

**CONVENIENCE TRANSLATION  
OF PUBLICLY ANNOUNCED  
UNCONSOLIDATED FINANCIAL STATEMENTS  
AND REVIEW REPORT  
AT 31 MARCH 2012,  
SEE NOTE I OF SECTION THREE**

**HSBC BANK A.Ş.**

**PUBLICLY ANNOUNCED  
UNCONSOLIDATED FINANCIAL STATEMENTS  
TOGETHER WITH REVIEW REPORT  
AT 31 MARCH 2012**



**CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITOR'S  
REVIEW REPORT ORIGINALLY PREPARED AND ISSUED IN TURKISH**

To the Board of Directors of HSBC Bank A.Ş.

We have reviewed the accompanying unconsolidated balance sheet of HSBC Bank A.Ş. ("the Bank") at 31 March 2012 and the related unconsolidated statements of income, cash flows and changes in shareholders' equity for the period then ended. These financial statements are the responsibility of the Bank's management. Our responsibility, as independent auditors is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Uniform Chart of Accounts of banks, accounting standards and the independent audit principles in conformity with Banking Law No. 5411. Those principles require that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries concerning the Bank's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial statements do not give a true and fair view of the financial position of HSBC Bank A.Ş. at 31 March 2012 and the results of its operations and its cash flows for the period then ended in accordance with accounting principles and standards set out by regulations in conformity with Article 37 of Banking Law No. 5411 and other regulations, interpretations and circulars published by the Banking Regulation and Supervision Agency on accounting and financial reporting principles.

Additional paragraph for convenience translation:

As explained in Note I. of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with Article 37 of Banking Law No. 5411, accounting principles generally accepted in countries in which the accompanying unconsolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

Başaran Nas Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.  
a member of  
PricewaterhouseCoopers

Haluk Yalçın, SMMM

Istanbul, 14 May 2012



**UNCONSOLIDATED FINANCIAL STATEMENTS OF HSBC BANK A.S. AND  
AUDIT REPORT AS AT 31 MARCH 2012**

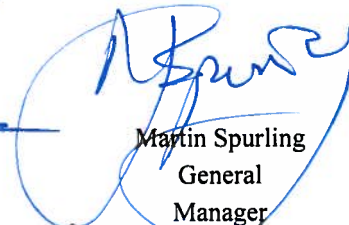
Address of Bank's headquarters : Büyükdere Caddesi No 128 Esentepe, Şişli  
34394, İstanbul  
Telephone : (0212) 376 40 00  
Fax : (0212) 366 33 83  
Web-site : www.hsbc.com.tr  
Contact e-mail address : muhaberat@hsbc.com.tr


The interim financial report includes the following sections in accordance with "The Financial Statements and Related Explanation and Footnotes that will be made Publicly Available" as sanctioned by the Banking Regulation and Supervision Agency:

- GENERAL INFORMATION
- UNCONSOLIDATED FINANCIAL STATEMENTS
- EXPLANATIONS ON ACCOUNTING POLICIES
- INFORMATION RELATED TO FINANCIAL POSITION
- INFORMATION AND DISCLOSURES RELATED TO FINANCIAL STATEMENTS
- OTHER EXPLANATIONS AND FOOTNOTES
- EXPLANATIONS ON LIMITED REVIEW REPORT


The accompanying reviewed unconsolidated financial statements and notes to these financial statements are expressed, unless otherwise stated, in thousand of Turkish Lira ("TL"), have been prepared based on the accounting books of the Bank in accordance with the Accounting Application Regulation and the communiqués on Turkish Accounting Standards and Turkish Financial Reporting Standards.


  
Peter William Boyles  
Chairman

  
Martin Spurling  
General  
Manager

  
Neslihan Erkazancı  
Assistant  
General Manager

  
Burçin Ozan  
Group Head

  
Uttiyo Dasgupta  
Head of  
Audit Comitee

  
Leyla Etker  
Member of  
Audit Comitee

Information about the responsible personnel whom questions may be asked:

Name : Burçin Ozan  
Tel : (0212) 3764186  
Fax : (0212) 3764912

**HSBC Bank A.Ş.**

Esentepe Mah. Büyükdere Cad. No: 128 34394 Şişli - İSTANBUL  
Tel: 0212-376 40 00 Fax: 0212-336 29 39

	<b>Page</b>
<b>SECTION ONE</b>	
<b>General Information about the Bank</b>	
I. Banks' foundation date, start-up status, history regarding the changes in the status	1
II. Explanation about the Bank's capital structure, shareholders of the Bank who are in charge of the management and/or auditing of the Bank directly or indirectly, changes in these matters (if any) and the group the Bank belongs to	1
III. Explanation on the Board of Directors, members of the audit committee, president and executive vice presidents, if available, shares of the Bank they possess	2
IV. Information on qualified shareholders	3
V. Summary information on the Bank's activities and services	3
VI. Other matters	3
<b>SECTION TWO</b>	
<b>Unconsolidated Financial Statements of the Bank</b>	
I. Balance sheets	5-6
II. Statement of off-balance sheet commitments	7
III. Statements of income	8
IV. Statement of profit and loss items accounted under shareholders' equity	9
V. Statement of changes in shareholders' equity	10-11
VI. Statements of cash flows	12
<b>SECTION THREE</b>	
<b>Explanations on Accounting Policies</b>	
I. Explanations on basis of presentation	13
II. Explanations on strategy of using financial instruments and explanations on foreign currency transactions	13-14
III. Explanations on investments in associates and subsidiaries	14
IV. Explanations on forward transactions, options and derivative instruments	14
V. Explanations on interest income and expense	15
VI. Explanations on fee and commission income and expense	15
VII. Explanations on financial assets	15-16
VIII. Explanations on impairment of financial assets	16
IX. Explanations on offsetting financial assets	16
X. Explanations on sales and repurchase agreements and securities' lending transactions	16
XI. Explanations on assets and liabilities related to property and equipment held for sale purpose and discontinued operations	16
XII. Explanations on goodwill and other intangible assets	17
XIII. Explanations on property and equipment	17
XIV. Explanations on leasing transactions	17
XV. Explanations on provisions, contingent liabilities	18
XVI. Explanations on contingent assets	18
XVII. Explanations on obligations related to employee rights	18
XVIII. Explanations on taxation	18-19
XIX. Explanations on borrowings	19
XX. Explanations on issuance of share certificates	20
XXI. Explanations on avalized drafts and acceptances	20
XXII. Explanations on government grants	20
XXIII. Explanations on operating segment	20
XXIV. Profit reserves and profit appropriation	20
XXV. Earnings per share	20
XXVI. Cash and cash equivalents	20
XXVII. Related parties	20
XXVIII. Reclassifications	20
XXIX. Other matters	20
<b>SECTION FOUR</b>	
<b>Explanations Related to Financial Position</b>	
I. Explanations on capital adequacy ratio	21-24
II. Explanations on credit risk	25
III. Explanations on market risk	25-26
IV. Explanations on operational risk	26
V. Explanations on the currency risk	27-29
VI. Explanations on interest rate risk	29-32
VII. Explanations on the liquidity risk	32-33
VIII. Explanations on the presentation of financial assets and liabilities at their fair values	33
IX. Explanations on the activities carried out on behalf and account of other persons	33
X. Explanations on operating segments	34-35
<b>SECTION FIVE</b>	
<b>Explanations and Notes to the Unconsolidated Financial Statements</b>	
I. Explanations and notes to the assets	36-47
II. Explanations and notes to the liabilities	48-55
III. Explanations and notes to the off-balance sheet accounts	56-57
IV. Explanations and notes to the income statement	58-62
V. Explanations and notes to the changes in shareholders' equity	63
VI. Explanations and notes to the statement of cash flows	63
VII. Explanations and notes related to the bank's risk group	64
VIII. Explanations and notes to the domestic, foreign, off-shore branches or affiliates and foreign representatives of the Bank	65
IX. Explanations and notes to the subsequent events	65
<b>SECTION SIX</b>	
<b>Other Explanations and Notes</b>	
I. Other explanations on the Bank's operations	66
<b>SECTION SEVEN</b>	
<b>Explanations on the Independent Auditor's Review Report</b>	
I. Explanations on independent auditor's review report	66
II. Explanations and notes prepared by the independent auditor	66

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

---

**SECTION ONE**

**GENERAL INFORMATION ABOUT THE BANK**

**I. BANK’S FOUNDATION DATE, START-UP STATUS, HISTORY REGARDING THE CHANGES IN THIS STATUS**

It has been approved by the decision of the Council of Ministers dated 27 June 1990 and numbered 90/644 that HSBC Bank A.Ş. (the Bank) was established to conduct banking activities and the articles of association published in the Official Gazette No. 2611 dated 18 September 1990. The bank is a foreign-capitalized bank which has been registered in accordance with the Law on Encouraging Foreign Investments numbered 6224. % 100 of the shares of the Bank is owned by HSBC Bank Plc which is a bank established in England. In 20 September 2001 the ‘Share Sales Agreement’ regarding the sale of all shares of Demirbank T.A.Ş. which was under in Saving Deposit Insurance Fund was signed by the Bank’s main share holder HSBC Bank Plc. According to this agreement the required procedures shall be completed by 31 October 2001 and all shares of the Demirbank T.A.Ş., together with a part of the assets and liabilities shall be transferred to HSBC Bank Plc in 31 October 2001. In 14 December 2001, Demirbank T.A.Ş. and the Bank merged under the name of HSBC Bank Anonim Şirketi and continued its activities. The Bank has signed the share sales agreement with Benkar Tüketici Finansmanı ve Kart Hizmetleri A.Ş. (“Benkar”) and acquired all shares of Benkar. In 25 December 2002 according to both Benkar’s and the Bank’s board of directors minute all assets and liabilities of Benkar is transferred to the Bank.

**II. EXPLANATION ABOUT THE BANK’S CAPITAL STRUCTURE, SHAREHOLDERS OF THE BANK WHO ARE IN CHARGE OF THE MANAGEMENT AND/OR AUDITING OF THE BANK DIRECTLY OR INDIRECTLY, CHANGES IN THESE MATTERS (IF ANY) AND THE GROUP THE BANK BELONGS TO**

As of 31 March 2012, the Bank’s nominal capital is 652.290 TL dividend in to 65.229.000.000 each with a nominal value of TL 0,01 TL. The share capital of the Bank has been fully paid and registered. The total capital of the Bank is owned by HSBC Bank Plc which is located in England and established in accordance with British Law. As of 31 March 2012 there has been no changes regarding the Banks capital structure, shareholders of the Bank who are in charge of the management or auditing of the Bank directly or indirectly.

Capital structure of the Bank is compose of group “A” and “B” shares. Board of Directors is chosen among the candidates nominated by group “A” shareholders.

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

**III. EXPLANATION ON THE BOARD OF DIRECTORS, MEMBERS OF THE AUDIT COMMITTEE, PRESIDENT AND EXECUTIVE VICE PRESIDENTS, IF AVAILABLE, SHARES OF THE BANK THEY POSSESS**

<b><u>Title</u></b>	<b><u>Name</u></b>	<b><u>Responsibility</u></b>	<b><u>Education</u></b>
<b>Chairman:</b>	Peter William BOYLES	Chairman	High School
<b>Chairman Deputy:</b>	Bruce Alan FLETCHER	Chairman Deputy	Undergraduate
<b>Board of Directors:</b>	Martin SPURLING	Member and CEO	Graduate
	David Clark JACOB	Member	Undergraduate
	Uttiyo DASGUPTA	Member	Graduate
	Leyla ETKER	Member	Graduate
	Antonio Pedro Dos Santos SIMOES (*)	Member	Graduate
	Gilles DENOYEL (**)	Member	Graduate
<b>CEO:</b>	Martin David SPURLING	CEO	Graduate
<b>Director of Internal Audit:</b>	Rüçhan ÇANDAR	Head of Internal Audit	Graduate
<b>Chief Assistant General Manager:</b>	Necdet Murat ŞARSEL	Credit and Risk	Graduate
<b>Executive Vice Presidents:</b>	Virma SÖKMEN	Corporate and Commercial Banking	Undergraduate
	Erol SAKALLIOĞLU (***)	Commercial Banking	Undergraduate
	Süleyman Selim KERVANCI	Global and Investment Banking	Graduate
	Taylan TURAN	Retail Banking	Graduate
	Ali Batu KARAALİ	Treasury and Capital Markets	Graduate
	Neslihan ERKAZANCI	Financial Control	Undergraduate
	Ali Dündar PARLAR	Internal Systems and Regulations	Undergraduate
	Darren Wayne ROWBOTHAM	Technology and Service Groups	High School
	Şengül DEMİRCAN	Human Resources	Undergraduate
<b>Internal Audit Committee:</b>	Uttiyo DASGUPTA	Head of the Audit Committee	Graduate
	Leyla ETKER	Member of the Audit Committee	Graduate
<b>Auditors:</b>	Hamit Sedat ERATALAR	Auditor	Undergraduate
	Zeki KURTÇU	Auditor	Undergraduate

(\*) Stephen Andrew Pascoe, has resigned from his duty as of 24 January 2012 and Antonio Pedro Dos Santos Simoes has been appointed as a Member of the Board of Directors with Board Resolution No. 12984 and dated 24 January 2012.

(\*\*) John Paul Casey, has resigned from his duty as of 24 January 2012 and Gilles Denoyel has been appointed as a Member of the Board of Directors with Board Resolution No. 12985 and dated 24 January 2012.

(\*\*\*) Erol Sakallioğlu has resigned from his duty as of 30 March 2012 and there is not any assignment instead of him.

There are no owned shares of the above individuals.

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

**IV. INFORMATION ON QUALIFIED SHAREHOLDERS**

<b>Name/Commercial Title</b>	<b>Share Amounts (Nominal) (**)</b>	<b>Share Percentages</b>	<b>Paid-in Capital (Nominal) (**)</b>	<b>Unpaid Portion</b>
HSBC Bank Plc (*)	652.289.996	% 99,99	652.289.996	-

(\*) HSBC Bank Plc is wholly owned by HSBC Holdings Plc and HSBC Holdings Plc is indirect shareholder of the Bank with 99,99% share.

(\*\*) The amounts are expressed in full TL.

**V. SUMMARY INFORMATION ON THE BANK'S ACTIVITIES AND SERVICES**

The Bank's activities in accordance with related regulations and the section three of the articles of association of the Bank summarized are as follows;

- To accept all kinds of deposits both in Turkish Liras and in foreign currency,
- To provide Turkish Liras and foreign exchange funds, to use these funds by itself or to act as an intermediary,
- To launch cash and non-cash loans to all kind of sectors,
- To perform discount and purchase activities,
- To perform capital and security market transactions, to establish and manage security investment funds in accordance with the relevant regulations,
- To join in both local or foreign companies as founder partner or shareholder, to perform management and auditing process to purchase equities, bonds and other securities,
- To act as an intermediary in issue of the bonds and other marketable securities,
- To perform factoring and forfeiting activities,
- To establish social and cultural facilities or to help or participate facilities which already exist.

In addition to regular banking operations in accordance to the articles of association, the Bank also provides insurance intermediary services as an agency of Axa Sigorta, Ergo İsviçre Sigorta, Zurich Sigorta, HDI, Aviva Sigorta, Chartis Sigorta, Allianz Sigorta and Anadolu Hayat Emeklilik through its branches.

As of 31 March 2012, the Bank has 325 branches dispersed throughout the country and 4 branches operating abroad (31 December 2011: 326 branches and 4 branches operating abroad).

