.322.403	769.750	11.068	2.103.221
Net balance sheet position	(52.799)	(47.734)	1.539	(98.994)
Net off-balance sheet position	33.426	48.439	-	81.865
Assets on derivative instruments	35.062	49.326	-	84.388
Liabilities on derivative instruments	1.636	887	-	2.523
Non-cash loans	11.942	45.039	-	56.981

⁽¹⁾ Of the foreign currencies presented in the other FC column of assets, 90,94% is ID, 1,75% is GBP, 4,63% is CHF and 2,68% is JPY. Of the foreign currencies presented in the other FC column of liabilities is ID.

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Currency Risk Sensitivity:

The following table presents the Bank's currency sensitivity to a 10% change in the USD and EUR.

Increase in Exchange Rates		Effect on Profit/Loss ^(*)		Effect on Capital	
	%	Current Period	Prior Period	Current Period	Prior Period
USD	10	189	71	(4)	-
EURO	10	(2.654)	(1.937)	-	-
Other	10	20	154	-	-

Decrease in Exchange Rates		Effect on Profit/Loss ^(*)		Effect on Capital	
	%	Current Period	Prior Period	%	Current Period
USD	10	(189)	(71)	4	-
EURO	10	2.654	1.937	-	-
Other	10	(20)	(154)	-	-

(*) Indicates the values before tax.

VI- Explanations related to interest rate risk:

The Bank's basic principle in the interest rate risk management policy is to provide alignment by parallelism between loans disbursed with fixed and floating rate and funds provided with fixed and floating rate. Accordingly, interest rate, currency and maturity alignment material is respected during the disbursement of loans funded by foreign long-term borrowings, which form the material part of the loan portfolio. Almost the entire loan portfolio is financed by floating rate borrowings, then interest rate risk from changes in interest rates seems not probable for the loan portfolio because of the correlation provided between the source and the uses. Other loans in the portfolio are financed by the equity of the Bank.

Within the framework of the Bank's basic principle of interest rate risk policy, optimization of portfolio distribution in the management of interest-sensitive assets other than loans is provided by considering possible changes in duration of positions and current interest rate limits; by taking into account alternative return, limits of tolerable loss and risk. In this context, to measure the interest rate risk exposure of the Bank, the effect of days to maturity and profit/loss are analyzed considering the scenarios of possible changes in interest rates for securities portfolio. Alternatives for compensation of probable losses that may arise as a result of fluctuations in market interest are examined using different markets. Interest rate sensitivity analysis is also made for the positions besides securities portfolio.

In order to minimize the possibility of unfavorable effects of market interest rate changes on the Bank's financial position, risk limits are used for the management of interest rate risk. These limits are set by Asset-Liability Committee and approved by Board of Directors. The Bank monitors and controls whether interest-sensitive assets are within the determined limits. Standard method is used in legal reports regarding interest rate risk.

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Interest rate sensitivity of assets, liabilities and off-balance sheet items (based on days to repricing dates):

Current Period (31.12.2013)	Up to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	5 Years and Over	Non- Interest Bearing	Total
Assets							
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey ⁽¹⁾	-	-	-	-	-	1.706	1.706
Banks ⁽¹⁾	282.812	-	-	-	-	6.930	289.742
Financial assets at fair value through profit and loss	1.031	-	37	-	-	-	1.068
Money market placements	145.569	-	-	-	-	-	145.569
Financial assets available for sale ⁽³⁾	24.092	82.509	101.641	2.347	-	11.258	221.847
Loans ⁽²⁾	893.608	541.935	1.075.948	69.993	96.735	80.513	2.758.732
Investments held to maturity	29.739	-	-	-	-	-	29.739
Other assets ⁽⁴⁾	-	-	-	-	-	107.654	107.654
Total Assets	1.376.851	624.444	1.177.626	72.340	96.735	208.061	3.556.057
Liabilities							
Interbank deposits	-	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-	-
Money market borrowings	221.766	-	-	-	-	-	221.766
Sundry creditors	-	-	-	-	-	3.745	3.745
Marketable securities issued	-	-	-	-	-	-	-
Funds provided from other financial institutions	698.731	659.463	1.261.203	31.197	13.453	-	2.664.047
Other liabilities ⁽⁴⁾	-	-	-	-	-	666.499	666.499
Total liabilities	920.497	659.463	1.261.203	31.197	13.453	670.244	3.556.057
Long position on balance sheet	456.354	-	-	41.143	83.282	-	580.779
Short position on balance sheet	-	(35.019)	(83.577)	-	-	(462.183)	(580.779)
Long position on off-balance sheet	-	-	-	-	-	-	-
Short position on off-balance sheet	-	-	-	-	-	-	-
Total position	456.354	(35.019)	(83.577)	41.143	83.282	(462.183)	-

⁽¹⁾ Balances without fixed maturity are shown in the "Up to 1 Month" and "Non-interest Bearing" columns.⁽²⁾ Net balance of non-performing loans is shown in "Non-interest Bearing" column.⁽³⁾ Securities representing a share in capital and investment funds are shown in "Non-interest Bearing" column.⁽⁴⁾ Deferred tax asset, shareholders' equity and other non-interest bearing assets and liabilities are shown in "Non-interest Bearing" column.

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Interest rate sensitivity of assets, liabilities and off-balance sheet items (based on days to repricing dates):

Current Period (31.12.2012)	Up to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	5 Years and Over	Non- Interest Bearing	Total
Assets							
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey ⁽¹⁾	-	-	-	-	-	319	319
Banks ⁽¹⁾	236.750	17.821	-	-	-	6.646	261.217
Financial assets at fair value through profit and loss	1.046	43	15	-	-	18	1.122
Money market placements	134.670	-	-	-	-	-	134.670
Financial assets available for sale ⁽³⁾	21.705	48.782	5.082	10.812	-	4.883	91.264
Loans ⁽²⁾	1.189.589	297.837	535.785	54.630	128.550	48.019	2.254.410
Investments held to maturity	29.733	-	-	-	-	-	29.733
Other assets ⁽⁴⁾	-	-	-	-	-	97.318	97.318
Total Assets	1.613.493	364.483	540.882	65.442	128.550	157.203	2.870.053
Liabilities							
Interbank deposits	-	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-	-
Money market borrowings	81.549	-	-	-	-	-	81.549
Sundry creditors	-	-	-	-	-	5.232	5.232
Marketable securities issued	-	-	-	-	-	-	-
Funds provided from other financial institutions	635.792	517.153	927.355	39.352	28.522	-	2.148.174
Other liabilities ⁽⁴⁾	-	-	-	-	-	635.098	635.098
Total liabilities	717.341	517.153	927.355	39.352	28.522	640.330	2.870.053
Long position on balance sheet	896.152	-	-	26.090	100.028	-	1.022.270
Short position on balance sheet	-	(152.670)	(386.473)	-	-	(483.127)	(1.022.270)
Long position on off-balance sheet	-	-	-	-	-	-	-
Short position on off-balance sheet	-	-	-	-	-	-	-
Total position	896.152	(152.670)	(386.473)	26.090	100.028	(483.127)	-

⁽¹⁾ Balances without fixed maturity are shown in the "Up to 1 Month" and "Non-interest Bearing" columns.⁽²⁾ Net balance of non-performing loans is shown in "Non-interest Bearing" column.⁽³⁾ Securities representing a share in capital and investment funds are shown in "Non-interest Bearing" column.⁽⁴⁾ Deferred tax asset, shareholders' equity and other non-interest bearing assets and liabilities are shown in "Non-interest Bearing" column.

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Average interest rates applied to monetary financial instruments (%):

Current Period (31.12.2013)	EURO	USD	JPY	TL
Assets				
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	-	-	-	-
Banks	1,10	1,50	-	7,75
Financial assets at fair value through profit and loss	-	-	-	10,95
Money market placements	-	-	-	7,28
Financial assets available for sale	-	5,33	-	8,50
Loans	3,31	3,25	-	10,44
Investments held to maturity	-	-	-	9,39
Liabilities				
Interbank deposits	-	-	-	-
Other deposits	-	-	-	-
Money market borrowings	-	-	-	4,50
Sundry creditors	-	-	-	-
Marketable securities issued	-	-	-	-
Funds provided from other financial institutions	0,94	0,85	-	6,91

(*) Rates shown in the table are calculated by using the annual domestic interest rates.

Prior Period (31.12.2012)	EURO	USD	JPY	TL
Assets				
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	-	-	-	-
Banks	-	1,29	-	6,21
Financial assets at fair value through profit and loss	-	-	-	9,39
Money market placements	-	-	-	6,10
Financial assets available for sale	-	3,18	-	8,71
Loans	3,59	3,24	-	11,34
Investments held to maturity	-	-	-	7,87
Liabilities				
Interbank deposits	-	-	-	-
Other deposits	-	-	-	-
Money market borrowings	-	-	-	3,69
Sundry creditors	-	-	-	-
Marketable securities issued	-	-	-	-
Funds provided from other financial institutions	1,11	1,01	-	6,82

(*) Rates shown in the table are calculated by using the annual domestic interest rates.

Interest rate risk on banking book:

Bank calculates the interest rate risk on banking book according to "Regulation on Measurement and Evaluation of Interest Rate Risk on Banking Book as per Standard Shock Method" and reports to BRSA monthly.

Interest Rate Risk on Banking Book report includes Receivables from Central Bank, Money Market Placements, Receivables from Banks, Available for Sale Financial Assets (excluding government bonds), Receivables from Reverse-repo, Loans and Receivables, Investments Held to Maturity and Other Receivables in the asset side, and Payables to Central Bank, Money Market Borrowings, Payables to Banks, Repos, Issued Bonds; Borrowings, Subordinated Debt and Other Payables on the liabilities side.

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Economic value differences due to the interest rate instabilities calculated according to "Regulation on Measurement and Evaluation of Interest Rate Risk on Banking Book as per Standard Shock Method" are presented below for each currency.