As of 31 March 2012, the Bank employed 6.015 people (31 December 2011: 6.155).

**VI. OTHER MATTERS**

Unless otherwise stated the financial statements and explanations and notes regarding the financial statements have been prepared in thousands of Turkish Lira.

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

---

**SECTION TWO**

**UNCONSOLIDATED FINANCIAL STATEMENTS**

- I. Balance Sheets - Assets**
- I. Balance Sheets - Liabilities and Equity**
- II. Statements of Off-Balance Sheet Commitments**
- III. Income Statements**
- IV. Statements of Profit and Loss Items Accounted Under Shareholders' Equity**
- V. Statements of Changes in Shareholders' Equity**
- VI. Statements of Cash Flows**



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

**HSBC BANK A.Ş.  
UNCONSOLIDATED BALANCE SHEET AS OF 31 MARCH 2012 AND 31 DECEMBER 2011  
(STATEMENT OF FINANCIAL POSITION)**

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

I. BALANCE SHEET	Note (Section Five I)	Current Period (31/03/2012)			Prior Period (31/12/2011)		
		TL	FC	Total	TL	FC	Total
		ASSETS					
<b>I. CASH BALANCES WITH CENTRAL BANK</b>	(I-a)	390.666	1.599.662	1.990.328	332.912	1.466.657	1.799.569
<b>II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or (LOSS) (Net)</b>	(I-b)	1.005.405	48.309	1.053.714	302.009	54.235	356.244
2.1 Trading Financial Assets		1.005.405	48.309	1.053.714	302.009	54.235	356.244
2.1.1 Government Debt Securities		923.815	16.226	940.041	165.958	17.414	183.372
2.1.2 Share Certificates		-	-	-	-	-	-
2.1.3 Trading Derivative Financial Assets		81.590	32.083	113.673	131.127	36.821	167.948
2.1.4 Other Marketable Securities		-	-	-	4.924	-	4.924
2.2 Financial Assets Designated at Fair Value through Profit or (Loss)		-	-	-	-	-	-
2.2.1 Government Debt Securities		-	-	-	-	-	-
2.2.2 Share Certificates		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other Marketable Securities		-	-	-	-	-	-
<b>III. BANKS</b>	(I-c)	1.063.159	434.285	1.497.443	97.216	269.329	366.545
<b>IV. MONEY MARKETS</b>		2.811.895	71.379	2.883.274	4.152.681	-	4.152.681
4.1 Interbank Money Market Placements		-	71.379	71.379	-	-	-
4.2 Receivables from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3 Receivables from Reverse Repurchase Agreements		2.811.895	-	2.811.895	4.152.681	-	4.152.681
<b>V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)</b>	(I-d)	1.916.413	-	1.916.413	2.257.545	478.755	2.736.300
5.1 Share Certificates		3.000	-	3.000	3.000	-	3.000
5.2 Government Debt Securities		1.913.413	-	1.913.413	2.254.545	478.755	2.733.300
5.3 Other Marketable Securities		-	-	-	-	-	-
<b>VI. LOANS</b>	(I-e)	11.481.175	2.559.344	14.040.519	11.070.338	2.762.891	13.833.229
6.1 Loans		11.307.506	2.559.344	13.866.850	10.900.215	2.762.157	13.662.372
6.1.1 Bank's risk group	(VII)	43	4.302	4.345	12	8.861	8.873
6.1.2 Government Debt Securities		-	-	-	-	-	-
6.1.3 Other		11.307.463	2.555.042	13.862.505	10.900.203	2.753.296	13.653.499
6.2 Loans under Follow-up		634.621	14.498	649.119	593.108	14.460	607.568
6.3 Specific Provisions (-)		460.952	14.498	475.450	422.985	13.726	436.711
<b>VII. FACTORING RECEIVABLES</b>		175.640	8.724	184.364	205.080	17.891	222.971
<b>VIII. HELD-TO-MATURITY SECURITIES (Net)</b>	(I-f)	-	-	-	-	-	-
8.1 Government Debt Securities		-	-	-	-	-	-
8.2 Other Marketable Securities		-	-	-	-	-	-
<b>IX. INVESTMENTS IN ASSOCIATES (Net)</b>	(I-g)	-	-	-	-	-	-
9.1 Consolidated Based on Equity Method		-	-	-	-	-	-
9.2 Unconsolidated		-	-	-	-	-	-
9.2.1 Financial Investments in Associates		-	-	-	-	-	-
9.2.2 Non-financial Investments in Associates		-	-	-	-	-	-
<b>X. SUBSIDIARIES (Net)</b>	(I-h)	35.023	-	35.023	35.023	-	35.023
10.1 Unconsolidated Financial Subsidiaries		34.753	-	34.753	34.753	-	34.753
10.2 Unconsolidated Non-financial Subsidiaries		270	-	270	270	-	270
<b>XI. JOINT VENTURES (Net)</b>	(I-i)	-	-	-	-	-	-
11.1 Accounted Based on Equity Method		-	-	-	-	-	-
11.2 Unconsolidated		-	-	-	-	-	-
11.2.1 Financial Joint Ventures		-	-	-	-	-	-
11.2.2 Non-financial Joint Ventures		-	-	-	-	-	-
<b>XII. FINANCIAL LEASE RECEIVABLES (Net)</b>	(I-j)	-	-	-	-	-	-
12.1 Financial Lease Receivables		-	-	-	-	-	-
12.2 Operating Lease Receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned Income (-)		-	-	-	-	-	-
<b>XIII. HEDGING DERIVATIVE FINANCIAL ASSETS</b>	(I-k)	-	-	-	-	-	-
13.1 Fair Value Hedge		-	-	-	-	-	-
13.2 Cash Flow Hedge		-	-	-	-	-	-
13.3 Foreign Net Investment Hedge		-	-	-	-	-	-
<b>XIV. PROPERTY AND EQUIPMENT (Net)</b>	(I-l)	115.735	4	115.739	128.622	4	128.626
<b>XV. INTANGIBLE ASSETS (Net)</b>	(I-m)	91.997	-	91.997	89.712	-	89.712
15.1 Goodwill		83.450	-	83.450	83.450	-	83.450
15.2 Other		8.547	-	8.547	6.262	-	6.262
<b>XVI. INVESTMENT PROPERTY (Net)</b>	(I-n)	-	-	-	-	-	-
<b>XVII. TAX ASSET</b>		18.161	-	18.161	8.772	-	8.772
17.1 Current Tax Asset		-	-	-	8.772	-	8.772
17.2 Deferred Tax Asset	(I-o)	18.161	-	18.161	-	-	-
<b>XVIII. ASSETS HELD FOR RESALE AND RELATED TO DISCONTINUED OPERATIONS (Net)</b>	(I-p)	8.095	-	8.095	7.801	-	7.801
18.1 Held for sale Purposes		8.095	-	8.095	7.801	-	7.801
18.2 Related to Discontinued Operations		-	-	-	-	-	-
<b>XIX. OTHER ASSETS</b>	(I-r)	387.640	23.067	410.707	385.857	8.611	394.468
<b>TOTAL ASSETS</b>		19.501.003	4.744.774	24.245.777	19.073.568	5.058.373	24.131.941

The accompanying explanations and notes set out on pages 13 to 66 form an integral part of these financial statements.

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

**HSBC BANK A.Ş.  
UNCONSOLIDATED BALANCE SHEET AS OF 31 MARCH 2012 AND 31 DECEMBER 2011  
(STATEMENT OF FINANCIAL POSITION)**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

I. BALANCE SHEET	Note (Section Five II)	Current Period (31/03/2012)			Prior Period (31/12/2011)		
		LIABILITIES AND EQUITY			LIABILITIES AND EQUITY		
		TL	FC	Total	TL	FC	Total
<b>I. DEPOSITS</b>	(II-a)	8.550.441	5.625.201	14.175.642	8.084.617	5.162.164	13.246.781
1.1 Deposits of Bank's risk group	(VII)	40.271	2.035	42.306	132.543	2.031	134.574
1.2 Other		8.510.170	5.623.166	14.133.336	7.952.074	5.160.133	13.112.207
<b>II. TRADING DERIVATIVE FINANCIAL LIABILITIES</b>	(II-b)	70.991	43.117	114.108	52.012	66.047	118.059
<b>III. BORROWINGS</b>	(II-d)	905.049	4.256.711	5.161.760	1.713.728	3.756.608	5.470.336
<b>IV. MONEY MARKETS</b>		266.218	-	266.218	889.994	-	889.994
4.1 Funds from Interbank Money Market		-	-	-	-	-	-
4.2 Funds from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3 Funds Provided Under Repurchase Agreements	(II-c)	266.218	-	266.218	889.994	-	889.994
<b>V. MARKETABLE SECURITIES ISSUED (Net)</b>		-	-	-	-	-	-
5.1 Bills		-	-	-	-	-	-
5.2 Asset Backed Securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
<b>VI. FUNDS</b>		-	-	-	-	-	-
6.1 Borrower funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
<b>VII. MISCELLANEOUS PAYABLES</b>		496.900	4.725	501.625	473.102	7.589	480.691
<b>VIII. OTHER LIABILITIES</b>	(II-e)	245.950	72.072	318.022	223.841	100.634	324.475
<b>IX. FACTORING PAYABLES</b>		37	2	39	29	-	29
<b>X. FINANCIAL LEASE PAYABLES (Net)</b>	(II-f)	-	-	-	-	1	1
10.1 Financial Lease Payables		-	-	-	-	1	1
10.2 Operational Lease Payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Financial Lease Expenses (-)		-	-	-	-	-	-
<b>XI. HEDGING DERIVATIVE FINANCIAL LIABILITIES</b>	(II-g)	-	-	-	-	-	-
11.1 Fair Value Hedge		-	-	-	-	-	-
11.2 Cash Flow Hedge		-	-	-	-	-	-
11.3 Foreign Net Investment Hedge		-	-	-	-	-	-
<b>XII. PROVISIONS</b>	(II-h)	263.768	1.625	265.393	244.426	1.597	246.023
12.1 General Loan Loss Provision		199.111	-	199.111	184.137	-	184.137
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Rights		25.716	-	25.716	23.066	-	23.066
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5 Other Provisions		38.941	1.625	40.566	37.223	1.597	38.820
<b>XIII. TAX LIABILITY</b>	(II-i)	62.501	-	62.501	42.635	-	42.635
13.1 Current Tax Liability		62.501	-	62.501	42.378	-	42.378
13.2 Deferred Tax Liability		-	-	-	257	-	257
<b>XIV. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS</b>	(II-j)	-	-	-	-	-	-
14.1 Held for sale purpose		-	-	-	-	-	-
14.2 Related to discontinued operations		-	-	-	-	-	-
<b>XV. SUBORDINATED LOANS</b>	(II-k)	-	497.743	497.743	-	517.816	517.816
<b>XVI. SHAREHOLDERS' EQUITY</b>	(II-l)	2.882.726	-	2.882.726	2.795.701	(600)	2.795.101
16.1 Paid-in Capital		652.290	-	652.290	652.290	-	652.290
16.2 Capital Reserves		262.242	-	262.242	234.836	(600)	234.236
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Marketable Securities Valuation Differences		(10.451)	-	(10.451)	(37.857)	(600)	(38.457)
16.2.4 Property and Equipment Revaluation Differences		-	-	-	-	-	-
16.2.5 Intangible Assets Revaluation Differences		-	-	-	-	-	-
16.2.6 Revaluation differences of investment property		-	-	-	-	-	-
16.2.7 Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures (business partners)		-	-	-	-	-	-
16.2.8 Hedging funds (Effective portion)		-	-	-	-	-	-
16.2.9 Value increase in property and equipment held for sale and related to discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		272.693	-	272.693	272.693	-	272.693
16.3 Profit Reserves		1.908.575	-	1.908.575	1.667.788	-	1.667.788
16.3.1 Legal Reserves		175.911	-	175.911	161.966	-	161.966
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		1.732.664	-	1.732.664	1.505.822	-	1.505.822
16.3.4 Other Profit Reserves		-	-	-	-	-	-
16.4 Income or (Loss)		59.619	-	59.619	240.787	-	240.787
16.4.1 Prior Years' Income or (Loss)		-	-	-	-	-	-
16.4.2 Current Year Income or (Loss)		59.619	-	59.619	240.787	-	240.787
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>13.744.581</b>	<b>10.501.196</b>	<b>24.245.777</b>	<b>14.520.085</b>	<b>9.611.856</b>	<b>24.131.941</b>

The accompanying explanations and notes set out on pages 13 to 66 form an integral part of these financial statements.

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

**HSBC BANK A.Ş.  
UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET COMMITMENTS  
AS OF 31 MARCH 2012 AND 31 DECEMBER 2011**