Type of Currency	Shocks Applied (+/- x basis points)	Gains/Losses	Gains/Equity - Losses/Equity
1 TL	(+) 500	(7.261)	(1,16)%
2 TL	(-) 400	6.224	0,99%
3 EURO	(+) 200	2.256	0,4%
4 EURO	(-) 200	(2.183)	(0,3)%
5 USD	(+) 200	1.457	0,2%
6 USD	(-) 200	(2.265)	(0,4)%
Total (of negative shocks)		1.776	0,28%
Total (of positive shocks)		(3.548)	(0,57)%

VII- Position risk of equity securities in banking book:

Equity Securities (shares)	Comparison		
	Carrying Value	Fair Value	Market Value
1 Available-for-Sale Financial Assets	8.039	-	-
Quoted securities	-	-	-
2 Associates	18.018	-	-
Quoted securities	-	-	-
3 Subsidiaries	-	-	-
Quoted securities	-	-	-

VIII- Explanations related to liquidity risk:

In the Bank, liquidity risk management is performed through proforma cash flows. These cash flows are prepared using forecasted data considering the maturity structure of assets and liabilities. The proforma cash flows includes information required to determine liquidity needs (if any) that would arise in the coming periods and/or extraordinary situations, alternative liquidity sources and placement areas. During preparation of projections for future cash flows based on these information, liquidity risk exposure of the Bank is measured using different scenarios (for example, credit collection ratios).

Besides, monthly proforma cash flows related to coverage ratios for medium and long term liabilities and balance sheet durations are monitored continuously in order to identify risk factors in advance. In the case situations creating risk are present; initiatives are taken by related departments to eliminate this situation. In order to evaluate the effects of negative developments at the parameters that affect the financial strength of the Bank to operations and market risks, it is essential to apply stress tests and to use the results within the Bank's strategic decision making process.

Liquidity risk may arise as the most important risk factor when structural problem caused by disbursement of long-term loans using short term borrowings is coupled with a financial crisis. Since the Bank is an investment and development bank and does not accept deposits, unlike the other banks in the system, facing the risk of liquidity crisis due to deposit withdrawals as a result of adverse events in the market is eliminated. Analyzing the structure of the Bank's assets and borrowings, loans provided by international financial institutions consists of medium and long-term loans with floating interest rate, and these funds are disbursed by taking into account the re-pricing period. Balance sheet mainly consists of loans that, given the impact of interest rate shocks on the profitability is thought to be limited to a portfolio of liquid assets and liabilities. In addition, the share of the equity in liabilities thus released funds is high and it makes the Bank advantageous in the liquidity risk management. Assessment of maturity/yield alternatives for the placement of liquidity surplus and maturity/cost alternatives to meet liquidity needs is the basic principle of the Bank liquidity management.

According to "Regulation on Measurement and Assessment of Liquidity Adequacy of Banks", weekly and monthly calculated foreign currency ratios are required to be 80%, total liquidity adequacy ratios are required to be 100% at minimum, respectively. Foreign currency adequacy ratio refers to ratio of foreign currency assets to foreign currency liabilities, whereas, total liquidity adequacy ratio refers to ratio of total assets to total liabilities. The maximum, minimum and average liquidity ratios calculated in the year 2013 and 2012 are presented below in comparison with prior period.

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Current Period (31.12.2013)	First Maturity Segment (Weekly)		Second Maturity Segment (Monthly)	
	FC	FC + TL	FC	FC + TL
Average (%)	1.129,43	356,25	678,05	312,68
Maximum (%)	3.078,32	710,07	3.410,58	476,00
Minimum (%)	124,31	144,33	138,91	160,39

Prior Period (31.12.2012)	First Maturity Segment (Weekly)		Second Maturity Segment (Monthly)	
	FC	FC + TL	FC	FC + TL
Average (%)	177,60	250,59	178,41	253,33
Maximum (%)	375,32	698,73	425,07	687,88
Minimum (%)	101,52	132,09	103,41	128,82

Maturity analysis of assets and liabilities according to remaining maturities:

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed	Total
Current Period (31.12.2013)								
Assets								
Cash (cash in vault, effectives, money in transit, cheques purchased) and Balances with the Central Bank of the Republic of Turkey	1.706	-	-	-	-	-	-	1.706
Banks	6.930	282.812	-	-	-	-	-	289.742
Financial assets at fair value through profit and loss	-	28	-	1.040	-	-	-	1.068
Money market placements	-	145.569	-	-	-	-	-	145.569
Financial assets available-for-sale	11.258	2.816	82.908	101.344	23.521	-	-	221.847
Loans	-	135.022	36.801	275.701	1.312.932	917.763	80.513	2.758.732
Investments held to maturity	-	610	-	9.035	20.094	-	-	29.739
Other assets	-	-	-	-	-	-	107.654	107.654
Total assets	19.894	566.857	119.709	387.120	1.356.547	917.763	188.167	3.556.057
Liabilities								
Interbank deposits	-	-	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-	-	-
Funds provided from other financial instruments	-	6.263	40.308	80.688	761.713	1.774.892	183	2.664.047
Money market borrowings	-	221.766	-	-	-	-	-	221.766
Marketable securities issued	-	-	-	-	-	-	-	-
Sundry creditors	3.745	-	-	-	-	-	-	3.745
Other liabilities ⁽³⁾	-	1.444	1.286	-	-	-	663.769	666.499
Total liabilities	3.745	229.473	41.594	80.688	761.713	1.774.892	663.952	3.556.057
Liquidity Gap	16.149	337.384	78.115	306.432	594.834	(857.129)	(475.785)	-
Prior Period (31.12.2012)								
Total Assets	11.848	395.939	189.195	213.737	1.142.429	771.568	145.337	2.870.053
Total Liabilities	5.232	205.407	64.741	60.687	525.000	1.380.080	628.906	2.870.053
Liquidity Gap	6.616	190.532	124.454	153.050	617.429	(608.512)	(483.569)	-

⁽¹⁾ Assets which are required for banking operations and could not be converted into cash in short-term, such as; tangible assets, associates, subsidiaries, office supply inventory, prepaid expenses and non-performing loans; and other liabilities such as provisions which are not considered as payables and equity are classified as undistributed

⁽²⁾ Deferred tax asset is included under the "Undistributed" column.

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In compliance with the Turkish Financial Reporting Standard No: 7, the following table indicates the maturities of the Bank's major financial liabilities which are not qualified as derivatives. The following tables have been prepared by referencing the earliest dates of payments without discounting the liabilities. The interest to be paid to the related liabilities is included in the following table. Adjustments column shows the items that may cause possible cash flows in the following periods. The balances of the related liabilities in balance sheet do not include these amounts.

Current Period End (31.12.2013)	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Adjustments	Total
Liabilities							
Funds provided from other financial institutions	6.625	42.116	98.396	852.427	1.856.904	(192.421)	2.664.047
Money market borrowings	221.824	-	-	-	-	(58)	221.766
Total	228.449	42.116	98.396	852.427	1.856.904	(192.479)	2.885.813

Current Period End (31.12.2012)	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Adjustments	Total
Liabilities							
Funds provided from other financial institutions	125.626	62.527	76.062	590.462	1.463.958	(170.461)	2.148.174
Money market borrowings	81.574	-	-	-	-	(25)	81.549
Total	207.200	62.527	76.062	590.462	1.463.958	(170.486)	2.229.723

The following table shows non-cash loans according to remaining maturities.

Current Period (31.12.2013)	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Letter of Credit	-	2.802	3.104	6.810	-	-	12.716
Endorsement	-	-	-	-	-	-	-
Letter of Guarantee	40	-	-	-	-	-	40
Acceptances	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total	40	2.802	3.104	6.810	-	-	12.756

Prior Period (31.12.2012)	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Letter of Credit	-	-	58	32.849	24.074	-	56.981
Endorsement	-	-	-	-	-	-	-
Letter of Guarantee	46	-	-	-	-	-	46
Acceptances	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total	46	-	58	32.849	24.074	-	57.027

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As of 31 December 2013, the Bank has no derivative financial assets and liabilities.

Prior Period (31.12.2012)	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Forwards contracts - buy	2.543	-	-	-	-	2.543
Forwards contracts - sale	2.523	-	-	-	-	2.523
Swaps - buy	84.388	-	-	-	-	84.388
Swaps - sale	85.425	-	-	-	-	85.425
Futures - buy	-	-	-	-	-	-
Futures - sale	-	-	-	-	-	-
Options - buy	-	-	-	-	-	-
Options - sale	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	174.879	-	-	-	-	174.879

IX- Explanations related to securitization positions:

None.

X- Explanations related to credit risk mitigation techniques:**Credit risk mitigation techniques:**

The Bank does not apply any netting process on balance sheet and off balance sheet items. Assessment and management of collaterals is made according to "Communiqué on Credit Risk Mitigation Techniques". Major risk mitigators that are used in credit mitigation process are financial collaterals (cash) and guarantees (Turkish Treasury and banks). Cash collaterals are revaluated as of reporting date and are taken into account for the credit risk mitigation. In case of presence of guarantee letter from other institutions for a loan customer, credit risk of the institutions who give guarantee are taken in to consideration in the credit risk mitigation process. Standard volatility adjustments are taken into account for the risk mitigation effect of collaterals regarding to portfolios in which comprehensive approach is used.

Collaterals by Risk Groups:

Risk Categories	Amount ^(*)	Financial Collateral	Other/ Physical Collateral	Guaranties and Credit Derivatives
Conditional and unconditional corporate receivables	2.604.781	-	-	149.471
Conditional and unconditional retail receivables	40.068	2.360	-	4.148
Conditional and unconditional receivables secured by real estate mortgages	725.132	618	-	8.961
Total	3.369.981	2.978	-	162.580

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

XI- Risk management objectives and policies:

Risk management activities of the Bank are performed under the responsibility of Board of Directors and in accordance with "Regulation on Banks' Internal Systems" published in the Official Gazette numbered 28337 and dated 28 June 2012. Top management is responsible against Board of Directors for monitoring and management of risks. In addition, departments included in the Internal Systems, namely Internal Control Department, Risk Monitoring Department and Board of Inspection transact their responsibilities independently from the executive departments.