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

II. OFF-BALANCE SHEET COMMITMENTS	Note (Section Five III)	Current Period (31/03/2012)			Prior Period (31/12/2011)		
		TL	FC	Total	TL	FC	Total
<b>A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)</b>		<b>42.843.065</b>	<b>29.675.656</b>	<b>72.518.721</b>	<b>41.490.230</b>	<b>22.296.410</b>	<b>63.786.640</b>
<b>I. GUARANTEES AND WARRANTIES</b>	<b>(III-a-2,3)</b>	<b>322.923</b>	<b>2.435.789</b>	<b>2.758.712</b>	<b>313.349</b>	<b>2.510.644</b>	<b>2.823.993</b>
1.1 Letters of Guarantee		322.923	599.055	921.978	313.124	613.629	926.753
1.1.1 Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2 Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3 Other Letters of Guarantee		322.923	599.055	921.978	313.124	613.629	926.753
1.2 Bank Acceptances		-	887.291	887.291	225	917.906	918.131
1.2.1 Import Letter of Acceptance		-	887.291	887.291	225	917.906	918.131
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credit		-	662.269	662.269	-	738.090	738.090
1.3.1 Documentary Letters of Credit		-	481.547	481.547	-	592.881	592.881
1.3.2 Other Letters of Credit		-	180.722	180.722	-	145.209	145.209
1.4 Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of the Republic of Turkey		-	-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Securities Issue Purchase Guarantees		-	-	-	-	-	-
1.7 Factoring Guarantees		-	-	-	-	-	-
1.8 Other Guarantees		-	285.301	285.301	-	239.041	239.041
1.9 Other Collaterals		-	1.873	1.873	-	1.978	1.978
<b>II. COMMITMENTS</b>	<b>(III-a-1)</b>	<b>33.215.960</b>	<b>2.545.275</b>	<b>35.761.235</b>	<b>35.084.130</b>	<b>379.773</b>	<b>35.463.903</b>
2.1 Irrevocable Commitments		8.185.439	2.545.275	10.730.714	7.708.782	379.773	8.088.555
2.1.1 Asset Purchase and Sale Commitments		381.390	2.545.203	2.926.593	71.490	379.692	451.182
2.1.2 Deposit Purchase and Sales Commitments		-	-	-	-	5	5
2.1.3 Share Capital Commitments to Associates and Subsidiaries		1.000	-	1.000	1.000	-	1.000
2.1.4 Loan Granting Commitments		391.587	-	391.587	514.845	-	514.845
2.1.5 Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7 Commitments for Cheques		750.152	-	750.152	604.511	-	604.511
2.1.8 Tax and Fund Liabilities from Export Commitments		3.795	-	3.795	4.778	-	4.778
2.1.9 Commitments for Credit Card Limits		5.554.517	-	5.554.517	5.440.276	-	5.440.276
2.1.10 Commitments for credit cards and banking services promotions		6.141	-	6.141	5.925	-	5.925
2.1.11 Receivables from short sale commitments of marketable securities		-	-	-	-	-	-
2.1.12 Payables for short sale commitments of marketable securities		-	-	-	-	-	-
2.1.13 Other irrevocable commitments		1.096.857	72	1.096.929	1.065.957	76	1.066.033
2.2 Revocable Commitments		25.030.521	-	25.030.521	27.375.348	-	27.375.348
2.2.1 Revocable Loan Granting Commitments		25.030.521	-	25.030.521	27.375.348	-	27.375.348
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>(III-b)</b>	<b>9.304.182</b>	<b>24.694.592</b>	<b>33.998.774</b>	<b>6.092.751</b>	<b>19.405.993</b>	<b>25.498.744</b>
3.1 Hedging Derivative Financial Instruments		-	-	-	-	-	-
3.1.1 Transactions for Fair Value Hedge		-	-	-	-	-	-
3.1.2 Transactions for Cash Flow Hedge		-	-	-	-	-	-
3.1.3 Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2 Trading Transactions		9.304.182	24.694.592	33.998.774	6.092.751	19.405.993	25.498.744
3.2.1 Forward Foreign Currency Buy/Sell Transactions		1.760.588	5.113.458	6.874.046	1.249.556	2.243.857	3.493.413
3.2.1.1 Forward Foreign Currency Transactions-Buy		899.017	2.544.656	3.443.673	762.560	983.517	1.746.077
3.2.1.2 Forward Foreign Currency Transactions-Sell		861.571	2.568.802	3.430.373	486.996	1.260.340	1.747.336
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates		6.114.060	14.201.766	20.315.826	4.318.178	12.175.981	16.494.159
3.2.2.1 Foreign Currency Swap-Buy		598.181	7.943.197	8.541.378	418.486	6.289.376	6.707.862
3.2.2.2 Foreign Currency Swap-Sell		5.515.879	3.009.753	8.525.632	3.899.692	2.698.507	6.598.199
3.2.2.3 Interest Rate Swap-Buy		-	1.624.408	1.624.408	-	1.594.049	1.594.049
3.2.2.4 Interest Rate Swap-Sell		-	1.624.408	1.624.408	-	1.594.049	1.594.049
3.2.3 Foreign Currency, Interest rate and Securities Options		1.429.534	4.379.490	5.809.024	525.017	3.269.771	3.794.788
3.2.3.1 Foreign Currency Options-Buy		714.767	1.120.551	1.835.318	230.530	535.268	765.798
3.2.3.2 Foreign Currency Options-Sell		714.767	1.120.551	1.835.318	294.487	476.115	770.602
3.2.3.3 Interest Rate Options-Buy		-	1.069.194	1.069.194	-	1.129.194	1.129.194
3.2.3.4 Interest Rate Options-Sell		-	1.069.194	1.069.194	-	1.129.194	1.129.194
3.2.3.5 Securities Options-Buy		-	-	-	-	-	-
3.2.3.6 Securities Options-Sell		-	-	-	-	-	-
3.2.4 Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1 Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2 Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5 Interest Rate Futures		-	727.056	727.056	-	1.716.384	1.716.384
3.2.5.1 Interest Rate Futures-Buy		-	363.528	363.528	-	767.856	767.856
3.2.5.2 Interest Rate Futures-Sell		-	363.528	363.528	-	948.528	948.528
3.2.6 Other		-	272.822	272.822	-	-	-
<b>B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>		<b>17.307.162</b>	<b>1.518.634</b>	<b>18.825.796</b>	<b>16.022.249</b>	<b>1.737.253</b>	<b>17.759.502</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>13.478.512</b>	<b>1.474.297</b>	<b>14.952.809</b>	<b>11.963.478</b>	<b>1.604.608</b>	<b>13.568.086</b>
4.1 Customer Fund and Portfolio Balances		1.705.711	-	1.705.711	1.626.037	-	1.626.037
4.2 Investment Securities Held in Custody		8.168.885	749.925	8.918.810	6.593.079	816.616	7.409.695
4.3 Checks Received for Collection		2.551.690	245.324	2.797.014	2.536.972	293.114	2.830.086
4.4 Commercial Notes Received for Collection		180.837	-	180.837	183.385	-	183.385
4.5 Other Assets Received for Collection		167	13.020	13.187	-	10.907	10.907
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items Under Custody		871.222	466.028	1.337.250	1.024.005	483.971	1.507.976
4.8 Custodians		-	-	-	-	-	-
<b>V. PLEDGES RECEIVED</b>		<b>3.828.650</b>	<b>44.337</b>	<b>3.872.987</b>	<b>4.058.771</b>	<b>132.645</b>	<b>4.191.416</b>
5.1 Marketable Securities		333.055	-	333.055	7.835	-	7.835
5.2 Guarantee Notes		167.696	44.337	212.033	179.868	132.645	312.513
5.3 Commodity		-	-	-	-	-	-
5.4 Warranty		-	-	-	-	-	-
5.5 Immovable		3.327.899	-	3.327.899	3.871.068	-	3.871.068
5.6 Other Pledged Items		-	-	-	-	-	-
5.7 Pledged Items-Depository		-	-	-	-	-	-
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL OFF BALANCE SHEET COMMITMENTS (A+B)</b>		<b>60.150.227</b>	<b>31.194.290</b>	<b>91.344.517</b>	<b>57.512.479</b>	<b>24.033.663</b>	<b>81.546.142</b>

The accompanying explanations and notes set out on pages 13 to 66 form an integral part of these financial statements

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

**HSBC BANK A.Ş.  
UNCONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED  
31 MARCH 2012 AND 31 MARCH 2011**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

<b>III. STATEMENT OF INCOME INCOME AND EXPENSE ITEMS</b>		<b>Note (Section Five IV)</b>	<b>01/01/2012 - 31/03/2012</b>	<b>01/01/2011 - 31/03/2011</b>
<b>I.</b>	<b>INTEREST INCOME</b>	<b>IV-a</b>	<b>626.166</b>	<b>435.756</b>
1.1	Interest on Loans		439.831	316.160
1.2	Interest Received from Reserve Requirements	<b>IV-a-1</b>	-	-
1.3	Interest Received from Banks	<b>IV-a-2</b>	14.968	7.301
1.4	Interest Received from Money Market Transactions		101.527	33.112
1.5	Interest Received from Marketable Securities Portfolio	<b>IV-a-3</b>	62.395	71.819
1.5.1	Trading Financial Assets		16.881	5.794
1.5.2	Financial Assets at Fair Value through Profit or (Loss)		-	-
1.5.3	Available-for-sale Financial Assets		45.514	66.025
1.5.4	Held to Maturity Investments		-	-
1.6	Financial Lease Income		-	-
1.7	Other Interest Income		7.445	7.364
<b>II.</b>	<b>INTEREST EXPENSE</b>	<b>IV-b</b>	<b>288.253</b>	<b>180.188</b>
2.1	Interest on Deposits	<b>IV-b-4</b>	196.071	125.754
2.2	Interest on Funds Borrowed	<b>IV-b-1</b>	72.533	47.236
2.3	Interest Expense on Money Market Transactions	<b>IV-b-5</b>	16.941	4.087
2.4	Interest on Securities Issued	<b>IV-b-3</b>	-	-
2.5	Other Interest Expenses		2.708	3.111
<b>III.</b>	<b>NET INTEREST INCOME (I + II)</b>		<b>337.913</b>	<b>255.568</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME</b>		<b>114.079</b>	<b>93.804</b>
4.1	Fees and Commissions Received		128.531	107.717
4.1.1	Non-cash Loans		5.271	1.781
4.1.2	Other		123.260	105.936
4.2	Fees and Commissions Paid		14.452	13.913
4.2.1	Non-cash Loans		122	97
4.2.2	Other		14.330	13.816
<b>V.</b>	<b>DIVIDEND INCOME</b>	<b>IV-c</b>	<b>7.415</b>	<b>15.981</b>
<b>VI.</b>	<b>TRADING INCOME/(LOSS) (Net)</b>	<b>IV-d</b>	<b>(69.817)</b>	<b>(14.058)</b>
6.1	Trading Gains/(Losses) on Securities		(1.428)	593
6.2	Derivative Financial Transactions Gains/(Losses)		(73.468)	(55.052)
6.3	Foreign Exchange Gains/(Losses)		5.079	40.401
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	<b>IV-e</b>	<b>12.141</b>	<b>61.129</b>
<b>VIII.</b>	<b>TOTAL OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>401.731</b>	<b>412.424</b>
<b>IX.</b>	<b>PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)</b>	<b>IV-f</b>	<b>56.503</b>	<b>49.547</b>
<b>X.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	<b>IV-g</b>	<b>270.382</b>	<b>256.524</b>
<b>XI.</b>	<b>NET OPERATING INCOME/(LOSS) (VIII-IX-X)</b>		<b>74.846</b>	<b>106.353</b>
<b>XII.</b>	<b>EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER</b>		-	-
<b>XIII.</b>	<b>INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD</b>		-	-
<b>XIV.</b>	<b>INCOME/(LOSS) ON NET MONETARY POSITION</b>		-	-
<b>XV.</b>	<b>INCOME/EXPENSE BEFORE TAXES FROM CONTINUING OPERATIONS (XI+XII+XIII+XIV)</b>	<b>IV-h</b>	<b>74.846</b>	<b>106.353</b>
<b>XVI.</b>	<b>PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)</b>	<b>IV-i</b>	<b>(15.227)</b>	<b>(18.710)</b>
16.1	Current Tax Provision		(33.645)	(33.832)
16.2	Deferred Tax Provision		18.418	15.122
<b>XVII.</b>	<b>NET PROFIT/LOSSES FROM CONTINUING OPERATIONS (XV±XVI)</b>	<b>IV-j</b>	<b>59.619</b>	<b>87.643</b>
<b>XVIII.</b>	<b>INCOME FROM DISCONTINUED OPERATIONS</b>		-	-
18.1	Income from Non-current Assets Held for Resale		-	-
18.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures (business partners)		-	-
18.3	Other Income From Discontinued Operations		-	-
<b>XIX.</b>	<b>EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>		-	-
19.1	Expenses for Non-current Assets Held for Resale		-	-
19.2	Loss from Sales of Associates, Subsidiaries and Joint Ventures (business partners)		-	-
19.3	Other Expenses From Discontinued Operations		-	-
<b>XX.</b>	<b>PROFIT /LOSSES BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII- XIX)</b>		-	-
<b>XXI.</b>	<b>PROVISION FOR INCOME TAXES FROM DISCONTINUED OPERATIONS (±)</b>		-	-
21.1	Current tax provision		-	-
21.2	Deferred tax provision		-	-
<b>XXII.</b>	<b>NET PROFIT/LOSSES FROM DISCONTINUED OPERATIONS (XX±XXI)</b>		-	-
<b>XXIII.</b>	<b>NET PROFIT/LOSSES (XVII+XXII)</b>	<b>IV-k</b>	<b>59.619</b>	<b>87.643</b>
	Earnings/ Loss per Share		0,000914	0,001344

The accompanying explanations and notes set out on pages 13 to 66 form an integral part of these financial statements.

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

**HSBC BANK A.Ş.**

**UNCONSOLIDATED STATEMENT OF INCOME AND EXPENSES ACCOUNTED UNDER  
SHAREHOLDERS' EQUITY AT 31 MARCH 2012 AND 31 MARCH 2011**

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

<b>IV. STATEMENT OF PROFIT AND LOSS ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY</b>		
<b>PROFIT AND LOSS ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY</b>	<b>Current Period (31/03/2012)</b>	<b>Prior Period (31/03/2011)</b>
<b>I. ADDITIONS TO THE MARKETABLE VALUATION DIFFERENCES FROM THE AVAILABLE FOR SALE FINANCIAL ASSETS</b>	<b>48.812</b>	<b>(73.833)</b>
<b>II. PROPERTY AND EQUIPMENT REVALUATION DIFFERENCES</b>	-	-
<b>III. INTANGIBLE ASSETS REVALUATION DIFFERENCES</b>	-	-
<b>IV. CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS</b>	-	-
<b>V. PROFIT OR LOSS ON CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS (Effective part of the fair value differences)</b>	-	-
<b>VI. PROFIT/LOSS FROM FOREIGN INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Changes)</b>	-	-
<b>VII. EFFECTS OF CHANGES IN ACCOUNTING POLICY AND ADJUSTMENT OF ERRORS</b>	-	-
<b>VIII. OTHER INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY ACCORDING TO TAS</b>	-	-
<b>IX. DEFERRED TAX RELATED TO VALUATION DIFFERENCES</b>	<b>(7.002)</b>	<b>14.754</b>
<b>X. NET PROFIT OR LOSS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)</b>	<b>41.810</b>	<b>(59.079)</b>
<b>XI. CURRENT YEAR PROFIT/LOSS</b>	<b>(13.804)</b>	<b>65</b>
11.1 Net change in fair value of marketable securities (transfer to profit-loss)	(13.804)	65
11.2 Reclassification of cash flow hedge transactions and presentation of the related under income statement	-	-
11.3 Reclassification of foreign net investment hedge transactions and presentation of the related part under income statement	-	-
11.4 Other	-	-
<b>XII. TOTAL PROFIT/LOSS RELATED TO THE CURRENT PERIOD (X±XI)</b>	<b>28.006</b>	<b>(59.014)</b>

The accompanying explanations and notes set out on pages 13 to 66 form an integral part of these financial statements.

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

**HSBC BANK A.Ş.**

**UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AT 31 MARCH 2011**

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY																	
31 March 2011	Note (Section Five)	Paid-in Capital	Adjustment to Paid-in Capital	Share Premium	Share Canc. Profit	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit/(Loss)	Prior Period Net Profit/(Loss)	Marketable Sec. Valuation Differences	Rev. Diff. in Tangible and Intang. Assets	Bonus Shares from Investments	Hedging Funds	Rev. Diff. in Tangible Held for Sale/Disc. Operat	Total Equity
<b>I. Period Opening Balance</b>		652.290	-	-	-	149.450	-	1.312.011	272.693	242.738	-	70.887	-	-	-	-	2.700.069
<b>II. Changes in Accounting Policies according to TAS 8</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. New Balance (I+II)</b>		652.290	-	-	-	149.450	-	1.312.011	272.693	242.738	-	70.887	-	-	-	-	2.700.069
Changes in the Period																	
<b>IV. Increase/Decrease due to the Merger</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>V. Marketable Securities Valuation Differences</b>		-	-	-	-	-	-	-	-	-	-	(59.014)	-	-	-	-	(59.014)
<b>VI. Hedging Transactions Funds (Effective Parts)</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2 Foreign Investment Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII. Property and Equipment Revaluation Differences</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII. Intangible Fixed Assets Revaluation Differences</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX. Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X. Foreign Exchange Differences</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XI. Changes due to the Disposal of Assets</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XII. Changes due to the Reclassification of Assets</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIII. Effect of the Changes in Investment in Associates' Equity to the Bank's Equity</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIV. Capital Increase</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1 Cash increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2 Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XV. Share Premium</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVI. Share Cancellation Profits</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVII. Paid in-capital Adjustment Difference</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVIII. Other</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIX. Current Year Income or Loss</b>		-	-	-	-	-	-	-	-	87.643	-	-	-	-	-	-	87.643
<b>XX. Profit Distribution</b>		-	-	-	-	12.516	-	193.811	-	(242.738)	-	-	-	-	-	-	(36.411)
20.1 Dividend Paid		-	-	-	-	-	-	-	-	(36.411)	-	-	-	-	-	-	(36.411)
20.2 Transfers to Reserves		-	-	-	-	12.516	-	193.811	-	(206.327)	-	-	-	-	-	-	-
20.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing Balance (III+IV+V+.....+XXII+XXI)</b>		652.290	-	-	-	161.966	-	1.505.822	272.693	87.643	-	11.873	-	-	-	-	2.692.287

The accompanying explanations and notes set out on pages 13 to 66 form an integral part of these financial statements.

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

**HSBC BANK A.Ş.**

**UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AT 31 MARCH 2012**

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY																	
31 March 2012	Note (Section Five)	Paid-in Capital	Adjustment to Paid-in Capital	Share Premium	Share Canc. Profit	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit/(Loss)	Prior Period Net Profit/(Loss)	Marketable Sec. Valuation Differences	Rev. Diff. in Tangible and Intang. Assets	Bonus Shares from Investments	Hedging Funds	Rev. Diff. in Tangible Held for Sale/Disc. Operat	Total Equity
<b>I. Prior Period End Balance</b>		652.290	-	-	-	161.966	-	1.505.822	272.693	240.787	-	(38.457)	-	-	-	-	2.795.101
Changes in the Period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>II. Increase/Decrease due to the Merger</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. Marketable Securities Valuation Differences</b>		-	-	-	-	-	-	-	-	-	-	28.006	-	-	-	-	28.006
<b>IV. Hedging Transactions Funds (Effective Parts)</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Foreign Investment Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>V. Valuation Differences due to Revaluation of Property and Equipment</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI. Valuation Differences due to Revaluation of Intangible Assets</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII. Subsidiaries and Joint Ventures</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII. Foreign Exchange Differences</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX. Changes due to the Disposal of Assets</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X. Changes due to the Reclassification of Assets</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XI. Effect of the Changes in Investment in Associates' Equity to the Bank's Equity</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XII. Capital Increase</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIII. Share Premium</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIV. Share Cancellation Profits</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XV. Paid in-capital Adjustment Difference</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVI. Other</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVII. Current Year Income or Loss</b>		-	-	-	-	-	-	-	-	59.619	-	-	-	-	-	-	59.619
<b>XVIII. Profit Distribution</b>		-	-	-	-	13.945	-	226.842	-	(240.787)	-	-	-	-	-	-	-
18.1 Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfers to Reserves		-	-	-	-	13.945	-	226.842	-	(240.787)	-	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Period End Balance (I+II+ .....+ XVIII)</b>		652.290	-	-	-	175.911	-	1.732.664	272.693	59.619	-	(10.451)	-	-	-	-	2.882.726

The accompanying explanations and notes set out on pages 13 to 66 form an integral part of these financial statements.

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

**HSBC BANK A.Ş.**

**UNCONSOLIDATED STATEMENT OF CASH FLOWS AT 31 MARCH 2012 AND 31 MARCH 2011**

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

<b>VI. STATEMENT OF CASH FLOW</b>			
	<b>Note (Section Five VI)</b>	<b>Current Period (31/03/2012)</b>	<b>Prior Period (31/03/2011)</b>
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
1.1 Operating profit before changes in operating assets and liabilities		<b>340.305</b>	<b>368.489</b>
1.1.1 Interest received		664.346	467.023
1.1.2 Interest paid		(244.302)	(133.684)
1.1.3 Dividend received		7.415	15.981
1.1.4 Fees and commissions received		128.530	107.717
1.1.5 Other income		(62.754)	12.209
1.1.6 Collections from previously written-off loans and other receivables		38.264	150.650
1.1.7 Payments to personnel and service suppliers		357.732	(88.525)
1.1.8 Taxes paid		(16.311)	(66.326)
1.1.9 Other		(532.615)	(96.556)
1.2 Changes in operating assets and liabilities		<b>(1.187.614)</b>	<b>1.842.302</b>
1.2.1 Net decrease/(increase) in trading securities		(741.214)	(29.875)
1.2.2 Net (increase)/decrease in fair value through profit/loss financial assets		-	-
1.2.3 Net (increase)/decrease in banks		(10.919)	(5.883)
1.2.4 Net (increase)/decrease in loans		(285.947)	(1.677.318)
1.2.5 Net (increase)/decrease in other assets		(82.948)	(76.238)
1.2.6 Net increase/(decrease) in bank deposits		(131.440)	(233.544)
1.2.7 Net (decrease)/increase in other deposits		1.042.914	755.611
1.2.8 Net (decrease)/increase in funds borrowed		(355.812)	2.019.942
1.2.9 Net increase/(decrease) in payables		-	-
1.2.10 Net (decrease)/increase in other liabilities		(622.248)	1.089.607
<b>I. Net cash provided from banking operations</b>		<b>(847.309)</b>	<b>2.210.791</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net cash provided from investing activities</b>		<b>769.865</b>	<b>176.673</b>
2.1 Cash paid for acquisition of investments, associates and subsidiaries (Business Partnerships)		-	-
2.2 Cash obtained from disposal of investments, associates and subsidiaries (Business Partnerships)		-	-
2.3 Purchases of property and equipment		(6.223)	(100)
2.4 Disposals of property and equipment		-	2.546
2.5 Cash paid for purchase of investments available-for-sale		(457.211)	(411.660)
2.6 Cash obtained from sale of investments available-for-sale		1.233.299	585.892
2.7 Cash paid for purchase of investment securities		-	-
2.8 Cash obtained from sale of investment securities		-	-
2.9 Other		-	(5)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net cash provided from financing activities</b>		<b>1</b>	<b>-</b>
3.1 Cash obtained from funds borrowed and securities issued		-	-
3.2 Cash used for repayment of funds borrowed and securities issued		-	-
3.3 Issued capital instruments		-	-
3.4 Dividends paid		-	-
3.5 Payments for finance leases		1	-
3.6 Other		-	-
<b>IV. Effect of change in foreign exchange rate on cash and cash equivalents</b>		<b>(2.722)</b>	<b>(1.247)</b>
<b>V. Net increase/(decrease) in cash and cash equivalents (I+II+III+IV)</b>		<b>(80.165)</b>	<b>2.386.217</b>
<b>VI. Cash and cash equivalents at beginning of the period</b>	<b>(VI)</b>	<b>5.111.127</b>	<b>3.050.941</b>
<b>VII. Cash and cash equivalents at end of the period</b>	<b>(VI)</b>	<b>5.030.962</b>	<b>5.437.158</b>

The accompanying explanations and notes set out on pages 13 to 66 form an integral part of these financial statements.



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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

---

**SECTION THREE**

**EXPLANATIONS ON ACCOUNTING POLICIES**

**I. EXPLANATIONS ON BASIS OF PRESENTATION**

**a. The preparation of the financial statements and related notes and explanations in accordance with the Turkish Accounting Standards and Regulation on the Principles and Procedures Regarding Banks' Accounting Application and Keeping Documents**

The unconsolidated financial statements are prepared in accordance with the "Regulation on the Principles and Procedures Regarding Banks' Accounting Applications and Safeguarding of Documents" published in the Official Gazette No. 26333 dated 1 November 2006 by the Banking Regulation and Supervision Agency ("BRSA") which refers to "Turkish Accounting Standards" ("TAS") and "Turkish Financial Reporting Standards" ("TFRS") issued by the Turkish Accounting Standard Boards ("TASB") and other decrees, notes and explanations related to the accounting and financial reporting principles (all "Turkish accounting Standards" or "TAS") published by the BRSA. The format and the details of the publicly announced financial statements and related disclosures to these statements have been prepared in accordance with the "Communiqués Related to Publicly Announced Financial Statements of Banks and Explanations and Notes Related to these Financial Statements" published in the Official Gazette No. 26430 dated 10 February 2007, additions and changes in the related to communiqué. The Bank, prepares accounting records in TL in accordance with the Banking Act, Turkish Commercial Code and Turkish tax legislation.

The unconsolidated financial statements have been prepared in TL, under the historical cost convention as modified in accordance with inflation adjustments until 31 December 2004, except for the financial assets and liabilities which are carried at fair value.

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

The amendments of TAS and TFRS, except TFRS 9 Financial Instruments, which have been effective as of reporting date have no impact on the accounting policies, financial condition and performance of the Bank.

**b. Explanation for convenience translation into English:**

The differences between accounting principles, as described in these preceding paragraphs and accounting principles generally accepted in countries in which unconsolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in these unconsolidated financial statements. Accordingly, these unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

**c. Accounting policies and valuation principles applied in the presentation of financial statements:**

The accounting policies and valuation principles applied in the preparation of financial statements are determined and applied in accordance with the reporting standards. These accounting policies and valuation principles are explained in explanations on accounting policies section.

**II. EXPLANATIONS ON STRATEGY OF USING FINANCIAL INSTRUMENTS AND EXPLANATIONS ON FOREIGN CURRENCY TRANSACTIONS**

The main sources of the Bank are customer deposits and borrowings from abroad. The Bank conducts its investments at low risk and high yielding financial assets with collaterals. The Bank's liquidity structure covers the financing of all liabilities at due date. This liquidity structure of the Bank has been established by diversifying fund resources and keeping sufficient cash and cash equivalents. Maturity structure and yield of liabilities and placements are being considered according to market conditions and long term placements are invested in higher yielding financial assets.

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

---

**II. EXPLANATIONS ON STRATEGY OF USING FINANCIAL INSTRUMENTS AND EXPLANATIONS ON FOREIGN CURRENCY TRANSACTIONS (Continued)**

The Bank applies sophisticated methods of the Group in daily market risk managing and control activities. In measuring the market risk and determining limits, with historical simulation method “Value at Risk” (“VaR”) approach is being applied. For the portfolios which are subject to market risk; product and portfolio based interest rate, daily and monthly maximum loss limits regarding the exchange rate and share price risk, Value at Risk limits, maturity limits and quantity limits are being applied. The limit usages are being monitored through various checkpoints and reported to the top management. Risk monitoring and control activities are being performed by independent units. For the portfolios which are subject to the interest risks, sensitivity of the changes in interest rates are being analyzed by “Present Value Basis Points” method (“PVBP”) and relevant limits are being determined.

Product and portfolio based various yield curve scenarios, stress scenarios, liquidity, gap, and volatility analysis have been performed regarding the control, monitor and management of the market risks. The purpose of these analyses are to be prepared for the possible risks and to make quick decisions regarding the targeted profitability.

These analyses, limit usages and controls are being discussed in monthly Asset-Liability committee meetings and decisions are being made in these meetings. The foreign exchange gains and losses from the foreign exchange transactions are being recorded at the date of transactions conducted. Foreign currency denominated monetary assets and liabilities are translated with the exchange rates prevailing at the balance sheet date. Gains and losses arising from such valuations are recognised in the income statement under the account of “Foreign exchange gains or losses”, except for foreign currency non-performing loans and other foreign currency denominated non monetary assets and liabilities.

**III. EXPLANATIONS ON INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES**

The Bank has no investments in associates as of 31 March 2012. Investments in subsidiaries are accounted in accordance with the “Turkish Accounting Standard on Financial Instruments: Recognition and Measurement” (“TAS 39”) in the unconsolidated financial statements. Investments in subsidiaries that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are carried at cost less provision for impairment. Since the equity capital of the Bank which is amended in accordance with the same principals of the financial statement of HSBC Yatırım Menkul Değerler A.Ş.(“HSBC Yatırım”) dated 31 March 2011, the subsidiary of the Bank which is subject to consolidation; is higher than the value of the subsidiary, there is no need to the provision of impairment. Nonfinancial subsidiaries of the Bank are “HSBC Ödeme Sistemleri ve Bilgisayar Teknolojileri Basın Yayın ve Müşteri Hizmetleri A.Ş.” and “HSBC İnternet ve Telekomünikasyon Hizmetleri A.Ş.”. HSBC Ödeme Sistemleri ve Bilgisayar Teknolojileri Basın Yayın ve Müşteri Hizmetleri A.Ş. was established on 10 December 1999 to provide VIP services either for its clients or the clients of the legal entities, and in this respect, to provide transfer, hospitality, pass port, catering, housing, parking, private waiting room and transportation services in railroad, land, sea, airport passenger lounges either to its clients or all real or legal persons. HSBC İnternet ve Telekomünikasyon Hizmetleri A.Ş. was established on 13 January 2005 in order to provide information and telecommunication services.

**IV. EXPLANATIONS ON FORWARD TRANSACTIONS, OPTIONS AND DERIVATIVE INSTRUMENTS**

In order to reduce the foreign exchange position risk the Bank conducts currency forward purchase and sale transaction agreements, currency swap purchase and sale transaction agreements and option purchase and sale agreements. In order to reduce the interest risk, the Bank conducts interest futures, interest swaps and forward interest rate agreements. According to TAS 39 the transactions which are not considered as hedging instrument are classified as derivative instruments or held for trading and recognised at fair value. If the fair value of derivative financial instruments is positive, it is disclosed under the main account “financial assets at fair value through profit or loss” in “trading derivative financial assets” and if the fair value difference is negative, it is disclosed in “trading derivative financial liabilities”. As of 31 March 2012 and 31 December 2011, the Bank does not have any embedded derivatives. As of 31 March 2012 and 31 December 2011 the Bank does not have any derivative financial instruments held for hedging.

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

---

**V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE**

Interest income and expenses are recognised on an accrual basis using the effective interest rate method. In accordance with the related regulation, realised interest accruals and rediscounts of the non-performing loans and other receivables are reversed and recognised as interest income only when they are collected.

**VI. EXPLANATIONS ON FEE AND COMMISSIONS INCOME AND EXPENSES**

All fees and commission income/expenses are recognised on an accrual basis in accordance with the matching principle or "Internal rate of return method", except for certain commission income and fees for various banking services which are recorded as income at the time of collection. Contract based fees or fees received in return for services such as the purchase and sale of assets on behalf of a third party or legal person are recognised as income at the time of collection.

**VII. EXPLANATIONS ON FINANCIAL ASSETS**

The Bank categorizes its financial assets as "Fair value through profit/loss", "Available-for-sale", "Loans and receivables" or "Held-to-maturity". Financial assets mentioned above are recognised at the settlement dates. The appropriate classification of financial assets of the Bank is determined at the trade dates.

**a. Financial assets at fair value through profit or loss:**

Financial assets at fair value through profit or loss consists of trading financial assets and financial assets at fair value through profit or loss and they are initially recognised at cost and subsequently re-measured at their fair value. While determining the fair value, the average price comprising in the active market is used and the profit or loss is reflected to the income statement. Derivative financial instruments are treated as trading financial assets unless they are designated as hedge instruments. The principles regarding the accounting of derivative financial instruments are explained in detail in Note IV. of Section Three.

**b. Financial assets available-for-sale:**

Available-for-sale financial assets are defined as financial assets other than the ones classified as "Loans and receivables", "Held-to-maturity assets" or "Financial asset at fair value through profit or loss". Financial assets available for sale are recognised at fair value. Unrealized gains and losses arising from the changes in the fair value of financial assets available for sale with fixed maturity and certain cash flow are recognised at "marketable securities valuation fund" under the shareholders' equity. The interest income which is calculated with the effective interest rate method is recognised in the income statement. When these securities are disposed of, the related fair value differences accumulated in the shareholders' equity are transferred to the income statement. Available-for-sale equity securities that have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value and mentioned valuation differences are recognised at "marketable securities" valuation fund. Available-for-sale equity securities that do not have a quoted market price in an active market and whose fair values cannot be reliably measured are carried at cost, less provision for impairment.