The general risk principles followed by the bank can be defined as including the following activities: specializing in activities in accordance with its mission, vision and its structure defined in its settlement law, taking definable, monitorable and/or manageable risks accordingly, avoiding risks other than the ones unavoidable due to the main activities. Within this scope, fundamental principle is taking risks which are defined and manageable. Additionally, current and future potential effects of the risks currently taken are measured to the extent possible by the risk measurement and reporting techniques and it is continued to be performed accordingly.

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The Bank actively uses committees and risk budgeting in its decision and risk management processes. In the Bank, risk management is performed by Asset Liability Committee and Loan Investment Committee. Asset Liability Committee sets risk policies for liquid assets and foreign currency position of the Bank, whereas Loan Investment Committee sets the principals for credit risk.

Considering the best practices, the Bank executes measuring, monitoring activities, testing and scenario analysis confirming with the volume, character and complexity of transactions, within the legal regulations and limits of the authority, and provides reporting to top management.

XII- Explanation related to presentation of financial assets and liabilities at fair value

In the determination of fair values of financial assets and liabilities, discounted balances which are calculated considering outstanding maturities, are considered. Publicly traded securities are subject to valuation with daily weighted average price on the balance sheet date on the basis of the market price in accordance with Financial Instruments Accounting Standard (TAS 39).

	Book 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	3.445.629	2.771.294	3.458.323	2.705.346
Money markets placements ^(**)	145.569	134.670	145.569	134.670
Banks ^(**)	289.742	261.217	289.742	261.217
Financial assets available for sale	221.847	91.264	221.847	91.264
Held to Maturity Investment	29.739	29.733	29.754	29.555
Loans	2.758.732	2.254.410	2.771.411	2.188.640
Financial Liabilities	2.667.792	2.153.406	2.697.448	2.168.835
Interbank deposits	-	-	-	-
Other deposits	-	-	-	-
Funds provided from other financial institutions	2.664.047	2.148.174	2.693.703	2.163.603
Marketable securities issued	-	-	-	-
Sundry creditors	3.745	5.232	3.745	5.232

^(*) Financial assets and liabilities presented above include interest accruals.

^(**) Book value of banks balance is very close to its fair value

Methods and estimations used for the fair value determination of financial instruments which are not presented with their fair values in financial statements:

- i- For the fair value determination of loans, interest rates as of balance sheet date are considered
- ii- For the fair value determination of banks, interest rates as of balance sheet date are considered
- iii- For the fair value determination of investments held-to-maturity, market prices as of balance sheet date are considered.

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Information on fair value measurements recognized in the financial statements:

IFRS 7 "Financial Instruments: Disclosures" standard requires the items, which are recognized in the balance sheet at their fair values to be shown in the notes by being classified within a range. According to this standard, the related financial instruments are classified into three levels in such a way that they will express the significance of the data used in fair value measurements. At the first level, there are financial instruments, whose fair values are determined according to quoted prices in active markets for identical assets or liabilities, at the second level, there are financial instruments, whose fair values are determined by directly or indirectly observable market data, and at the third level, there are financial instruments, whose fair values are determined by the data, which are not based on observable market data. The financial assets, which are recognized in the balance sheet at their values, are shown below as classified according to the aforementioned principles of ranking.

Current Period (31.12.2013)	Level 1	Level 2	Level 3
Financial assets at fair value through profit and loss	1.068	-	-
Debt securities	1.068	-	-
Share certificates	-	-	-
Derivative financial assets held for trading	-	-	-
Other	-	-	-
Financial assets available-for-sale*	213.808	-	-
Debt securities	210.589	-	-
Other	3.129	-	-
Investment in subsidiaries and associates **	-	-	-
Derivative financial liabilities	-	-	-

(*) Since they are not traded in an active market, share certificates (TL 8,039Thousand) under financial assets available-for-sale are shown in the financial statements with their acquisition costs, therefore not included in the table.

(**) Since the unlisted investments in associates and subsidiaries are recognized at acquisition cost within the framework of TAS 39, these companies are not included in the table.

Prior Period (31.12.2012)	Level 1	Level 2	Level 3
Financial assets at fair value through profit and loss	1.104	18	-
Debt securities	1.104	-	-
Share certificates	-	-	-
Derivative financial assets held for trading	-	18	-
Other	-	-	-
Financial assets available-for-sale*	90.309	-	-
Debt securities	86.381	-	-
Other	3.928	-	-
Investment in subsidiaries and associates **	-	-	-
Derivative financial liabilities	-	1.096	-

(*) Since they are not traded in an active market, share certificates (TL 955 Thousand) under financial assets available-for-sale are shown in the financial statements with their acquisition costs, therefore not included in the table.

(**) Since the unlisted investments in associates and subsidiaries are recognized at acquisition cost within the framework of TAS 39, these companies are not included in the table.

In the current period, there is no transition between Level 1 and Level 2.

XIII- Explanations related to transactions made on behalf and account of others, fiduciary transactions:

The Bank acts as an intermediary for purchases and sales of securities on behalf of others and provides custody services. Besides, the Bank acts as an intermediary for implementation of tourism and infrastructure investments on behalf of Republic of Turkey Ministry of Culture and Tourism.

The Bank has no fiduciary transactions.

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SECTION FIVE**EXPLANATIONS AND NOTES RELATED TO THE UNCONSOLIDATED FINANCIAL STATEMENTS****I- Explanations and Notes Related to Assets:****1.a) Information on cash and balances with the Central Bank of the Republic of Turkey:**

	Current Period (31.12.2013)		Prior Period (31.12.2012)	
	TL	FC	TL	FC
Cash and foreign currency	75	-	138	-
Central Bank of the Republic of Turkey	1.631	-	181	-
Other	-	-	-	-
Total	1.706	-	319	-

1.a.1) Information on required reserve deposits:

Since the Bank is not authorized to accept deposits, it is not subject to Central Bank of the Republic of Turkey's Communiqué No: 2005/1 "Required Reserves".

1.b) Information on the account of Central Bank of the Republic of Turkey:

	Current Period (31.12.2013)		Prior Period (31.12.2012)	
	TL	FC	TL	FC
Unrestricted Demand Deposit	1.631	-	181	-
Unrestricted Time Deposit	-	-	-	-
Restricted Time Deposit	-	-	-	-
Total	1.631	-	181	-

2.a.1) Financial assets at fair value through profit and loss subject to repurchase agreements:

None.

2.a.2) Financial assets at fair value through profit and loss given as collateral or blocked:

	Current Period (31.12.2013)		Prior Period (31.12.2012)	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bonds, treasury bills and similar securities	1.030	-	1.046	-
Other	-	-	-	-
Total	1.030	-	1.046	-

2.b) Positive differences related to derivative financial assets held-for-trading:

Derivative financial assets held for trading	Current Period (31.12.2013)		Prior Period (31.12.2012)	
	TL	FC	TL	FC
Forward Transactions	-	-	18	-
Swap Transactions	-	-	-	-
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	-	-	18	-

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3.a) Information on banks:

	Current Period (31.12.2013)		Prior Period (31.12.2012)	
	TL	FC	TL	FC
Banks				
Domestic	163.496	124.573	221.837	38.565
Foreign	-	1.673	-	815
Foreign Head Office and Branches	-	-	-	-
Total	163.496	126.246	221.837	39.380

3.b) Information on foreign bank 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)
EU Countries	1.267	406	-	-
USA and Canada	377	379	-	-
OECD Countries ^(*)	29	30	-	-
Off-Shore Banking Regions	-	-	-	-
Other	-	-	-	-
Total	1.673	815	-	-

(*) OECD Countries other than European Union Countries, USA and Canada

4) Information on financial assets available-for-sale:**4.a.1) Financial assets available-for-sale subject to repurchase agreements:**

	Current Period (31.12.2013)		Prior Period (31.12.2012)	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bonds, treasury bills and similar securities	163.237	-	55.443	-
Other	-	-	-	-
Total	163.237	-	55.443	-

4.a.2) Information on financial assets available-for-sale given as collateral or blocked:

	Current Period (31.12.2013)		Prior Period (31.12.2012)	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bonds, treasury bills and similar securities	33.517	-	25.696	-
Other	-	-	-	-
Total	33.517	-	25.696	-

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4.b) Information on financial assets available-for-sale:

	Current Period (31.12.2013)	Prior Period (31.12.2012)
Debt Securities	213.815	90.309
Quoted on a stock exchange ^(*)	213.815	90.309
Unquoted	-	-
Share Certificates	22.761	13.046
Quoted on a stock exchange	-	-
Unquoted	22.761	13.046
Provision for impairment (-)	(14.729)	(12.091)
Total	221.847	91.264

^(*) Available-for-sale financial assets amounting to TL 3.219 Thousand (31 December 2012: TL 3.928 Thousand) which are classified as "Other securities" at balance sheet, consists of investment funds.