**c. Loans and Receivables:**

Financial assets that are originated by the Bank by providing money, services or goods to borrowers are categorized as loans and receivables. Loans and receivables originated by the Bank are recognised at the amortised cost value calculated using the effective interest rate method.

For loans in which making risk assessment for the loans and receivables on the basis of consumer and portfolio is non-performing loan, Bank provides specific provisions not less than the determined minimum rates according to the "Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables" published in the Official Gazette Dated 1 November 2006 and numbered 26333. Apart from the non-performing loans, the Bank provides general loan loss provisions for the loans and receivables which are defined in the same communiqué. The interests and accruals of the non-performing loans are derecognised from the financial statement and provision expense is deducted from the net income of the year. Releases of current period provisions are made by the reversal of the amount from the "Provision for Impairment of Loans and Other Receivables" account.

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

---

**VII. EXPLANATIONS ON FINANCIAL ASSETS (Continued)**

**d. Held-to-Maturity Financial Assets:**

Held-to-maturity financial assets are financial assets that are not classified under loans and receivables and which have fixed maturities and fixed or determinable payments where management has the intent and ability to hold the financial assets to maturity. Held-to-maturity financial assets are initially recognised at cost, and subsequently carried at amortized cost using the effective interest rate method; interest earned whilst holding held-to-maturity securities is reported as interest income and impairment for these financial assets recognised at income statement. There are no financial assets that were previously classified as held-to-maturity but cannot be subject to this classification for two years due to the contradiction of classification principles. There are no held-to-maturity financial assets as of 31 March 2012 and 31 December 2011.

**VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS**

In each balance sheet date, the Bank assesses if there is an objective indication of the impairment of financial assets or financial asset groups. If such indications exist, the Bank will determine the amount of impairment. A financial asset or a group of financial assets is subject to impairment loss only if there is an objective indication that the occurrence of one or more than one event ("loss event") subsequent to the initial recognition of that asset has an effect on the reliable estimate of the expected future cash flows of the related financial asset and asset group. In case the loans could not be collected; loans and other receivables are classified in order to provide specific and general provisions in accordance with the Communiqué on "Methods and Principles on Determining the Nature of Loans, Other Receivables, and Allocation of Provisions" published in the Official Gazette No. 26333 dated 1 November 2006 and these provisions are changed against the income for the year.

**IX. EXPLANATIONS ON OFFSETTING FINANCIAL ASSETS**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Bank has a legally enforceable right to offset the recognised amounts and there is an intention to collect/pay related financial assets and liabilities on a net basis.

**X. EXPLANATIONS ON SALES AND REPURCHASE AGREEMENTS AND SECURITIES LENDING TRANSACTIONS**

Securities subject to repurchase agreements are classified as "Financial assets at fair value difference through profit or loss" and "Available-for-sale securities" in the balance sheet according to the investment purposes and measured according to the portfolio of the Bank to which they belong. The interest expense rediscount for funds obtained under repurchase agreement which is calculated with the effective interest rate method are recognised in the income statement. The Bank has no financial assets at fair value through profit or loss subject to repurchase agreements as of 31 March 2012 and 31 December 2011. Funds given against securities purchased under agreements to resell ("Reverse repos") are accounted under "Receivables from reverse repurchase agreements" in the balance sheet. The difference between the purchase and resell price determined by these repurchase agreements is accrued evenly over the life of repurchase agreements using the effective interest rate method. The Bank has no securities lending transactions. The Bank has government bonds amounting to TL 50.000 as of 31 March 2012 that the Bank has given as guarantees to Istanbul Stock Exchange Bond Market on behalf of its subsidiary, HSBC Yatırım Menkul Değerler A.Ş (31 December 2011: TL 67.752).

**XI. EXPLANATIONS ON PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS AND EXPLANATIONS ON LIABILITIES RELATED WITH THESE ASSETS**

The Bank has no discontinued operations as of 31 March 2012 and 31 December 2011. Property and equipment held-for-resale purpose consist of tangible assets that were acquired due to nonperforming receivables, and are accounted in the financial statements in accordance with the "Communiqué Regarding the Principles and Procedures for the Disposals of Immovables and Commodities Acquired due to Receivables and for Trading of Precious Metal" published in the Official Gazette dated 1 November 2006, No.26333 and classified as assets held for sale.

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

---

**XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS**

The Bank's intangible assets are composed of software, goodwill and establishment expenditures. Intangible assets are measured in accordance with "Intangible Assets" ("TAS 38") at cost on initial recognition and any directly attributable costs of setting the asset to work for its intended use are included in the initial measurement. Subsequently, intangible assets are carried at historical cost after the deduction of accumulated depreciation and the provision for value decreases. The depreciable amount of an intangible asset is allocated on a systematic basis over its useful life. The costs of the intangible fixed assets purchased before 31 December 2004, end of the high inflation period is accepted as 31 December 2004 or subject to inflation indexation until 31 December 2004. Intangible fixed assets purchased after 31 December 2004 are recognised with their purchase cost in the financial statements.

The Bank purchased Benkar in the year 2002. The useful life of the goodwill arising out of the merger of Benkar with the Bank on 26 December 2002 is determined as 10 years. Therefore, it is amortised until the end of October 2006 and, amortised with 10% of amortization rate and straight-line method. With Article 4 of the "Communiqué on Principles and Procedure of Accounting Principles of Banks and Preservation of Documents" which was published by BRSA in the Official Gazette No. 26333 dated 1 November 2006, the financial statements are prepared based on the Turkish Accounting Standards. Goodwill is tested annually or more frequently when there are indicators for impairment and carried at cost less accumulated impairment losses, if any, in line with "Turkish Accounting Standard for Impairment on Assets" ("TAS 36").

Amortization of the other intangible fixed assets are based on the useful lives and amortised between the rates of 10 % and 33,3 % with straight-line method.

**XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT**

All property and equipment are measured in accordance with "Property, Plant and Equipment" ("TAS 16") at its cost when initially recognised and any directly attributable costs of setting the asset in working order for its intended use are included in the initial measurement. Subsequently, property and equipment is carried at cost less accumulated depreciation and provision for value impairment. The costs of the tangible assets purchased before 31 December 2004 or subject to inflation indexation until 31 December 2004. Tangible assets purchased after 31 December 2004 are recognised with their purchase cost in the financial statements. Tangible assets are amortised by using the straight line method based on their useful lives, such as buildings depreciated at rate 2%, transportation vehicles at rates 15% - 20%, furnitures at rate 20%, other tangible assets at rates ranging from 2% to 33%. The depreciation charge for items remaining in the property and equipment for less than an accounting period at the balance sheet date is calculated in proportion to the period the item will remain in property and equipment. Gains and losses on the disposal of property and equipment are determined by deducting the net book value of the property and equipment from its net sales revenue. Repair and maintenance expenses in order to increase the useful life of the tangible fixed assets are capitalized, other repair and maintenance costs are recognised as expenses. There are no mortgages, pledges or similar precautionary measures on tangible fixed assets.

**XIV. EXPLANATIONS ON LEASING TRANSACTIONS**

Assets acquired under finance lease agreements are capitalized in accordance with "Leases" ("TAS 17") at the inception of the lease at the "Lower of the fair value of the leased asset or the present value of the lease installments that are going to be paid for the leased asset". Leased assets are included in the property and equipment and depreciation is charged on a straight-line basis over the useful life of the asset. If there is any diminution in value of the leased asset, a "Provision for value decrease" is recognised. Liabilities arising from the leasing transactions are included in "Finance lease payables" in the balance sheet. Interest and foreign exchange expenses regarding lease transactions are charged to the income statement. The Bank does not provide financial leasing services as a "Lessor". Transactions regarding operational lease agreements are accounted on an accrual basis in accordance with the terms of the related contracts.

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

---

**XV. EXPLANATIONS ON PROVISIONS AND CONTINGENT LIABILITIES**

Provisions and contingent liabilities are accounted in accordance with, “Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets” (“TAS 37”). Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events and a reliable estimate of the amount of the obligation can be made. When the amount of the obligation cannot be estimated and there is no possibility of an outflow of resources from the Bank, it is considered that a “Contingent” liability exists and it is disclosed in the related notes to the financial statements.

**XVI. EXPLANATIONS ON CONTINGENT ASSETS**

The contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognised in financial statements since this may result in recognition of income that may never be realized. If an inflow of economic benefits to the Bank has become probable, then the contingent asset is disclosed in the footnotes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised in the financial statements of the period in which the change occurs.

**XVII. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS**

Obligations related to employment termination and vacation rights are accounted for in accordance with “Turkish Accounting Standard for Employee Rights” (“TAS 19”) and are classified under “Reserve for Employee Rights” account in the balance sheet. Under the Turkish Labour Law, the Bank is required to pay a specific amount to the employees who have retired or whose employment is terminated other than the reasons specified in the Turkish Labor Law. The Bank provides provision for retirement and termination liabilities by estimating the net present value of future payments of the Bank arising from the retirement of employees and reflects this provision amount in the financial statements. For employee termination benefit provision calculation, future liability amounts are calculated and yearly discount rate is 4,15%.

**XVIII. EXPLANATIONS ON TAXATION**

**a. Current Tax:**

According to the article no. 32 of “Corporate Tax Law” No. 5520 was published in the Official Gazette, No. 26205 dated 21 June 2006, the corporate tax rate is 20%. Corporate tax is calculated on the total income of the Bank after adjusting for certain disallowable expenses, exempt income and other allowances. No further tax is payable unless the profit is distributed. Dividends paid to non-resident corporations, which have a place of business in Turkey or are resident corporations, are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. In applying the withholding tax rates on dividend payments to the nonresident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. An increase in capital via issuing bonus shares is not considered as profit distribution and thus does not incur withholding tax.

The prepaid taxes are calculated and paid at the rates valid for the corporate tax rate of the related years. Advance tax paid by corporations which is for the current period is credited against the annual corporation tax calculated on their annual corporate income in the following year. Companies file their tax returns until the 25th day of the following forth month after the closing of the accounting year to which they relate.

Under the Turkish Corporate Tax Law, losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods.

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

---

**XVIII. EXPLANATIONS ON TAXATION (Continued)**

The tax applications for foreign branches;

***TURKISH REPUBLIC OF NORTHERN CYPRUS***

According to the Corporate Tax Law of the Turkish Republic of Northern Cyprus no.41/1976 as amended, the corporate earnings (including foreign corporations) are subject to a 10% corporate tax and 15% income tax. This tax is calculated based on the income that the taxpayers earn in an accounting period. Tax base is determined by modifying accounting income for certain exclusions and allowances for tax purposes. The corporations cannot benefit from the rights of offsetting losses, investment incentives and amortisation unless they prepare and have certified their balance sheets, income statements and accounting records used for tax calculations by an auditor authorized by the Ministry of Finance. In cases where it is revealed that the earnings of a corporation were not subject to taxation in prior years or the tax paid on such earnings are understated, additional taxes can be charged in the next twelve years following that the related taxation period. The corporate tax returns are filed in the tax administration office in April after following the end of the accounting year to which they relate. The corporate taxes are paid in two equal installments in May and October.

**b. Deferred Tax Asset / Liability:**

The Bank calculates and accounts for deferred income taxes for all temporary differences arising between the bases of assets and liabilities and their carrying amounts in these financial statements in accordance with "Turkish Accounting Standard for Income Taxes" ("TAS 12") and the related decrees of the BRSA concerning about the income taxes. In the deferred tax calculation, the enacted tax rate, in accordance with the tax legislation, is used as of the balance sheet date. Deferred tax liabilities, acting prudently, are recognised for all resulting temporary differences whereas deferred tax assets resulting from temporary differences are recognised to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilized. The calculated deferred tax assets and deferred tax liabilities in accordance with "TAS 12" are presented on a net basis in these financial statements.

**c. Transfer Pricing:**

The article no.13 of the Corporate Tax Law describes the issue of transfer pricing under the title of "disguised profit distribution" by way of transfer pricing. "The General Communiqué on Disguised Profit Distribution by Way of Transfer Pricing" published at 18 November 2007, explains the application related issues on this topic. According to this communiqué, if the taxpayers conduct transactions like purchase and sale of goods or services with the related parties where the prices are not determined according to the arm's length principle, then it will be concluded that there is a disguised profit distribution by way of transfer pricing. Such disguised profit distributions will not be deducted from the corporate tax base for tax purposes. As stated in the "7.1 Annual Documentation" section of this communiqué, the taxpayers are required to fill out the "Transfer Pricing, Controlled Foreign Entities and Thin Capitalization" form for the purchase and sale of goods or services conducted with their related parties in a taxation period, attach these forms to their corporate tax returns and submit to the tax offices. Bank has filled out the related form and presented it to the tax Office.

**XIX. EXPLANATIONS ON BORROWING**

The funds borrowed are recorded at their purchase costs and discounted by using the effective interest rate method. In the financial statements enclosed, foreign currency borrowings are translated according to the Bank's period end counter buying exchange rate. Interest expenses of the current period regarding the borrowing amounts are recognised in the financial statements. The Bank has no marketable securities issued as of 31 March 2012 and 31 December 2011. The Bank has no issued convertible bonds as of 31 March 2012 and 31 December 2011.

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

**XX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES**

The Bank has no issued share certificates as of 31 March 2012 and 31 December 2011.

**XXI. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES**

Avalized drafts and acceptances are realized simultaneously with the customer payments and recorded in off-balance sheet accounts as possible debt and commitment.

**XXII. EXPLANATIONS ON GOVERNMENT GRANTS**

The Bank has no government grants as of 31 March 2012 and 31 December 2011.

**XXIII. EXPLANATIONS ON OPERATING SEGMENTS**

Segment reporting is presented in Note X of Section Four.

**XXIV. PROFIT RESERVES AND PROFIT APPROPRIATION**

Retained earnings as per the statutory financial statements other than legal reserves are available for distribution, subject to the legal reserve requirement referred to below.

Under the Turkish Commercial Code (“TCC”) the legal reserves are composed of first and second reserves. The TCC requires first reserves to be 5% of the profit until the total reserves is equal to 20% of issued and fully paid-in share capital. Second reserves are required to be 10% of all cash profit distributions that are in excess of 5% of the issued and fully paid-in share capital. However holding companies are exempt from this application. According to the Turkish Commercial Code, legal reserves can only be used to compensate accumulated losses and cannot be used for other purposes unless they exceed 50% of paid-in capital.

**XXV. EARNINGS PER SHARE**

Earnings per share disclosed in the income statement is calculated by dividing net profit for the year to the number of shares.

	<b>Current Period 31 March 2012</b>	<b>Prior Period 31 March 2011</b>
Net Profit for the Period	59.619	87.643
Number of Shares	65.229.000.000	65.229.000.000
<b>Earnings per Share (*)</b>	<b>0,000914</b>	<b>0,001344</b>

(\*) Amounts are expressed in full TL.

**XXVI. CASH AND CASH EQUIVALENTS**

For the purposes of the cash flow statement cash includes cash effectives, cash in transit, purchased cheques and demand deposits including balances with the Central Bank; and cash equivalents include interbank money market placements, reserve deposit average accounts, time deposits at banks and investments at marketable securities with original maturity periods of less than three months

**XXVII. RELATED PARTIES**

Parties stated in the article 49 of the Banking Law No. 5411, Bank’s senior management, and board members are deemed as related parties. Transactions with related parties are presented in Note VII of Section Five.

**XXVIII. RECLASSIFICATIONS**

There are no adjustments to the prior year financial statements other than reclassifications which have been made on comparative figures as of 31 December 2011, to conform to changes in presentation in the 31 March 2012 financials.

**XXIX. OTHER MATTERS**

As of 31 March 2012, TL 63.045 (31 December 2011: TL 40.013) of pre-paid taxes accounted under in “Current Tax Assets” are netted off with “Current Tax Liabilities”.



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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

**SECTION FOUR**

**INFORMATION RELATED TO FINANCIAL POSITION**

**I. EXPLANATIONS ON CAPITAL ADEQUACY RATIO**

a. As of 31 March 2012, the Bank's capital adequacy ratio is 15,48 % (31 December 2011: 16,14 %). This rate is above the minimum rate specified by the related regulation.

**b. Risk measurement methods for the calculation of the capital adequacy ratio:**

Capital Adequacy Standard Ratio is calculated in accordance with the "Communiqué on Measurement and Assessment of Capital Adequacy of Banks", which was published in the Official Gazette, dated 1 November 2006 and numbered 26333. Standard method is used for the calculation of market risk and basic indicator method is used for the calculation of operational risk.

**c. Information related to capital adequacy ratio:**

	31 March 2012					
	Risk Weights					
	% 0	% 20	% 50	% 100	% 150	% 200
<b>Amount Subject to Credit Risk</b>						
<b>Balance Sheet Items (Net)</b>	<b>5.254.586</b>	<b>1.625.366</b>	<b>3.027.752</b>	<b>10.076.639</b>	<b>503.666</b>	<b>726.447</b>
Cash	334.787	-	-	-	-	-
Matured Marketable Securities	-	-	-	-	-	-
The Central Bank of the Republic of Turkey	489.407	-	-	-	-	-
Domestic, Foreign Banks, Head Offices and Branches	-	1.390.541	-	96.232	-	-
Abroad	71.280	-	-	-	-	-
Interbank Money Market Placements	2.810.000	-	-	-	-	-
Receivables from Reverse Repo Transactions	1.166.134	-	-	-	-	-
Reserve Requirements	282.911	226.744	3.020.231	9.070.249	503.666	726.447
Loans (*)	-	-	-	173.669	-	-
Non-performing Receivables (Net)	-	-	-	3.000	-	-
Lease Receivables	-	-	-	-	-	-
Available-for-Sale Financial Assets (**)	-	-	-	-	-	-
Held-to-Maturity Investments	-	-	-	-	-	-
Receivables from Forward Sale of Assets	11.551	-	-	2.230	-	-
Miscellaneous Receivables	2.164	8.081	7.521	223.020	-	-
Interest and Income Accruals	-	-	-	35.023	-	-
Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships) (Net)	-	-	-	88.761	-	-
Tangible Assets	86.352	-	-	384.455	-	-
Other Assets	<b>26.681</b>	<b>1.464.172</b>	<b>33.123</b>	<b>4.245.520</b>	-	-
<b>Off-Balance Sheet Items</b>	<b>26.681</b>	<b>1.173.737</b>	<b>33.123</b>	<b>4.100.083</b>	-	-
Non-Cash Loans and Commitments	-	290.435	-	145.437	-	-
Derivative Financial Instruments	-	-	-	-	-	-
<b>Non-Risk Weighted Accounts</b>	-	-	-	-	-	-
<b>Total Risk Weighted Assets</b>	<b>5.281.267</b>	<b>3.089.538</b>	<b>3.060.875</b>	<b>14.322.159</b>	<b>503.666</b>	<b>726.447</b>

(\*) Loans consist of factoring receivables amounting to TL 182.822.

(\*\*) Equity investment in Kredi Garanti Fonu is composed of the securities representing a share in the capital and classified as available for sale financial assets.

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

**I. EXPLANATIONS ON CAPITAL ADEQUACY RATIO (Continued)**

	31 December 2011					
	Risk Weights					
	% 0	% 20	% 50	% 100	% 150	% 200
<b>Amount Subject to Credit Risk</b>						
<b>Balance Sheet Items (Net)</b>	<b>6.339.360</b>	<b>527.064</b>	<b>3.005.624</b>	<b>10.310.985</b>	<b>330.793</b>	<b>436.818</b>
Cash	284.008	12	-	-	-	-
Matured Marketable Securities	-	-	-	-	-	-
The Central Bank of the Republic of Turkey	418.338	-	-	-	-	-
Domestic, Foreign Banks, Head Offices and Branches	-	274.125	-	92.375	-	-
Abroad	-	-	-	-	-	-
Interbank Money Market Placements	-	-	-	-	-	-
Receivables from Reverse Repo Transactions	4.150.000	-	-	-	-	-
Reserve Requirements	1.097.212	-	-	-	-	-
Loans (*)	320.057	252.884	2.990.694	9.303.094	330.793	436.818
Non-performing Receivables (Net)	-	-	-	170.857	-	-
Lease Receivables	-	-	-	-	-	-
Available-for-Sale Financial Assets (**)	-	-	-	3.000	-	-
Held-to-Maturity Investments	-	-	-	-	-	-
Receivables from Forward Sale of Assets	-	-	-	-	-	-
Miscellaneous Receivables	12.487	-	-	2.086	-	-
Interest and Income Accruals	3.110	43	14.930	246.328	-	-
Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships) (Net)	-	-	-	35.023	-	-
Tangible Assets	-	-	-	94.623	-	-
Other Assets	54.148	-	-	363.599	-	-
<b>Off-Balance Sheet Items</b>	<b>25.522</b>	<b>645.515</b>	<b>29.932</b>	<b>3.713.243</b>	-	-
Non-Cash Loans and Commitments	25.522	442.370	29.932	3.652.712	-	-
Derivative Financial Instruments	-	203.145	-	60.531	-	-
<b>Non-Risk Weighted Accounts</b>	-	-	-	-	-	-
<b>Total Risk Weighted Assets</b>	<b>6.364.882</b>	<b>1.172.579</b>	<b>3.035.556</b>	<b>14.024.228</b>	<b>330.793</b>	<b>436.818</b>

(\*) Loans consist of factoring receivables amounting to TL 222.537

(\*\*) Equity investment in Kredi Garanti Fonu is composed of the securities representing a share in the capital and classified as available for sale financial assets.

**d. Summary information related to unconsolidated capital adequacy ratio:**

	Current Period 31 March 2012	Prior Period 31 December 2011
Credit Risk Base Amount (“CRBA”)	18.678.897	17.146.347
Market Risk Base Amount (“MRBA”)	631.825	684.538
Operational Risk Base Amount (“ORBA”)	2.742.956	2.808.350
<b>Shareholders’ Equity</b>	<b>3.414.910</b>	<b>3.330.548</b>
<b>Shareholders' Equity/(CRBA+MRBA+ORBA)*100</b>	<b>15,48</b>	<b>16,14</b>

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

**I. EXPLANATIONS ON CAPITAL ADEQUACY RATIO (Continued)**

**e. Information about shareholders' equity items:**

	<b>Current Period 31 March 2012</b>	<b>Prior Period 31 December 2011</b>
<b>CORE CAPITAL</b>		
Paid-in Capital	652.290	652.290
Nominal Capital	652.290	652.290
Capital Commitments (-)	-	-
Inflation Adjustment for Paid-in Capital	272.693	272.693
Share Premium	-	-
Share Cancellation Profits	-	-
Legal Reserves	175.911	161.966
1st Degree Legal Reserves (TCC 466/1)	130.467	116.522
2nd Degree Legal Reserves (TCC 466/2)	45.444	45.444
Legal Reserves per Special Legislations	-	-
Statutory Reserves		
Extraordinary Reserves	1.732.664	1.505.822
Reserves Allocated per General Assembly Minutes	1.700.049	1.505.822
Retained Earnings	32.615	-
Accumulated Loss	-	-
Foreign Currency Share Capital Exchange Difference	-	-
Inflation Adjustment for the Legal, Statutory and Extraordinary Reserves	-	-
Profit	59.619	240.787
Net Profit of the Period	59.619	240.787
Retained Earnings	-	-
Provisions for Possible Risks up to 25% of Core Capital	-	-
Profit on Disposal of Associates, Subsidiaries and Immovables to be Transferred to Share Capital	-	-
Primary Subordinated Loans up to 15% of Core Capital (*)	-	-
Uncovered Portion of Loss with Reserves (-)	-	-
Net Current Period Loss	-	-
Prior Period Loss	-	-
Leasehold Improvements (-) (**)	34.910	41.639
Prepaid Expenses (-) (***)	-	-
Intangible Assets (-)	91.997	89.712
Deferred Tax Asset Amount Exceeding 10% of Core Capital (-)	-	-
Limit Exceeding Amount Regarding the Third Clause of the Article 56 of the Law (-)	-	-
<b>Total Core Capital</b>	<b>2.766.270</b>	<b>2.702.207</b>

(\*) According to the "Amendment of the Regulation pertaining to the Equity of Banks" published in the official gazette no 27870 dated 10 March 2011, name of the line has been changed as "the primary subordinated loan which cannot exceed the limits listed in eight paragraph".

(\*\*) According to the amendment stated above, name of the "special cost" has been changed as "operating lease development cost".

(\*\*\*) In accordance with the regulation mentioned above, the practice of making "Prepaid Expenses" a discount item from the Core Capital has been cancelled.

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

**I. EXPLANATIONS ON CAPITAL ADEQUACY RATIO (Continued)**

	<b>Current Period 31 March 2012</b>	<b>Prior Period 31 December 2011</b>
<b>SUPPLEMENTARY CAPITAL</b>		
Provisions	199.111	184.137
45% of the Movables Revaluation Fund	-	-
45% of the Immovables Revaluation Fund	-	-
Bonus Shares of Investment in Associates, Subsidiaries and Joint Ventures	-	-
Primary Subordinated Loans That are not Considered in the Calculation of Core Capital	-	-
Secondary Subordinated Loans	460.630	483.423
45% Of Marketable Securities Valuation Fund	(10.451)	(38.457)
From Investments in Associates And Subsidiaries	-	-
From Available-for-Sale Financial Assets	(10.451)	(38.457)
Inflation Adjustment to Capital Reserve, Profit Reserve and Prior Years' Income or Loss (Except Inflation Adjustment to Legal Reserves, Status Reserves and Extraordinary Reserves)	-	-
<b>Total Supplementary Capital</b>	<b>649.290</b>	<b>629.103</b>
<b>TIER III CAPITAL</b>	<b>-</b>	<b>-</b>
<b>CAPITAL</b>	<b>3.415.560</b>	<b>3.331.310</b>
<b>DEDUCTIONS FROM THE CAPITAL</b>	<b>650</b>	<b>762</b>
Investments in Unconsolidated Financial Institutions (Domestic, Foreign) and Banks in which 10% or More Equity Interest Exercised	-	-
Investments in Financial Institutions (Domestic, Foreign) and Banks, in Which Less than 10% of Equity Interest is Exercised and That Exceeds the 10% And More of the Total Core and Supplementary Capital of the Bank	-	-
The Secondary Subordinated Loans Extended to Banks, Financial Institutions (Domestic or Foreign) or Significant Shareholders of the Bank and the Debt Instruments That Have Primary or Secondary Subordinated Loan Nature Purchased from Them	-	-
Loans Extended as Contradictory to the Articles 50 And 51 of The Law	170	250
Excess of 50% of the Bank's Immovables' Total Net Book Value and Net Book Value of Immovables Obtained Against Bank's Receivables that Must be Disposed According to Article 57 of the Banking Law which Could not be Disposed Although Five Years Have Passed Since the Acquisition Date	163	165
Other	317	347
<b>Total Shareholders' Equity</b>	<b>3.414.910</b>	<b>3.330.548</b>

More than 10 % of the marketable security portfolio of the Bank is composed of the available for sale marketable securities. The Bank calculates market risk for its available for sale marketable securities.

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

---

**II. EXPLANATIONS ON CREDIT RISK**

- a. In credit risks there is no specific limitations for a specific geographical region. However the Bank is attentive to keep sectoral concentration of customers in a reasonable limit and not to work with customers in all its banking operations according to HSBC Group standards and regulation that are in international black lists.

According to HSBC Group standards, in all banking transactions approval and control mechanisms and systematical limit and risk control mechanisms are available. In assigning loan limits, extending credit, derivative and other future delivery derivative transactions are conducted depending to management's authorization, approval and control processes. Customer's and bank's treasury department staff based monitoring is conducted on determining daily risk limits and risk allocations with risk concentrations regarding the balance sheet and off-balance transactions conducted. Product based risk parameters are considered when allocating limits for the derivative products.

- b. When evaluated together with the financial operations of other financial institutions as an active participant in international banking market and when it is considered that a significant portion of the loan portfolio of the Bank consists of retail loans, it is thought that there is no significant level of loan risk concentration.
- c. The Bank provided a general provision amounting to TL 199.111 (31 December 2011: TL 184.137).

**III. EXPLANATIONS ON MARKET RISK**

- a. **Whether the Bank within the financial risk management objectives hedges itself against market risk, the precautions taken by the Board of Directors for market risk, the methods used for measuring market risk and time intervals for measurement of market risk:**

The Bank applies advanced methods of its group in order to manage and control the market risk. For risk measurement and limit determination, Value at Risk approach with historical simulation method is being used. For the portfolios that are subject to market risk, product and portfolio based on monthly and daily maximum loss limits regarding the interest rate, currency and stock certificate price risks, Value at Risk limits, prompt limits and size limits are applied. The usage of limits are monitored through various control points within a day and reported to the top management. Risk monitoring and control activities are conducted by independent units.

Sensitivity to variability in the interest rates of the assets and liabilities which are sensitive to interest rates are analyzed by "Present Value Basis Point" method and interest risks are managed accordingly with related limits.

Beside controlling market risk, in regard to monitoring and managing the market risk, product and portfolio based yield curve scenarios, stress scenarios, liquidity, gap and volatility analysis are conducted. Through these analysis, it is aimed to be prepared and making fast decisions in regard to the targeted profitability and potential risks.

Conducted analysis, limit usage and controls are discussed and necessary decisions are made in the weekly Asset-Liability Committee meetings.

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

**III. EXPLANATIONS ON MARKET RISK (Continued)**

**b. Information on Market Risk:**

	<b>31 March 2012 Balance</b>
(I) Capital to be Employed for General Market Risk - Standard Method	29.399
(II) Capital to be Employed for Specific Risk - Standard Method	702
(III) Capital to be Employed for Currency Risk - Standard Method	20.392
(IV) Capital to be Employed for Commodity Risk - Standard Method	-
(V) Capital to be Employed for Exchange Risk - Standard Method	-
(VI) Capital to be Employed for Market Risk Due to Options - Standard Method	53
(VII) Total Capital to be Employed for Market Risk for Banks Applying Risk Measurement Model	-
(VIII) Total Capital to be Employed for Market Risk (I+II+III+IV+V+VI)	50.546
<b>(IX) Amount Subject to Market Risk (12,5xVIII) or (12,5xVII)</b>	<b>631.825</b>

	<b>31 December 2011 Balance</b>
(I) Capital to be Employed for General Market Risk - Standard Method	50.343
(II) Capital to be Employed for Specific Risk - Standard Method	751
(III) Capital to be Employed for Currency Risk - Standard Method	3.641
(IV) Capital to be Employed for Commodity Risk - Standard Method	-
(V) Capital to be Employed for Exchange Risk - Standard Method	-
(VI) Capital to be Employed for Market Risk Due to Options - Standard Method	28
(VII) Total Capital to be Employed for Market Risk for Banks Applying Risk Measurement Model	-
(VIII) Total Capital to be Employed for Market Risk (I+II+III+IV+V+VI)	54.763
<b>(IX) Amount Subject to Market Risk (12,5xVIII) or (12,5xVII)</b>	<b>684.538</b>

**c. Average market risk table related to unconsolidated market risk calculated by the end of month in current period:**

The disclosure is not required to be presented in interim review report.