5. Information on loans:**5.a) 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	Non-Cash	Cash	Non-Cash
Direct loans granted to shareholders	-	-	-	-
Legal Entities	-	-	-	-
Individuals	-	-	-	-
Indirect loans granted to shareholders	-	-	-	-
Loans granted to employees	5.565	-	4.897	-
Total	5.565	-	4.897	-

5.b) Information on the first and second group loans and other receivables including restructured or rescheduled loans:

	Standard Loans and Other Receivables			Loans and Other Receivables Under Close Monitoring		
	Loans and Receivables with Revised Contract Terms			Loans and Receivables with Revised Contract Terms		
	Loans and Other Receivables (Total)	Extension of Repayment Plan	Other	Loans and Other Receivables (Total)	Extension of Repayment Plan	Other
Cash Loans						
Non-specialized loans	2.391.976	-	19.126	42.373	706	9.918
Discount notes	131.537	-	12.961	-	-	-
Export loans	-	-	-	-	-	-
Import loans	-	-	-	-	-	-
Loans given to financial sector	331.274	-	-	-	-	-
Consumer loans	5.565	-	-	-	-	-
Credit cards	-	-	-	-	-	-
Other	1.923.600	--	6.165	42.373	706	9.918
Specialized loans	215.368	-	1.242	28.502	-	7.845
Other receivables	-	-	-	-	-	-
Total	2.607.344	-	20.368	70.875	706	17.763

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	Number of Extensions	
	Standard Loans and Other Receivables	Loans and Other Receivables Under Close Monitoring
1 or 2 times	-	706
3, 4 or 5 times	-	-
Over 5 times	-	-

Extension Periods	Standard Loans and Other Receivables	Loans and Other Receivables Under Close Monitoring
Up to 6 months	-	706
6-12 months	-	-
1-2 years	-	-
2-5 years	-	-
Over 5 years	-	-

5.c) Loans according to their maturity structure:

	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms
Short term loans and other receivables	116.203	-	-	-
Non-specialized loans	115.459	-	-	-
Specialized loans	744	-	-	-
Other receivables	-	-	-	-
Medium and long term loans and other receivables	2.470.773	20.368	52.406	18.469
Non-specialized loans	2.257.391	19.126	31.749	10.624
Specialized loans	213.382	1.242	20.657	7.845
Other receivables	-	-	-	-

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5.ç) Information on consumer loans, individual credit cards, and personnel loans and personnel credit cards:

	Short Term	Medium and Long Term	Total
Consumer Loans- TL	-	-	-
Real estate loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer Loans -Indexed to FC	-	-	-
Real estate loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer Loans- FC	-	-	-
Real estate loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Individual Credit Cards- TL	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Individual Credit Cards- FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Personnel Loans- TL	-	5.565	5.565
Real estate loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	5.565	5.565
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Real estate loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel Loans- FC	-	-	-
Real estate loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel Credit Cards- TL	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Personnel Credit Cards- FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Overdraft Accounts-TL (Real Persons)	-	-	-
Overdraft Accounts-FC (Real Persons)	-	-	-
Total	-	5.565	5.565

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5.d) Information on commercial loans with installments and corporate credit cards:

The Bank has not granted any commercial loans with installments and corporate credit cards as of balance sheet date.

5.e) Loans according to type of borrowers:

	Current Period (31.12.2013)	Prior Period (31.12.2012)
Public	20.000	29.412
Private	2.658.219	2.176.979
Total	2.678.219	2.206.391

5f) Breakdown of domestic and international loans:

	Current Period (31.12.2013)	Prior Period (31.12.2012)
Domestic loans	2.678.219	2.206.391
International loans	-	-
Total	2.678.219	2.206.391

5g) Loans granted to subsidiaries and associates:

TL 1.280 Thousand of loan disbursed to Arıcak A.Ş., a subsidiary of the Bank, has been followed at Group V. For this loan, TL 1.026 Thousand special provision has been provided.

5ğ) Specific provisions provided against loans:

	Current Period (31.12.2013)	Prior Period (31.12.2012)
Loans and other receivables with limited collectability	1.392	3
Loans and other receivables with doubtful collectability	-	-
Uncollectible loans and receivables	43.002	49.198
Total	44.394	49.201

5h) Information on non-performing loans (net):**5.h.1) Information on loans and other receivables restructured or rescheduled from non-performing loans:**

	III. Group: Loans and Other Receivables With Limited Collectability	IV. Group: Loans and Other Receivables With Doubtful Collectability	V. Group Uncollectible Loans and Other Receivables
Current Period (31.12.2013)	9.172	-	-
(Gross amounts before specific provisions)	-	-	-
Restructured loans and other receivables	-	-	-
Rescheduled loans and other receivables	9.172	-	-
Prior Period (31.12.2012)	-	-	19.662
(Gross amounts before specific provisions)	-	-	-
Restructured loans and other receivables	-	-	-
Rescheduled loans and other receivables	-	-	19.662

^(*) Balances for loans which are under legal process and whose rescheduling become invalid in 2013 are not included to the table above.

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5.h.2) Information on the movement of non-performing receivables:

	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
Prior period end balance	59	-	97.161
Additions (+)	36.776	3	1.681
Transfer from other categories of non-performing loans (+)	-	1.021	8.844
Transfer to other categories of non-performing loans (-)	(8.966)	(899)	-
Collections (-)	(27)	(125)	(10.621)
Write-offs (-)	-	-	-
Corporate and commercial loans	-	-	-
Consumer loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Current period end balance	27.842	-	97.065
Specific provisions (-)	(1.392)	-	(43.002)
Net balance on balance sheet	26.450	-	54.063

5.h.3) Information on foreign currency non-performing loans:

In accordance with the third section of Communiqué on Turkish Uniform Chart of Accounts and its Explanations "Receivables to be Refined, Fees, Commissions and Receivables with Doubtful Collectability and Uncollectible Loans and Receivables", the Bank translates the foreign currency loans to Turkish Lira with the exchange rates on the day of classification to non-performing loan accounts and follow in these TL balances.

5.h.4) Information regarding gross and net amounts of non-performing loans with respect to user groups:

	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)	26.450	-	54.063
Loans to Real Persons and Legal Entities (Gross)	27.842	-	97.065
Specific Provisions (-)	(1.392)	-	(43.002)
Loans to Real Persons and Legal Entities (Net)	26.450	-	54.063
Banks (Gross)	-	-	-
Specific Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provisions (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net) (31.12.2012)	56	-	47.963
Loans to Real Persons and Legal Entities (Gross)	59	-	97.161
Specific Provisions (-)	(3)	-	(49.198)
Loans to Real Persons and Legal Entities (Net)	56	-	47.963
Banks (Gross)	-	-	-
Specific Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provisions (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

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5.h5) Aging analysis of post due but not impaired loans per classes of financial statements:

Current Period (31.12.2013)	0-30 Days	31-60 Days	61-90 Days	Total
Loans				
Corporate Loans	513	345	1.416	2.274
Consumer Loans	-	-	-	-
Specialized Loans	186	-	-	186
Total	699	345	1.416	2.460
Prior Period (31.12.2012)	0-30 Days	31-60 Days	61-90 Days	Total
Loans				
Corporate Loans	335	195	199	729
Consumer Loans	-	-	-	-
Specialized Loans	4.730	1	338	5.069
Total	5.065	196	537	5.798

Net Value of Collaterals of Loans Under Close Monitoring, Collateral Type and Risk Mapping

Type of collateral	Current Period (31.12.2013)		Prior Period (31.12.2012)	
	Net Value of Collateral	Loan Balance	Net Value of Collateral	Loan Balance
Real Estate Mortgages ^(*)	22.043	22.043	33.093	33.093
Vehicle Pledges	-	-	-	-
Cash Collateral (Cash, Marketable Securities, etc.)	48.832	48.832	64.404	64.404
Pledge on wages	-	-	-	-
Cheque/Notes	-	-	-	-
Other suretyship, commercial enterprise pledge, commercial papers etc.	-	-	-	-
Non-collateralized	-	-	-	-
Total	70.875	70.875	97.497	97.497

^(*) Net values of collaterals are stated at the lower of appraisal value and mortgage value. When the collateral value exceeds the credit risk loan balance, credit risk loan balance is presented.

Net Value of Collaterals of Non-performing Loans, Collateral Types and Risk Mapping

Type of collateral	Current Period (31.12.2013)		Prior Period (31.12.2012)	
	Net Value of Collateral	Loan Balance	Net Value of Collateral	Loan Balance
Real Estate Mortgages ^(*)	124.907	124.907	97.220	97.220
Cash collateral	-	-	-	-
Vehicle Pledges	-	-	-	-
Other (suretyship, commercial enterprise pledge, commercial papers etc.)	103.019	-	103.129	-
Total	227.926	124.907	200.349	97.220

^(*) As collateral, real estate mortgages has been obtained for loans. In addition to the existing collateral, commercial enterprise pledge has been obtained for loans amounting to TL 11.191 Thousand (31 December 2012: TL 23.121).

^(*) Net values of collaterals are stated at the lower of appraisal value and mortgage value. When the collateral value exceeds the credit risk loan balance, credit risk loan balance is presented.

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5.1) Main principles of liquidating non-performing loans and other receivables:

In case collaterals complying with Article 9 of the "Regulation on Procedures and Principles for Determination of Qualification of Loans and Other Receivables, and Allocation of Provisions" are present, liquidation of receivables are realized by converting collaterals into cash immediately as a result of either administrative or legal procedures

In the case collaterals are not present; the Bank is engaged in intense intelligence in various periods to determine whether any property holdings are subsequently acquired in order to apply for legal procedures, even if there is evidence of insolvency for the debtor.

Before and after liquidation process; the Bank reviews financial information of the debtor companies. Then, in the case it is agreed that the companies show indications of operating on an ongoing basis and probably are going to have contributions to production; the Bank tries to make collections through rescheduling the payment terms.

5.i) Explanations on write-off policy:

Uncollectible loans or receivables are written-off with the decision of Board of Directors, after the date 100% provision is set considering the collaterals using the rates determined in the related communiqué, when they are deemed impossible to collect in accordance with a convincing document or a court order.

6. Information on held-to-maturity investments:**6.a) Information on comparative net values of held-to-maturity investments subject to repurchase agreements and given as collateral or blocked:****a.1) Held-to-maturity investments subject to repurchase agreements:**

	Current Period (31.12.2013)	Prior Period (31.12.2012)
Government bonds	20.375	26.317
Treasury bills	-	-
Other public sector debt securities	-	-
Total	20.375	26.317

a.2) Held-to-maturity investments given as collateral or blocked:

	Current Period (31.12.2013)	Prior Period (31.12.2012)
Government bonds	9.227	3.086
Treasury bills	-	-
Other public sector debt securities	-	-
Total	9.227	3.086

6.b) Information on held-to-maturity debt securities:

	Current Period (31.12.2013)	Prior Period (31.12.2012)
Government bonds	29.739	29.733
Treasury bills	-	-
Other public sector debt securities	-	-
Total	29.739	29.733

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6.c) Information on held-to-maturity investments:

	Current Period (31.12.2013)	Prior Period (31.12.2012)
Debt securities	29.739	29.733
Quoted on a stock exchange	29.739	29.733
Unquoted	-	-
Provision for impairment (-)	-	-
Total	29.739	29.733

6.ç) Movement of held-to-maturity investments:

	Current Period (31.12.2013)	Prior Period (31.12.2012)
Balance at the beginning of the period	29.733	35.558
Foreign currency differences on monetary assets	-	-
Purchases during the year ^(*)	12.868	20.335
Disposals through sales and redemptions ^(*)	(12.862)	(26.160)
Provision for impairment (-)	-	-
Balance at the end of the period	29.739	29.733

^(*) Purchases during the year includes interest accrual differences equal to TL 1.593 Thousand (31 December 2012: TL 1.885 Thousand) and disposals during the year includes interest accrual differences equal to TL 1.487 Thousand (31 December 2012: TL 2.097 Thousand).

7. Information on associates (net):**7.a. Information on associates:**

Description	Address (City/ Country)	The Bank's share percentage-if different voting percentage (%)	The Bank's risk group share percentage (%)
1 Maksan A.Ş.	Malatya	20,00	31,14
2 Teşebbüs Destekleme Ajansı ^(*)	Ankara	-	20,00
3 Türk Suudi Holding A.Ş.	İstanbul	10,00	24,69
4 Türsan ^(*)	Mardin	-	17,84
5 Yozgat Otelcilik A.Ş.	Yozgat	20,00	3,75
İstanbul Risk Sermayesi			
6 Girişimi	Luxemburg	11,11	6,25

^(*) Türsan and Teşebbüs Destekleme Ajansı Ltd. are inactive.

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7.b. Financial statement information of associates as sorted in (7.a) :

	Total Assets	Shareholders' Equity	Total Fixed Asset	Interest Income	Income From Marketable Securities	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value ^(*)
1	21.136	13.993	2.531	10	-	1.029	1.796	-
2	-	-	-	-	-	-	-	-
3	15.052	15.175	147	261	-	1.820	(608)	-
4	-	-	-	-	-	-	-	-
5	190	188	151	-	-	-	4	-
6	136.856	135.607	-	6	-	(10.234)	(4.524)	-

(*) As of balance sheet date, valuation of associates are not available, therefore fair values could not be reliably determined.

(**) The information of Maksan A.Ş., Türk Suudi Holding A.Ş., Yozgat Otelcilik A.Ş. and İstanbul Venture Capital Initiative are provided from the unaudited financial statements as of 30 September 2013. Capital commitment of İstanbul Venture Capital ("IVCI") is EUR 160 Million and the Bank's capital commitment is EUR 10 Million. The Bank has made EUR 4.655.050 capital payment. Prior period information is provided from financial statements as of 30 September 2012.

(***) Teşebbüs Destekleme Ajansı and Türsan are inactive.

(***) The liquidation process of the firm is expected to be finalized in 2014.

7.c. Movement of associates:

	Current Period (31.12.2013)	Prior Period (31.12.2012)
Balance at the beginning of the period	13.204	8.031
Movements during the period	4.814	5.173
Purchases	3.864	4.004
Bonus shares certificates	-	-
Shares in current year profit	-	-
Disposals	-	-
Revaluation increase	-	-
Provision for impairment (-)/Cancellation of provision	950	1.169
Balance at the end of the period	18.018	13.204
Capital commitments	-	-
Share percentage at the end of the period (%)	-	-

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7.ç. Sectoral information about associates and their carrying amounts:

	Current Period (31.12.2013)	Prior Period (31.12.2012)
Banks	-	-
Insurance companies	-	-
Factoring companies	-	-
Leasing companies	-	-
Financing companies	-	-
Other financial associates	9.907	5.513

7.d. Associates quoted in the stock exchange:

None.

8. Information on subsidiaries:**8.a. Information on subsidiaries:**

By the application of the company's Board of Directors and approval Capital Markets Board (CMB), the company's activities has been temporarily suspended beginning from 31 December 2009. In 2011, the licences of the company was been canceled. In the General Assembly of the company, liquidation has been decided on. Since the company is in liquidation process, the Bank has lost control over its subsidiary in accordance with the related provisions of TAS and TFRS and net investment value of Kalkınma Yatırım Menkul Değerler A.Ş. in liquidation has been reclassified to financial assets available for sale in the accompanying financial statements.

8.b. Movement of subsidiaries:

	Current Period (31.12.2013)	Prior Period (31.12.2012)
Balance at the beginning of the year	6.357	6.038
Movements during the year	-	319
Additions	-	-
Bonus shares certificates	-	-
Shares in current year profit	-	-
Disposals ^(*)	(6.357)	-
Revaluation increase	-	-
Provision for impairment	-	319
Balance at the end of the year	-	6.357
Capital commitments	-	-
Share percentage at the end of the year (%)	-	-

^(*) As mentioned in Note 8.a, net investment amount of Kalkınma Yatırım Menkul Değerler A.Ş. in liquidation is reclassified to financial assets available for sale.

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8.c. Sectoral information about subsidiaries and their carrying amounts:

	Current Period (31.12.2013)	Prior Period (31.12.2012)
Banks	-	-
Insurance companies	-	-
Factoring companies	-	-
Leasing companies	-	-
Financing companies	-	-
Other financial subsidiaries	-	6.357

8.f. Subsidiaries quoted in the stock exchange:

None.

9. Information on jointly controlled entities (joint ventures):

None.

10. Information on finance lease receivables (net):

The Bank has no financial leasing transaction. The receivables from operating leasing are TL 3 thousand (31 December 2012: 5 TL 5 thousand).

11. Information on derivative financial assets for hedging purposes:

None.

12. Information on tangible fixed assets:

Current Period (31.12.2013)	Real-Estates	Non-Current Assets to be Disposed	Vehicles	Other	Total
Cost					
Balance at the beginning of the period	121.158	14.706	93	5.262	141.219
Provision for impairment	(9.594)	(165)	-	-	(9.759)
Movements during the period					
- Additions	12	13.467	37	454	13.970
- Disposals (-)	-	(295)	-	(68)	(363)
- Transfer from investment property	-	-	-	-	-
- Provision for impairment (-)	-	(26)	-	-	(26)
- Reversal from provision for impairment (-)	-	-	-	-	-
Balance at the end of the period	111.576	27.687	130	5.648	145.041
Accumulated Depreciation					
Balance at the beginning of the period	72.232	541	56	4.530	77.359
Movements during the period					
- Depreciation charge ^(*)	2.424	270	20	359	3.073
- Transfer from investment property	-	-	-	-	-
- Disposals (-)	-	(26)	-	(61)	(87)
- Provision for impairment (-)	-	-	-	-	-
Balance at the end of the period	74.656	785	76	4.828	80.345
Net book value at the end of the period	36.920	26.902	54	820	64.696

^(*) TL 270 Thousand of depreciation charge of non-current assets to be disposed which is equal to TL 9 Thousand was presented under other operating expenses.

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Prior Period (31.12.2012)	Real-Estates	Non-Current Assets to be Disposed	Vehicles	Other	Total
Cost					
Balance at the beginning of the period	119.521	13.980	93	5.116	138.710
Provision for impairment	(61.795)	(152)	-		(61.947)
Movements during the period					
- Additions	3	780	-	154	937
- Disposals (-)	-	(54)	-	(8)	(62)
- Transfer from investment property	1.634	-	-	-	1.634
- Provision for impairment (-)	-	(27)	-		(27)
- Reversal from provision for impairment (-)	52.201	14	-		52.215
Balance at the end of the period	111.564	14.541	93	5.262	131.460
Accumulated Depreciation					
Balance at the beginning of the period	27.223	281	38	4.054	31.596
Movements during the period					
- Depreciation charge ^(*)	44.692	260	18	482	45.452
- Transfer from investment property	356	-	-	-	356
- Disposals (-)	(39)	-	-	(6)	(45)
- Provision for impairment (-)	-	-		-	-
Balance at the end of the period	72.232	541	56	4.530	77.359
Net book value at the end of the period	39.332	14.000	37	732	54.101

^(*) TL 260 Thousand of depreciation charge of non-current assets to be disposed which is equal to TL 25 Thousand was presented under other operating expenses.

^(**) For resolving the unintentional transfer between provision for impairment and accumulated depreciation which occurred during the application of inflation accounting in 2004, TL 41.849 Thousand has been transferred from provision for impairment to accumulated depreciation.

13. Information on intangible assets:

	Current Period (31.12.2013)	Prior Period (31.12.2012)
Cost		
Balance at the beginning of the period	2.938	2.582
Movements during the period	-	-
- Additions	1.394	356
Balance at the end of the period	4.332	2.938
Accumulated Depreciation		
Balance at the beginning of the period	2.154	1.730
Movements during the period	-	-
- Depreciation charge	551	424
Balance at the end of the period	2.705	2.154
Net book value at the end of the period	1.627	784

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14. Information on investment properties:

As of 31 December 2013, the Bank has investment properties held for rent whose net book value is TL 1.110 Thousand. According to appraisal report prepared by an independent and CMB registered real-estate appraiser company and issued in January 2013 fair value of the investment properties is determined as TL 5.109 Thousand. As of 31 December 2013, the Bank has rental income equal to TL 412 Thousand. (31 December 2012: TL 291 Thousand).

	Current Period (31.12.2013)	Prior Period (31.12.2012)
Cost		
Balance at the beginning of the period	2.149	3.762
Provision for impairment	-	(540)
Movements during the period		
- Additions	-	21
- Disposals (-)	-	-
- Classified as tangible fixed assets (-)	-	(1.634)
- Provision for impairment (-)	-	-
- Reversal from provision for impairment (-)	-	540
Balance at the end of the period	2.149	2.149
Accumulated Depreciation		
Balance at the beginning of the period	996	805
Movements during the period		
- Accumulated depreciation classified as investment property (-)	-	-
- Depreciation charge ^(*)	43	547
- Accumulated depreciation classified as tangible fixed asset (-)	-	(356)
- Disposals	-	-
- Provision for impairment (-)	-	-
Balance at the end of the period	1.039	996
Net book value at the end of the period	1.110	1.153

^(*) In the prior period, for resolving the unintentional transfer between provision for impairment and accumulated depreciation which occurred during the application of inflation accounting in 2004, TL 46 Thousand has been transferred from provision for impairment to accumulated depreciation.