**IV. EXPLANATIONS ON OPERATIONAL RISK**

The Bank is monitoring operational risks through area of activity basis and generating a loss database. Reporting mechanism regarding the operational risks has been generated and business units have adopted the loss reporting concept where the losses realised or fixed when noticed. Therefore, key risk indicators are generated and new control points about the processes can be determined.

Within Basel II including the operational risk to the capital adequacy standard ratio calculation table has been initiated as of 30 June 2007 and the “Basic indicator method” is used in the operational risk calculation of the Bank. The amount subject to the operational risk is calculated through the use of the gross income of the Bank in 2011, 2010, and 2009 in accordance to the “Calculation of the Operational Risk” applicable from 1 June 2007, which is the 4th part of the “Regulation Regarding Measurement and Evaluation of the Bank’s Capital Adequacy Ratio” published in the Official Gazette No.26333 dated 1 November 2006. In the scope of “Capital adequacy ratio” stated in Note I of this section, amount subjected to operational risk is TL 2.742.956 represented risk weighted assets for operational risk and 8% of that amount is TL 219.436 represented related capital requirement

The Bank is planning to apply the standard method which is based on activity profitability in calculation of the operational risks. Beside this, operational loss database which will also allow to apply advanced method in the future in recording operational losses is used in accordance with Basel II criterias.

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

**V. EXPLANATIONS ON CURRENCY RISK**

- a. Whether the Bank is exposed to foreign currency risk, whether the effects of this matter are estimated, whether limits for the daily followed positions are determined by the Board of Directors::**

In foreign currency management, the Bank, makes tiny distinctions and generally attentive to not taking long position when organizing the currency risk. In organizing foreign currency positions the Bank acts in accordance with both the legal limitations and the limitations determined by the board of the directors.

- b. Hedge against foreign exchange debt instruments and net foreign exchange investments by hedging derivative instruments, if material:**

The Bank, as a general principle is not carrying its foreign currency position, but equilibrating foreign currency positions with derivative products. Foreign exchange bid rate of important foreign currencies are indicated in the table below.

- c. Management policy for foreign currency risk:**

Policy of the foreign currency risk management is explained in the first paragraph.

- d. Current foreign exchange bid rates of the Bank for the last five business days prior to the financial statement date:**

The Bank’s foreign exchange bid rates for US Dollar, Euro and JPY as of the date of the financial statements and for the last five days prior to that date are presented below:

<b>Current Period - 31 March 2012</b>	<b>USD (\$)</b>	<b>Euro (€)</b>	<b>JPY</b>
<b>Balance Sheet Date</b>			
Bank Evaluation Rate	1,78200	2,37906	0,02168
Counter Bid Rate	1,75700	2,33930	0,02109
<b>Before Balance Sheet Date</b>			
1. Day Bid Rate	1,76050	2,33920	0,02134
2. Day Bid Rate	1,75950	2,33680	0,02116
3. Day Bid Rate	1,76300	2,34460	0,02108
4. Day Bid Rate	1,76200	2,34800	0,02110
5. Day Bid Rate	1,77550	2,35020	0,02143
<b>Prior Period - 31 December 2011</b>			
<b>Balance Sheet Date</b>			
Bank Evaluation Rate	1,88200	2,43427	0,02432
Counter Bid Rate	1,85700	2,40050	0,02397
<b>Before Balance Sheet Date</b>			
1. Day Bid Rate	1,89250	2,44510	0,02420
2. Day Bid Rate	1,89500	2,43920	0,02416
3. Day Bid Rate	1,87000	2,43830	0,02388
4. Day Bid Rate	1,87000	2,43620	0,02383
5. Day Bid Rate	1,87500	2,44520	0,02390

- e. The simple arithmetic average of the Bank’s foreign exchange bid rates for the last thirty days preceding the balance sheet date for major foreign currencies:**

The Bank’s simple arithmetic average foreign exchange rates for US Dollar is 1,78958 (31 December 2011: TL 1,86732) exchange rates for Euro is TL 2,36360 (31 December 2011: TL 2,46126) and exchange rates for JPY is TL 0,02171 (31 December 2011: TL 0,02399) are for March 2012.

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

**V. EXPLANATIONS ON CURRENCY RISK (Continued)**

**f. Information related to Bank's Currency Risk: (Thousand TL)**

<b>Current Period-31 March 2012</b>	<b>Euro</b>	<b>USD</b>	<b>JPY</b>	<b>Other FC</b>	<b>Total</b>
<b>Assets</b>					
Cash Equivalents and Central Bank	32.808	1.299.059	228	267.567	1.599.662
Banks	74.750	329.775	26	29.734	434.285
Financial Assets at Fair Value through Profit or Loss (Net)	14.702	15.532	-	78	30.312
Interbank Money Market Placements	-	71.379	-	-	71.379
Available-for-sale Financial Assets (Net)	-	-	-	-	-
Loans (*)	1.186.278	2.422.723	2.426	34.843	3.646.270
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-	-
Held-to-maturity Investments (Net)	-	-	-	-	-
Hedging Derivative Financial Assets	-	-	-	-	-
Tangible Assets (Net)	-	-	-	-	-
Intangible Assets (Net)	-	-	-	-	-
Other Assets (**)	4.721	12.501	7	926	18.155
<b>Total assets</b>	<b>1.313.259</b>	<b>4.150.973</b>	<b>2.687</b>	<b>333.148</b>	<b>5.800.067</b>
<b>Liabilities</b>					
Bank Deposits	12	77.097	-	35	77.144
Foreign Currency Deposits	1.508.729	3.137.299	25.994	876.035	5.548.057
Funds from Interbank Money Market	-	-	-	-	-
Borrowings	848.881	3.905.159	-	414	4.754.454
Issued Marketable Securities (Net)	-	-	-	-	-
Miscellaneous Payables	406	4.253	-	66	4.725
Hedging Derivative Financial Liabilities	-	-	-	-	-
Other Liabilities	15.052	52.923	45	15.156	83.176
<b>Total Liabilities</b>	<b>2.373.080</b>	<b>7.176.731</b>	<b>26.039</b>	<b>891.706</b>	<b>10.467.556</b>
<b>Net on Balance Sheet Position</b>	<b>(1.059.821)</b>	<b>(3.025.758)</b>	<b>(23.352)</b>	<b>(558.558)</b>	<b>(4.667.489)</b>
<b>Net Off-Balance Sheet Position</b>					
<b>Net Off-Balance Sheet Position</b>	<b>1.054.833</b>	<b>3.205.272</b>	<b>46.877</b>	<b>602.316</b>	<b>4.909.298</b>
Financial Derivative Assets	2.736.420	7.813.309	47.029	1.011.646	11.608.404
Financial Derivative Liabilities	1.681.587	4.608.037	152	409.330	6.699.106
Non-cash Loans	322.647	2.025.380	33.011	54.751	2.435.789
<b>Prior Period - 31 December 2010</b>					
Total Assets	1.314.118	4.593.992	5.858	299.032	6.213.000
Total Liabilities	2.636.474	6.016.553	23.546	878.470	9.555.043
Net on-Balance Sheet Position	<b>(1.322.356)</b>	<b>(1.422.561)</b>	<b>(17.688)</b>	<b>(579.438)</b>	<b>(3.342.043)</b>
Net off-Balance Sheet Position	<b>1.396.503</b>	<b>1.384.180</b>	<b>17.800</b>	<b>574.716</b>	<b>3.373.199</b>
Financial Derivative Assets	2.167.832	4.935.618	17.800	686.911	7.808.161
Financial Derivative Liabilities	771.329	3.551.438	-	112.195	4.434.962
Non-cash Loans	280.604	2.152.222	37.272	40.546	2.510.644

(\*) Loans consists of foreign indexed loans amounting to TL 1.078.202 (31 December 2011: 1.181.045) and foreign factoring receivables amounting to TL 8.724 (31 December 2011: 17.891) as of 31 March 2012.

(\*\*) Other assets does not consist of prepaid expenses amounting to TL 4 (31 December 2011: 4) as of 31 March 2012.

(\*\*\*) Shareholder's Equity dose not consist of valuation differences of securities TL 4.912 (31 December 2011: 1.615) as of 31 March 2012.



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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

**V. EXPLANATIONS ON CURRENCY RISK (Continued)**

Fair value of foreign currency buy transactions amounting to TL 17.997 (31 December 2011: TL 24.799) classified under derivative financial assets held for trading and fair value of currency sell transactions amounting to TL 33.640 (31 December 2011: TL 57.413) classified under derivative financial liabilities held for trading are not included on balance sheet position since notional amount of these transactions are included in off balance sheet positions.

As of 31 March 2012 and 31 December 2011, if bank's foreign currency position had depreciated by 10% against TL with all other variables held constant, the changes in profit before tax and equity mainly as a result of foreign exchange losses are disclosed as following:

	Current Period		Prior Period	
	Income Statement	Equity (*)	Income Statement	Özkaynak (*)
US Dollar	17.951	17.951	(3.778)	(3.838)
Euro	(499)	(499)	7.415	7.415
Other	6.728	6.728	(461)	(461)
<b>Total</b>	<b>24.180</b>	<b>24.180</b>	<b>3.176</b>	<b>3.116</b>

(\*) The effect of equity also includes the effect of income statement.

As of 31 March 2012 and 31 December 2011, as a result of 10 % appreciation of TL currency against other foreign currencies with all other variables held constant, the changes in the assets and liabilities have occurred in accordance with the table above but effects will be reverse.

**VI. EXPLANATIONS ON INTEREST RATE RISK**

**a. Interest rate sensitivity of assets, liabilities and off-balance sheet items:**

As a result of the obligation of funding long term assets with very short term deposits which is the structural risk of banking sector, there are gaps sensitive to interest in short terms. For the interest risks generated by the assets and liabilities which are sensitive to interest, derivative instruments are used and interest rate futures and swap transactions are conducted in order to decrease on balance and off balance interest rate risks. Under the deposit base modeling assumptions, interest risk sensitivity of balance sheet is continually tested through stress scenarios.

**b. The expected effects of fluctuations in the market interest rates on the Bank's financial positions and cash-flows, interest income expectations, limitations on daily interest rates determined by the board of directors of the Bank:**

The Bank applies "Net Present Value Basis Point" method in the interest rate risk management. This method is used for foreign currency and time based measuring of interest rate risk sensitivity of the balance sheet. As a result of this method foreign currency and time based interest variation limits are determined and approved by the Board of Directors of the Bank. Compliance to limits are monitored, reported and compliance to limits are provided by independent units. The Bank also calculates the Value at Risk of its all assets and liabilities which are sensitive to interest rate, through profit variability and determines the maximum loss limits.

**c. Taken precautions of the Bank in consequence of interest rate risks faced in the current year and expected effects on the net income and equity in the next period:**

The Bank, in the current period, effectively used derivative instruments considering the benefit cost analysis, and decreased the risks of global and local fluctuations in order to manage interest rate and early payment risks of the mortgage loans and other long term loans.

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

**VI. EXPLANATIONS ON INTEREST RATE RISK (Continued)**

**d. Interest rate sensitivity of assets, liabilities and off-balance sheet items based on repricing dates:**

<b>Current Period - 31 March 2012</b>	<b>Up to 1 Month</b>	<b>1 - 3 Months</b>	<b>3 - 12 Months</b>	<b>1 - 5 Years</b>	<b>5 Years and Over</b>	<b>Non Interest Bearing</b>	<b>Total</b>
<b>Assets</b>							
Cash Equivalents and Central Bank Banks	-	-	-	-	-	1.990.328	1.990.328
Financial Assets at Fair Value Through Profit or Loss (Net)	1.293.376	38.533	48.738	-	-	116.796	1.497.443
Interbank Money Market Placements Available-for-sale Financial Assets (Net)	513.229	29.685	446.407	36.306	28.087	-	1.053.714
Loans (*)	2.883.274	-	-	-	-	-	2.883.274
Held-to-maturity Investments (Net)	320.005	147.587	1.441.759	4.062	-	3.000	1.916.413
Other Assets	4.500.874	1.305.949	3.982.983	3.259.187	1.002.221	173.669	14.224.883
<b>Total Assets</b>	<b>9.510.758</b>	<b>1.521.754</b>	<b>5.919.887</b>	<b>3.299.555</b>	<b>1.030.308</b>	<b>2.963.515</b>	<b>24.245.777</b>
<b>Liabilities</b>							
Bank Deposits	79.965	17.242	10.413	-	-	136.572	244.192
Other deposits	2.263.519	5.738.217	3.176.693	164.457	-	2.588.564	13.931.450
Funds from Interbank Money Market	266.218	-	-	-	-	-	266.218
Miscellaneous Payables	-	-	-	-	-	501.625	501.625
Issued Marketable Securities (Net)	-	-	-	-	-	-	-
Borrowings	2.804.714	786.812	1.368.100	480.467	219.410	-	5.659.503
Other Liabilities (**)	44.738	36.939	25.723	2.622	4.086	3.528.681	3.642.789
<b>Total Liabilities</b>	<b>5.459.154</b>	<b>6.579.210</b>	<b>4.580.929</b>	<b>647.546</b>	<b>223.496</b>	<b>6.755.442</b>	<b>24.245.777</b>
Balance Sheet Long Position	4.051.604	-	1.338.958	2.652.009	806.812	-	8.849.383
Balance Sheet Short Position	-	(5.057.456)	-	-	-	(3.791.927)	(8.849.383)
Off Balance Sheet Long Position	124.947	900.171	-	44.627	-	-	1.069.745
Off Balance Sheet Short Position	-	-	(1.040.699)	-	-	-	(1.040.699)
<b>Total Position</b>	<b>4.176.551</b>	<b>(4.157.285)</b>	<b>298.259</b>	<b>2.696.636</b>	<b>806.812</b>	<b>(3.791.927)</b>	<b>29.046</b>

(\*) Loans consist of factoring transactions amounting to TL 184.364.

(\*\*) Shareholders' equity is presented under "Other liabilities" item in "Non interest bearing".