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15. Information on deferred tax assets:

As of 31 December 2013 the Bank has deferred tax asset amounting to TL 6.939 Thousand (31 December 2012: TL 6.846 Thousand) The Bank has computed deferred tax asset or liability on temporary differences arising from carrying values of assets and liabilities in the accompanying financial statements and their tax bases. In the case assets or liabilities which are subject to deferred tax calculation are presented under shareholders' equity, calculated deferred tax asset/liability has been also presented under shareholders' equity. The Bank has no deferred tax assets calculated for period losses or tax deductions as of 31 December 2013. (31 December 2012: None).

	Current Period (31.12.2013)	Prior Period (31.12.2012)
Deferred tax asset/liability		
Provision for impairment of tangible fixed assets	-	33
Retirement pay provision	5.492	4.948
Provision for non-performing loans	1.367	1.385
Valuation of financial assets	7	181
Other	73	299
Total	6.939	6.846

Movement of deferred tax assets:

	Current Period (31.12.2013)	Prior Period (31.12.2012)
Net book value at the beginning of the period	6.846	6.308
Deferred tax income/loss (net)	(76)	1.636
Deferred tax classified under shareholders' equity	169	(1.098)
Total	6.939	6.846

16. Information on assets held for sale and discontinued operations:

None.

17. Information on other assets:

	Current Period (31.12.2013)	Prior Period (31.12.2012)
Inventory	43	48
Prepaid expenses	4.073	3.769
Temporary account debtor	10.491	10.193
Sundry receivables	17	8
Receivables from asset sales on credit terms	630	840
Accrual of fund management fee	7	10
Total	15.261	14.868

II. Explanations and Notes Related to Liabilities:**1. Information on maturity structure of deposits:**

The Bank is not authorized to accept deposits.

2. Information on derivative financial liabilities held-for-trading:**2.a) Negative differences related to derivative financial liabilities held-for-trading:**

	Current Period (31.12.2013)		Prior Period (31.12.2012)	
Derivative financial liabilities held-for-trading	TL	FC	TL	FC
Forward transactions	-	-	-	-
Swap transactions	-	-	1.096	-
Futures transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	-	-	1.096	-

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3. Information on funds borrowed:**3.a) Information on banks and other financial institutions:**

	Current Period (31.12.2013)		Prior Period (31.12.2012)	
	TL	FC	TL	FC
From Central Bank of the Republic of Turkey	-		-	-
From domestic banks and institutions	-	135.321	-	258.515
From foreign banks, institutions and funds	-	2.504.224	-	1.842.522
Total	-	2.639.545	-	2.101.037

3.b) Maturity structure of funds borrowed:

	Current Period (31.12.2013)		Prior Period (31.12.2012)	
	TL	FC	TL	FC
Short-term	-	14.614	-	158.748
Medium and long-term	-	2.624.931	-	1.942.289
Total	-	2.639.545	-	2.101.037

3.c) Additional information for the areas of liability concentrations:

As the Bank is not authorized to accept deposits, liabilities are composed of funds obtained from domestic and international financial institutions, medium and long term loans.

Most of the loans from international finance institutions are from World Bank, European Investment Bank, European Commission Development Bank, Islamic Development Bank, French Development Agency and Japan International Corporation Bank. Domestic loans are from Eximbank, Arab Turkish Bank and Turkish Treasury

3.c.1) Explanations on funds:

Almost all of the domestic funds amounting to TL 24.502 Thousand (31 December 2012: TL 47.137 Thousand) is from Turkish Treasury. Loans disbursed to investor companies in Cyprus from funds obtained from Turkish Treasury amount to TL 12.075 Thousand (31 December 2012: TL 35.197 Thousand) and the risk of these loans does not belong to the Bank.

3.c.2) Information on funds provided under repurchase agreements:

TL 221.452 Thousand and TL 314 Thousand of repurchase agreements amounting to TL 221.766 Thousand belong to Central Bank of Turkey (31 December 2012: TL 81.549 Thousand) and other institutions and organizations and real persons (31 December 2012: TL 205 Thousand), respectively.

4. If other liabilities exceed 10% of the balance sheet total, name and amount of sub-accounts constituting at least 20% of grand total:

Other liabilities do not exceed 10% of the balance sheet total.

5. Explanations on financial lease payables (net):

The Bank has no financial lease payables.

6. Information on derivative financial liabilities for hedging purposes:

The Bank has no derivative financial liabilities for hedging purposes.

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7. Explanations on Provisions:**7.a) Information on Generic Provisions:**

	Current Period (31.12.2013)	Prior Period (31.12.2012)
General Provisions ^(*)	27.491	23.008
Allocated for Group - I loans and receivables (Total)	25.711	20.549
Additional provision for loans and receivables with extended maturities	-	-
Allocated for Group - II loans and receivables (Total)	1.463	1.932
Additional provision for loans and receivables with extended maturities	71	-
Allocated for non-cash loans	26	114
Other	291	413

^(*) In accordance with the revision dated 21 September 2012, to the Temporary Clause 1 of "Regulation on Procedures and Principles for Determination of Qualification of Loans and Other Receivables, and Allocation of Provisions" the Bank has allocated additional provision for the difference between generic using provision and current rates. Provisions calculated for bases as of 31 October 2006. Whole difference has been recognized as expense in the current year.

7.b) Foreign exchange loss provisions on the foreign currency indexed loans and finance lease receivables:

There are no foreign exchange loss provisions on the foreign currency indexed loans and finance lease receivables.

7.c) Specific provisions provided for uncompensated non-cash loans:

There are no specific provisions for uncompensated non-cash loans.

7.ç) Other provisions:

i) The Bank has not allocated provision for potential risks.

ii) The Bank accounts for the provisions for employee benefits in accordance with the Turkish Accounting Standards No: 19 and recognizes in financial statements. As of 31 December 2013, the Bank allocates provision for employee benefits equal to TL 27.236 Thousand (31 December 2012: TL 24.193 Thousand) and for unused vacation equal to TL 218 Thousand (31 December 2012: TL 542 thousand).

	Current Period (31.12.2013)	Prior Period (31.12.2012)
Liabilities at the beginning of period	24.193	20.130
Service cost for the period	4.089	4.328
Interest cost for the period	537	227
Actuarial profit/loss	(430)	140
Payments in the period	(1.153)	(632)
Liabilities at the end of period	27.236	24.193

8. Explanations on tax liabilities:**8.a) Information on current tax liability:****8.a.1) Information on tax provision:**

	Current Period (31.12.2013)		Prior Period (31.12.2012)	
	TL	FC	TL	FC
Corporation tax and deferred tax				
Corporate tax payable	1.286	-	4.207	-
Deferred tax payable	-	-	-	-
Total	1.286	-	4.207	-

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8.a.2) Information on taxes payable:

	Current Period (31.12.2013)	Prior Period(31.12.2012)
Corporate tax payable	1.286	4.207
Taxation on income on marketable securities	124	10
Property tax	1	1
Banking insurance transaction tax (BITT)	151	102
Foreign exchange transaction tax	-	-
Value added tax payable	165	49
Other	798	689
Total	2.525	5.058

8.a.3) Information on premiums:

	Current Period (31.12.2013)	Prior Period(31.12.2012)
Social security premiums- Employee	77	79
Social security premiums- Employer	112	110
Bank social aid pension fund premium- Employee	-	-
Bank social aid pension fund premium- Employer	-	-
Pension fund membership fees and provisions- Employee	-	-
Pension fund membership fees and provisions- Employer	-	-
Unemployment insurance- Employee	5	6
Unemployment insurance- Employer	11	11
Other	-	-
Total	205	206

8.b) Information on deferred tax liabilities, if any:

None.

9. Information on liabilities regarding assets held for sale and discontinued operations:

None.

10. Information on the number of subordinated loans the Bank used, maturity, interest rate, institutions that the loan was borrowed from, and conversion option, if any:

None.

11. Information on shareholder's equity:**11.a) Presentation of paid-in capital:**

	Current Period (31.12.2013)	Prior Period (31.12.2012)
Common Stock	160.000	160.000
Preferred Stock	-	-

11.b) Paid-in capital amount, explanation whether the registered share capital system is applicable for the Bank, if so amount of registered capital ceiling:

Capital System	Paid-in capital	Ceiling
Registered capital	160.000	500.000

11.c) Information on share capital increases and their sources; other information on increased capital shares in current period:

There is no share capital increases in the current period.

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11.ç) Information on additions from capital reserves to capital in the current period:

There is no increase from capital reserves.

11.d) Capital commitments in the last fiscal year and that continue until the end of the following interim period, general purpose of these commitments and projected resources required to meet these commitments:

The Bank has no capital commitments.

11.e) Indicators of the Bank's income, profitability and liquidity for the prior periods and possible effects of these future assumptions based on the uncertainty of these indicators on the Bank's equity

The income of the prior periods, profitability and liquidity of the Bank and projections for the successive periods are followed by Business, Product and Planning Department. Given the conditions of Turkish economy and the Bank's prior period performance; within the framework of forecasts for revenue, profitability and liquidity, it is estimated that Bank keeps the rate of increase in shareholders' equity and is not going to experience significant decreases in capital adequacy ratio.

11.f) Information on preferred shares:

The Bank has no preferred shares.

11.g) Information on marketable securities valuation differences:

	Current Period (31.12.2013)		Prior Period (31.12.2012)	
	TL	FC	TL	FC
From associates, subsidiaries and jointly controlled entities (joint ventures)	-	-	-	-
Valuation difference	2.308	(40)	3.282	2
Foreign exchange difference	-	-	-	-
Total	2.308	(40)	3.282	2

12. Information on minority interests:

None.

III. Explanations and Notes Related to Off-Balance Sheet Accounts**1. Information on off-balance sheet liabilities:****1.a) Nature and amount of irrevocable loan commitments:**

	Current Period (31.12.2013)	Prior Period (31.12.2012)
Share capital commitments to associates and subsidiaries	15.353	16.000
Total	15.353	16.000

1.b) Nature and amount of possible losses and commitments from the off-balance sheet items including the below mentioned:

The Bank has no possible losses arising from the off-balance sheet items.

1.b.1) Non-cash loans including guarantees, bank acceptances, guarantees substituting financial guarantees and other letters of credit:

Amount of the Bank's letter of credit commitment is TL 12.716 Thousand. (31 December 2012: TL 56.981 Thousand). The Bank has no guarantee and bank acceptances.

1.b.2) Definite guarantees, tentative guarantees, suretyships and similar transactions:

Total amount of the Bank's TL letter of guarantees is TL 40 Thousand (31 December 2012: TL 46 Thousand.). TL 1 Thousand (31 December 2012: TL 1 Thousand) of this amount is letter of customs guarantee and other part is letters of certain guarantees.

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1.c.1) Total non-cash loans:

	Current Period (31.12.2013)	Prior Period (31.12.2012)
Non-cash loans for providing cash loans	-	-
With original maturity of one year or less	-	-
With original maturity more than one year	-	-
Other non-cash loans	12.756	57.027
Total	12.756	57.027

1.c.2) Non-cash loans sectoral risk concentrations:

	Current Period (31.12.2013)				Prior Period (31.12.2012)			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agriculture	2	5,00	-	-	2	4,35	-	-
Farming and raising livestock	2	5,00	-	-	2	4,35	-	-
Forestry	-	-	-	-	-	-	-	-
Fishery	-	-	-	-	-	-	-	-
Industry	3	7,50	12.716	100,00	9	19,57	56.981	100,00
Mining and quarry	-	-	-	-	-	-	-	-
Manufacturing	3	-	56	-	9	19,57	22.584	39,63
Electricity, gas and water	-	-	12.660	-	-	-	34.397	60,37
Construction	1	-	-	-	-	-	-	-
Service	34	85,00	-	-	35	76,08	-	-
Wholesale and retail trade	-	-	-	-	-	-	-	-
Hotel and food services	-	-	-	-	1	2,17	-	-
Transportation and communication	-	-	-	-	-	-	-	-
Financial institutions	34	85,00	-	-	34	73,91	-	-
Real estate and leasing services	-	-	-	-	-	-	-	-
Self-employment services	-	-	-	-	-	-	-	-
Educational services	-	-	-	-	-	-	-	-
Health and social services	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total	40	100,00	12.716	100,00	46	100,00	56.981	100,00

1.c.3) Non-cash loans classified in Group I and II:

	Current Period (31.12.2013)		Prior Period (31.12.2012)	
	I. Group		I. Group	
Non-cash loans	TL	FC	TL	FC
Guarantee letters	37	-	37	-
Letter of credits	-	12.716	-	56.981

2. Information on derivative financial instruments:

The Bank's derivative instruments generally consist forward foreign currency buy/sell transactions. Derivatives are classified as held-for-trading according to TAS 39 "Financial Instruments: Recognition and Measurement".

The Bank has not enter into credit derivative transactions in the current and prior periods.

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3. Information on contingent liabilities and assets:

İstanbul Venture Capital Initiative (IVCI - A Luxemburg Investment Company Fund) is founded as a stock company having variable capital and subject to laws of Luxemburg. The Bank has committed to buy "Group A" shares equal to nominal value of EUR 10 million and to pay this amount at the date determined by Fund according to its investment plan. The Fund's initial capital commitment was EUR 150 Million and its capital was increased to EUR 160 Million with new participants in March 2009. The Bank's participation was approved by Board of Directors of IVCI on 13 November 2007 and share purchase agreement was signed at the same date.

The Bank made payment of share capital amounting to EUR 4.655.050 constituting payments equal to EUR 300.000 on 7 November 2008, EUR 218.750 on 6 July 2009 and EUR 281.250 on 12 November 2010, EUR 167.500 on 15 July 2011, EUR 437.500 on 10 November 2011, EUR 500.000 on 15 February 2012, EUR 500.050 on 25 May 2012, EUR 250.000 on 10 August 2012, EUR 500.000 on 19 September 2012, EUR 500.000 on 18 January 2013, EUR 500.000 on 27 June 2013 and EUR 500.000 13 December 2013.

3 lawsuits amounting to TL 1.513 Thousand which is included in lawsuits against the Bank has resulted in favor of the Bank. Two of these lawsuits is in the revision of decision process while the other is in the appeal process. Since the lawsuits is not deemed likely to result against the Bank, provision has not been provided in the unconsolidated financial statement.

4. Services supplied on behalf of others:

The Bank acts as an intermediary for purchases and sales of securities on behalf of others and provides custody services.

IV. Explanations and Notes Related to Income Statement:**1.a) Information related to interest income on loans:**

	Current Period (31.12.2013)		Prior Period (31.12.2012)	
	TL	FC	TL	FC
Interest on Loans ^(*)	36.256	75.552	42.699	67.546
Short term loans	171	5.319	-	6.107
Medium and long term loans	22.698	70.233	31.550	61.439
Interest on non-performing loans	13.387	-	11.149	-
Premiums from resource utilization support fund	-	-	-	-

(*) Includes fees and commissions obtained from cash loans.

1.b) Information related to interest income on banks:

	Current Period (31.12.2013)		Prior Period (31.12.2012)	
	TL	FC	TL	FC
From Central Bank of the Republic of Turkey	-	-	-	-
From domestic banks	5.066	557	7.225	277
From foreign banks	-	-	-	2
From foreign head offices and branches	-	-	-	-
Total	5.066	557	7.225	279

1.c) Information related to interest income on marketable securities:

	Current Period (31.12.2013)		Prior Period (31.12.2012)	
	TL	FC	TL	FC
From financial assets held-for-trading	77	-	638	-
From financial assets at fair value through profit and loss	-	-	-	-
From financial assets available-for-sale	12.780	36	25.067	3
From investments held-to-maturity	2.172	-	2.770	-
Total	15.029	36	28.475	3

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1.ç) Information related to interest income from subsidiaries and associates:

None.

1.d) Information on interest income from money market transactions:

	Current Period (31.12.2013)		Prior Period (31.12.2012)	
	TL	FC	TL	FC
Reverse repurchase agreements	12.787	-	21.099	-

2.a) Information related to interest expense on borrowings:

	Current Period (31.12.2013)		Prior Period (31.12.2012)	
	TL	FC	TL	FC
Banks ^(*)	-	1.258	201	2.095
Central Bank of the Republic of Turkey	-	-	-	-
Domestic Banks	-	130	201	379
Foreign Banks	-	1.128	-	1.716
Foreign Head Office and Branches	-	-	-	-
Other Institutions	498	22.716	666	26.228
Total	498	23.974	867	28.323

^(*) Includes fees and commissions related to borrowings.**2.b) Information related to interest expenses to subsidiaries and associates:**

None.

2.c) Information related to interest on securities issued:

The Bank has no securities issued.

2.ç) Information related to interest on money market transactions:

	Current Period (31.12.2013)		Prior Period (31.12.2012)	
	TL	FC	TL	FC
Repurchase agreements	7.717	-	21.537	-

3. Information related to dividend income:

	Current Period (31.12.2013)	Prior Period (31.12.2012)
From financial assets held-for-trading	-	-
From financial assets at fair value through profit and loss	-	-
From financial assets available-for-sale	-	112
Other	185	218
Total	185	330

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4. Information related to trading profit/loss:

	Current Period (31.12.2013)	Prior Period (31.12.2012)
Profit	4.343	7.411
Profit from the capital market operations	484	387
Profit on derivative financial instruments	774	18
Foreign exchange gains	3.085	7.006
Loss (-)	(6.968)	(6.487)
Loss from the capital market operations	(10)	(1.645)
Loss on derivative financial instruments	(336)	(1.208)
Foreign exchange losses	(6.622)	(3.634)

^(*) TL 2.132 Thousand of the net foreign exchange gains/losses balance arises from revaluation of capital payments to IVCI which are accounted under associates, using historic rates in accordance with the related legislation but not with current rates.

5. Information related to other operating income:

	Current Period (31.12.2013)	Prior Period (31.12.2012)
Income from sale of assets	97	97
Reversals from prior years' provisions	10.143	18.421
Other	1.799	863
Total	12.039	19.381

In general, other operating income consists of collections and/or cancellations of specific provisions recognized as expense in prior periods. In addition, revenue equal to TL 10.846 Thousand has been recognized due to impairment provisions of real estates as a result of appraisals performed for the year 2012.

6. Provision expenses for impairment on loans and other receivables:

	Current Period (31.12.2013)	Prior Period (31.12.2012)
Specific provisions on loans and other receivables	4.078	8.091
Group- III loans and receivables	1.508	3
Group- IV loans and receivables	16	1.091
Group- V loans and receivables	2.554	6.997
General loan provision expenses	5.164	6.416
Provision expenses for possible losses	-	-
Marketable securities impairment expenses	-	-
Financial assets at fair value through profit and loss	-	-
Financial assets available-for-sale	-	-
Impairment losses from associates, subsidiaries, jointly controlled entities (joint ventures) and investments held-to-maturity	54	791
Associates	54	791
Subsidiaries	-	-
Jointly controlled entities (joint ventures)	-	-
Investments held-to-maturity	-	-
Other	-	-
Total	9.296	15.298

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7. Information related to other operating expenses:

	Current Period (31.12.2013)	Prior Period (31.12.2012)
Personnel expenses	49.687	47.877
Provision for employee termination benefits	4.626	5.321
Provision expense for bank social aid fund deficits	-	-
Fixed assets impairment expense	-	-
Depreciation expenses of fixed assets	2.846	3.844
Intangible assets impairment expense	-	-
Goodwill impairment expense	-	-
Amortization expenses of intangible assets	551	424
Impairment expense for equity shares subject to the equity method accounting	-	-
Impairment expense of assets that will be disposed	26	27
Amortization expenses of assets that will be disposed	261	235
Impairment expense for non-current assets held for sale and discontinued operations	-	-
Other operating expenses	8.887	9.277
Operational leasing expenses	81	61
Maintenance expenses	629	923
Advertisement expenses	264	62
Other expenses (*)	7.913	8.231
Loss on sale of assets	1	-
Other	2.270	2.090
Total	69.155	69.095

(*) Other expenses consist of cleaning expenses equal to TL 1.989 Thousand (31 December 2012: TL 1.849 Thousand), heating, lighting and water expenses equal to TL 779 Thousand (31 December 2012: TL 867 Thousand), rent expenses equal to TL 0 Thousand (31 December 2012: TL 848 Thousand), security expenses equal to TL 741 Thousand (31 December 2012: TL 613 Thousand), kindergarten expenses equal to TL 347 Thousand (31 December 2012: TL 324 Thousand), communication expenses equal to TL 1.285 Thousand (31 December 2012: TL 324 Thousand), computer usage expenses equal to TL 232 Thousand (31 December 2012: TL 577 Thousand), vehicle expenses equal to TL 489 Thousand (31 December 2012: TL 483 Thousand), other expenses equal to TL 2.051 Thousand (31 December 2012: TL 2.297 Thousand).

8. Information related to profit/loss from continuing and discontinued operations before taxes:

As of 31 December 2013, the Bank's income before tax from the continuing operations is TL 47.262 Thousand (31 December 2012: TL 55.083 Thousand) and the Bank has no discontinued operations.

9. Information related to tax provisions for continuing and discontinued operations:

As of 31 December 2013, the Bank's income tax provision from continuing operations amounting to TL (10.641) Thousand, (31 December 2012: TL (11.453) Thousand) consists of TL (10.565) Thousand of current tax charge (31 December 2012: TL (13.089) Thousand), TL (76) Thousand of deferred tax charge (31 December 2012: TL 1.636 Thousand deferred tax income).

10. Information related to net profit/loss of the period from continuing and discontinued operations:

The Bank has earned net profit equal to TL 36.621 Thousand from continuing operations between 1 January 2013 and 31 December 2013.

11. Information on net profit/loss:

11.a) The nature and amount of income and expenses from ordinary banking operations, if their nature, amount and frequency are required for the complete understanding of the performance of the Bank in the current period:

None.

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11.b) The effect of the change in accounting estimates to the net profit/loss; including the effects to the future period, if any:

There are no changes in accounting estimates.

12. If the other items in the income statement exceed 10% of the income statement total, sub-accounts amounting to at least 20% of these items are presented below:

As of 31 December 2013, "Other Fees and Commission Received" amounts to TL 4.800 Thousand; and TL 3.785 Thousand of this amount consists of project service income.

V. Explanations and Notes Related to Statement of Changes in Shareholders' Equity:

In legal records, paid-in capital is TL 160.000 Thousand (31 December 2012: TL 160.000 Thousand). As of the balance sheet date, the balance of legal reserves is TL 32.075 Thousand (31 December 2012: TL 29.992 Thousand), the balance of extraordinary reserves is TL 163.588 Thousand (31 December 2012: TL 132.427 Thousand) and the balance of other legal reserves is TL 1.636 Thousand.

Marketable securities valuation differences are TL 2.268 Thousand and arising from valuation differences of available for sale financial assets.

TL 344 Thousand of other reserves is actuarial (loss)/gain net of deferred tax.

VI. Explanations and Notes Related to Cash Flow Statement:**1. Explanations related to "other" items and "effect of change in foreign currency rates on cash and cash equivalents" in statement of cash flows:**

The Bank's net cash inflow arising from banking operations is equal to TL 169.268 Thousand (31 December 2012: TL (242.759) Thousand). TL 131.496 Thousand (31 December 2012: TL (398.104) Thousand) of this amount is generated from the change in operating assets and liabilities, and TL 37.772 Thousand (31 December 2012: TL 155.345 Thousand) from operating profit. Net increase/decrease in other payables under the changes in operating assets and liabilities is resulted from changes in funds received, funds provided through repurchase agreements, sundry payables, other foreign funds and taxes, duties, and premiums payables and amounts to TL 116.880 Thousand (31 December 2012: TL (442.219) Thousand). The "others" item under operating income composes of fees and commissions paid, trading gains/losses and other operating expenses excluding employee costs, and amounts to TL (20.893) Thousand (31 December 2012: TL 80.665 Thousand).

In 2013, net cash outflow from financing activities is TL (8.750) (31 December 2012: None).

The effect of change in foreign currency rate on cash and cash equivalents is calculated by converting original currencies of cash and cash equivalents into TL using rates for both beginning and end of the period. The effect for the current period is calculated as TL 12.941 Thousand (31 December 2012: TL (1.116) Thousand).

2. Cash and cash equivalents at the beginning of the period:

	Current Period (31.12.2012)	Prior Period (31.12.2011)
Cash	6.964	13.434
Cash in TL and foreign currency	138	129
Demand deposits at banks	6.826	13.305
Cash equivalents	388.885	139.850
Interbank money market placements	134.670	-
Time deposits at banks	254.215	139.850
Total cash and cash equivalents	395.849	153.284

The total amount arising from prior period transactions equals to total amount of current period cash and cash equivalents.

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3. Cash and cash equivalents at the end of the period:

	Current Period (31.12.2013)	Prior Period (31.12.2012)
Cash	8.636	6.964
Cash in TL and foreign currency	75	138
Demand deposits at banks and Central Bank of the Republic of Turkey	8.561	6.826
Cash equivalents	428.315	388.885
Interbank money market	145.515	134.670
Time deposits at banks	282.746	254.215
Total cash and cash equivalents	436.897	395.849

VII. Explanations Related to Risk Group of the Bank:

Predicted limitations determined in the Banking Law are maintained through internal regulations in the Bank which has no transactions related to deposit acceptance. For the transactions with risk groups, normal customer relationships and market conditions are taken into account. The Bank adopts policies that restrict the balance of transactions with risk groups in total assets and liabilities. Practices are carried out in accordance with this policy.

a) Current Period:

Risk Group	Subsidiaries, Associates and Jointly Controlled Entities (Joint Ventures)		Direct or Indirect Shareholders of the Bank		Other Real and Legal Persons in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and other receivables	-	-	-	-	-	-
Beginning Balance	197	-	-	-	-	-
Closing Balance	254	-	-	-	-	-
Interest and Commissions Income	-	-	-	-	-	-

(*) TL 1.280 Thousand of loan disbursed to Arıcak A.Ş., a subsidiary of the Bank, has been followed at Group V. For this loan, TL 1.026 Thousand special provision has been provided.

b) Prior Period:

Risk Group	Subsidiaries, Associates and Jointly Controlled Entities (Joint Ventures)		Direct or Indirect Shareholders of the Bank		Other Real and Legal Persons in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and other receivables	-	-	-	-	-	-
Beginning Balance	162	-	-	-	-	-
Closing Balance	197	-	-	-	-	-
Interest and Commissions Income	-	-	-	-	-	-

(*) TL 1.223 Thousand of loan disbursed to Arıcak A.Ş., a subsidiary of the Bank, has been followed at Group V. For this loan, TL 1.026 Thousand special provision has been provided.

c) Information on forward transactions, option contracts and similar other transactions between the Bank and its risk groups:

None.

d) Information on remuneration and benefits provided for the senior management of the Bank:

Salaries and dividend paid to members of Board of Directors, Supervisory Board, General Manager and Vice General Managers are presented below.

	Current Period (31.12.2013)	Prior Period (31.12.2012)
Salary	900	928
Dividend and fringe benefits	144	152
Total	1.044	1.080

TÜRKİYE KALKINMA BANKASI A.Ş.**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

(AMOUNTS EXPRESSED IN THOUSANDS OF THE TURKISH LIRA (TL) UNLESS OTHERWISE STATED.)

**VIII. Explanations Related to the Bank's Domestic, Foreign and Off-shore Branches and Representatives
Abroad:**

	Number	Number of Employees			
Domestic branches ^(*)	1	15			
			Country		
Foreign rep-offices	-	-	1-		
			2-		
			3-		
				Total Assets	Capital
Foreign branches	-	-	1-	-	-
			2-	-	-
			3-	-	-
Off-shore branches	-	-	1-	-	-
			2-	-	-
			3-	-	-

(*) Total number of employees is 654 and 15 of them are employed at İstanbul Branch.

IX. Explanations related to the subsequent events:

None.

SECTION SIX**OTHER EXPLANATIONS****I. Other explanations related to Operations of the Bank:****The summary of information on the Bank's rating by International Rating Agencies:**

The international ratings of the Bank are performed by Fitch IBCA and summary of the results as of 31 December 2013 and 31 December 2012 are presented below:

	31.12.2013	31.12.2012
Foreign Currency Commitments		
Long Term	BBB-	BBB-
Short Term	F3	F3
Outlook	Stable	Stable
Turkish Lira Commitments		
Long Term	BBB	BBB
Short Term	F3	F3
Outlook	Stable	Stable
National		
Long Term	AAA(TUR)	AAA(TUR)
Outlook	Stable	Stable
Individual Rating	2	2
Support Points	BBB-	BBB-

SECTION SEVEN**INDEPENDENT AUDITOR'S REPORT****I. Explanations on Independent Auditor's Report:**

The consolidated financial statements as of 31 December 2013 were audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu Limited) and Independent Auditor's Report dated 14 February 2014 is presented preceding the consolidated financial statements.

II. Explanations and Notes Prepared by Independent Auditor:

None.

TÜRKİYE KALKINMA BANKASI A.Ş.

HEAD OFFICE

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