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

**VI. EXPLANATIONS ON INTEREST RATE RISK (Continued)**

<b>Prior Period - 31 December 2011</b>	<b>Up to 1 Month</b>	<b>1 - 3 Months</b>	<b>3 - 12 Months</b>	<b>1 - 5 Years</b>	<b>5 Years and Over</b>	<b>Non Interest Bearing</b>	<b>Total</b>
<b>Assets</b>							
Cash Equivalents and Central Bank	-	-	-	-	-	1.799.569	1.799.569
Banks	195.108	-	-	-	-	171.437	366.545
Financial Assets at Fair Value Through Profit or Loss (Net)	112.982	53.464	97.679	79.735	12.384	-	356.244
Interbank Money Market Placements	4.152.681	-	-	-	-	-	4.152.681
Available-for-sale Financial Assets (Net)	970.633	942.626	816.146	3.895	-	3.000	2.736.300
Loans (*)	3.865.867	1.663.136	4.335.153	3.132.260	888.927	170.857	14.056.200
Held-to-maturity Investments (Net)	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	664.402	664.402
<b>Total Assets</b>	<b>9.297.271</b>	<b>2.659.226</b>	<b>5.248.978</b>	<b>3.215.890</b>	<b>901.311</b>	<b>2.809.265</b>	<b>24.131.941</b>
<b>Liabilities</b>							
Bank Deposits	191.710	6.315	23.084	-	-	154.294	375.403
Other deposits	2.421.490	6.008.392	1.744.563	184.235	-	2.512.698	12.871.378
Funds from Interbank Money Market	889.994	-	-	-	-	-	889.994
Miscellaneous Payables	-	-	-	-	-	480.691	480.691
Issued Marketable Securities (Net)	-	-	-	-	-	-	-
Borrowings	3.268.592	757.578	1.750.353	510	211.119	-	5.988.152
Other Liabilities (**)	54.738	15.643	44.028	3.650	-	3.408.264	3.526.323
<b>Total Liabilities</b>	<b>6.826.524</b>	<b>6.787.928</b>	<b>3.562.028</b>	<b>188.395</b>	<b>211.119</b>	<b>6.555.947</b>	<b>24.131.941</b>
Balance Sheet Long Position	2.470.747	-	1.686.950	3.027.495	690.192	-	7.875.384
Balance Sheet Short Position	-	(4.128.702)	-	-	-	(3.746.682)	(7.875.384)
Off Balance Sheet Long Position	-	321.623	-	53.589	318.434	-	693.646
Off Balance Sheet Short Position	(113.771)	-	(656.947)	-	-	-	(770.718)
<b>Total Position</b>	<b>2.356.976</b>	<b>(3.807.079)</b>	<b>1.030.003</b>	<b>3.081.084</b>	<b>1.008.626</b>	<b>(3.746.682)</b>	<b>(77.072)</b>

(\*) Loans consist of factoring receivables amounting to TL 222.971.

(\*\*) Shareholders' equity is presented under "Other liabilities" item in "Non interest bearing".

**e. Effective average interest rates for monetary financial instruments:**

<b>Current Period - 31 March 2012</b>	<b>Euro</b>	<b>US Dollar</b>	<b>Yen</b>	<b>TL</b>
<b>Assets</b>				
Cash Equivalents and Central Bank	-	-	-	-
Banks	0,85	0,10	-	9,17
Financial Assets at Fair Value Through Profit or Loss (Net)	5,48	6,64	-	9,35
Interbank Money Market Placements	-	2,00	-	10,82
Available-for-Sale Financial Assets (Net)	-	-	-	9,28
Loans	5,80	4,86	6,33	12,91
Held-to-Maturity Investments (Net)	-	-	-	-
<b>Liabilities</b>				
Bank Deposits	-	0,51	-	9,12
Other Deposits	2,59	3,10	2,00	10,15
Funds From Interbank Money Market	-	-	-	5,75
Miscellaneous Payables	-	-	-	-
Issued Marketable Securities (Net)	-	-	-	-
Borrowings	3,24	1,07	-	12,09

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

**VI. EXPLANATIONS ON INTEREST RATE RISK (Continued)**

<b>Prior Period - 31 December 2011</b>	<b>Euro</b>	<b>US Dollar</b>	<b>JPY</b>	<b>TL</b>
<b>Assets</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Cash Equivalents and Central Bank	-	-	-	-
Banks	-	0,52	-	12,09
Financial Assets at Fair Value Through Profit or Loss (Net)	5,50	7,42	-	10,67
Interbank Money Market Placements	-	-	-	11,79
Available-for-Sale Financial Assets (Net)	-	2,48	-	9,86
Loans	5,91	4,48	4,72	12,72
Held-to-Maturity Investments (Net)	-	-	-	-
<b>Liabilities</b>				
Bank Deposits	0,74	0,55	-	8,01
Other Deposits	2,83	2,58	2,00	9,76
Funds From Interbank Money Market	-	-	-	6,49
Miscellaneous Payables	-	-	-	-
Issued Marketable Securities (Net)	-	-	-	-
Borrowings	2,74	1,35	-	11,67

**VII. EXPLANATIONS ON LIQUIDITY RISK**

- a. Basis for the current liquidity risk of the Bank and the necessary measures taken, limitations imposed by the Bank's Board of Directors on fund sources that can be used in payment of matured debts and can meet the immediate liquidity need:**

Liquidity risk is managed through considering factors such as, cash flows expected at the relevant period of time, credit quality of the assets in the balance sheet, deposit extensity/quality and various loss possibilities. As a principle, conservative liquidity reserve is maintained.

For various liquidity crisis scenarios, liquidity crisis management methods are standed by.

- b. Consistency of payments with the assets and liabilities and the interest rates, and the probable effects of the actual inconsistency on profitability:**

Since the Bank is pricing its liabilities faster than its assets, the Bank is positively affected from the decreases in the general rate of interests and negatively affected from increases in the general rate of interests. These effects are managed in determined limits.

- c. Internal and external sources for short and long-term liquidity needs of the Bank, unused significant liquidity sources:**

The Bank acts conservative on foreign currency liquidity management and in order to meet liquidity needs completely, maintains adequate reserves. When uncertainty in the markets increases the conservativeness level increases as well. For using in various crisis scenarios the Bank maintains its borrowing potential and examining its borrowing potential from both domestic and abroad financial institutions.

- d. Evaluation of amount and sources of the Bank's cash flows:**

As mentioned above, the Bank has sufficient cash and cash inflow to supply its cash outflow literally and on time.

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

**VII. EXPLANATIONS ON LIQUIDITY RISK (Continued)**

**e. Breakdown of assets and liabilities according to their outstanding maturities:**

<b>Current Period - 31 March 2012</b>	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1 - 3 Months</b>	<b>3 - 12 Months</b>	<b>1 - 5 Years</b>	<b>5 Years Unallocated and Over</b>	<b>Unallocated (* )</b>	<b>Total</b>
<b>Assets</b>								
Cash Equivalents and Central Bank	824.194	1.166.134	-	-	-	-	-	1.990.328
Banks	116.796	1.293.376	38.533	48.738	-	-	-	1.497.443
Financial Assets at Fair Value through Profit or Loss (Net)	-	509.912	29.685	446.533	39.497	28.087	-	1.053.714
Interbank Money Market Placements	-	2.883.274	-	-	-	-	-	2.883.274
Available-for-sale Financial Assets (Net)	3.000	-	-	1.159.433	708.981	44.999	-	1.916.413
Loans (*)	-	3.952.675	2.043.531	2.538.956	4.312.478	1.203.574	173.669	14.224.883
Held-to-maturity Investments (Net)	-	-	-	-	-	-	-	-
Other Assets (**)	-	264.120	63.045	251	18.377	-	333.929	679.722
<b>Total Assets</b>	<b>943.990</b>	<b>10.069.491</b>	<b>2.174.794</b>	<b>4.193.911</b>	<b>5.079.333</b>	<b>1.276.660</b>	<b>507.598</b>	<b>24.245.777</b>
<b>Liabilities</b>								
Bank Deposits	136.572	79.965	17.242	10.413	-	-	-	244.192
Other Deposits	2.588.564	2.263.519	5.738.217	3.176.693	164.457	-	-	13.931.450
Borrowings	-	2.245.378	358.702	1.738.563	1.097.450	219.410	-	5.659.503
Funds from Interbank Money Market	-	266.218	-	-	-	-	-	266.218
Issued Marketable Securities (Net)	-	-	-	-	-	-	-	-
Miscellaneous Payables	-	248.814	113.832	134.586	4.393	-	-	501.625
Other Liabilities (***)	-	43.225	41.238	199.683	247.004	4.084	3.107.555	3.642.789
<b>Total Liabilities</b>	<b>2.725.136</b>	<b>5.147.119</b>	<b>6.269.231</b>	<b>5.259.938</b>	<b>1.513.304</b>	<b>223.494</b>	<b>3.107.555</b>	<b>24.245.777</b>
<b>Net Liquidity Gap</b>	<b>(1.781.146)</b>	<b>4.922.372</b>	<b>(4.094.437)</b>	<b>(1.066.027)</b>	<b>3.566.029</b>	<b>1.053.166</b>	<b>(2.599.957)</b>	<b>-</b>
<b>Prior Period - 31 December 2011</b>								
Total Assets	876.794	10.017.416	2.759.621	3.454.235	5.387.584	1.136.324	499.967	24.131.941
Total Liabilities	2.666.992	6.254.789	6.272.293	3.948.131	1.771.422	216.010	3.002.304	24.131.941
<b>Net Liquidity Gap</b>	<b>(1.790.198)</b>	<b>3.762.627</b>	<b>(3.512.672)</b>	<b>(493.896)</b>	<b>3.616.162</b>	<b>920.314</b>	<b>(2.502.337)</b>	<b>-</b>

(\*) Loans consist of factoring receivables amounting to TL 184.364 (31 December 2011: TL 222.971) as 31 March 2012.

(\*\*) Assets that are necessary for banking activities and that cannot be liquidated in the short-term, such as fixed and intangible assets, investments, subsidiaries, stationery, pre-paid expenses and loans under follow-up, are classified in this column.

(\*\*\*) Shareholders' Equity is presented under "Other Liabilities" item in the "Unallocated" column.

**VIII. EXPLANATIONS ON THE PRESENTATION OF FINANCIAL ASSETS AND LIABILITIES AT THEIR FAIR VALUES**

Presentation of this disclosure is not required in interim review report

**IX. EXPLANATIONS ON THE ACTIVITIES CARRIED OUT ON BEHALF AND ACCOUNT OF OTHER PERSONS**

Presentation of this disclosure is not required in interim review report.

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

**X. EXPLANATIONS ON OPERATING SEGMENTS**

The Bank operates in retail banking, corporate and investment banking, treasury and capital markets.

In the retail banking segment, the Bank provides debit card, credit card, deposits, consumer loan, payment and collection, premier customer services, custodian services, financial planning, insurance products services. In corporate and commercial banking segment, the Bank provides loans, commercial card, foreign trade financing, structured trading financing, project and export financing, syndications, custodian services, cash and risk management services. In the corporate and investment banking segment, the Bank provides loan and investment services, commercial card, insurance products, cash and risk management services to its customers. Also the Bank provides marketable securities transactions, gold and foreign exchange transactions, derivative transactions and money market transactions services to its customers.

	Retail Banking	Corporate and Investment Banking	Treasury and Capital Markets	Other	Bank's Total Activities
<b>Current Period - 31 March 2012</b>					
Operating Income	234.051	128.248	39.432	-	401.731
Other	-	-	-	-	-
<b>Operating Income</b>	<b>234.051</b>	<b>128.248</b>	<b>39.432</b>	<b>-</b>	<b>401.731</b>
Segment Net Profit	-	-	-	-	-
Undistributed Cost	-	-	-	-	-
Operating Profit	4.871	45.870	24.105	-	74.846
<b>Profit before Tax</b>	<b>4.871</b>	<b>45.870</b>	<b>24.105</b>	<b>-</b>	<b>74.846</b>
Corporate Tax Provision (*)	-	-	-	(15.227)	(15.227)
<b>Profit after Tax</b>	<b>4.871</b>	<b>45.870</b>	<b>24.105</b>	<b>(15.227)</b>	<b>59.619</b>
Minority Interest	-	-	-	-	-
<b>Net Profit for the Period</b>	<b>4.871</b>	<b>45.870</b>	<b>24.105</b>	<b>(15.227)</b>	<b>59.619</b>
Segment Assets	7.496.699	7.219.194	8.946.650	548.211	24.210.754
Investments in Associates	-	-	34.753	270	35.023
Undistributed Assets	-	-	-	-	-
<b>Total Assets</b>	<b>7.496.699</b>	<b>7.219.194</b>	<b>8.981.403</b>	<b>548.481</b>	<b>24.245.777</b>
Segment Liabilities	9.495.526	5.243.382	6.469.851	3.037.018	24.245.777
Undistributed Liabilities	-	-	-	-	-
<b>Total Liabilities</b>	<b>9.495.526</b>	<b>5.243.382</b>	<b>6.469.851</b>	<b>3.037.018</b>	<b>24.245.777</b>
<b>Other Segment Items</b>	<b>(163.649)</b>	<b>(3.563)</b>	<b>(613)</b>	<b>(677)</b>	<b>(168.502)</b>
Capital Investment	-	-	-	-	-
Amortization	(11.918)	(3.563)	(482)	(633)	(16.596)
Impairment	-	-	(131)	(44)	(175)
Non-cash Other Income-Expense	(151.731)	-	-	-	(151.731)
Restructuring Costs	-	-	-	-	-

(\*) Corporate tax provision is not distributed.

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

**X. EXPLANATIONS ON OPERATING SEGMENTS (Continued)**

	Retail Banking	Corporate and Investment Banking	Treasury and Capital Markets	Other	Bank's Total Activities
<b>Prior Period - 31 December 2011</b>					
Operating Income	236.940	88.575	86.909	-	412.424
Other	-	-	-	-	-
<b>Operating Income</b>	<b>236.940</b>	<b>88.575</b>	<b>86.909</b>	<b>-</b>	<b>412.424</b>
Segment Net Profit	-	-	-	-	-
Undistributed Cost	-	-	-	-	-
Operating Profit	17.612	29.886	58.855	-	106.353
<b>Profit before Tax</b>	<b>17.612</b>	<b>29.886</b>	<b>58.855</b>	<b>-</b>	<b>106.353</b>
Corporate Tax Provision (*)	-	-	-	(18.710)	(18.710)
<b>Profit after Tax</b>	<b>17.612</b>	<b>29.886</b>	<b>58.855</b>	<b>(18.710)</b>	<b>87.643</b>
Minority Interest	-	-	-	-	-
<b>Net Profit for the Period</b>	<b>17.612</b>	<b>29.886</b>	<b>58.855</b>	<b>(18.710)</b>	<b>87.643</b>
Segment Assets	7.334.236	7.935.392	8.827.290	-	24.096.918
Investments in Associates	-	-	34.753	270	35.023
Undistributed Assets	-	-	-	-	-
<b>Total Assets</b>	<b>7.334.236</b>	<b>7.935.392</b>	<b>8.862.043</b>	<b>270</b>	<b>24.131.941</b>
Segment Liabilities	12.357.494	4.484.348	7.290.099	-	24.131.941
Undistributed Liabilities	-	-	-	-	-
<b>Total Liabilities</b>	<b>12.357.494</b>	<b>4.484.348</b>	<b>7.290.099</b>	<b>-</b>	<b>24.131.941</b>
<b>Other Segment Items</b>	<b>(239.897)</b>	<b>(4.768)</b>	<b>(12.363)</b>	<b>18</b>	<b>(257.010)</b>
Capital Investment	-	-	-	-	-
Amortization	(13.856)	(4.768)	(488)	-	(19.112)
Impairment	-	-	(11.875)	18	(11.857)
Non-cash Other Income-Expense	(226.041)	-	-	-	(226.041)
Restructuring Costs	-	-	-	-	-

(\*) Corporate tax provision is not distributed.

(\*\*) Items of income and expense are expressed amounts of 31 March 2011.

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

**SECTION FIVE**

**INFORMATION AND DISCLOSURES RELATED TO UNCONSOLIDATED  
FINANCIAL STATEMENTS**

**I. EXPLANATIONS AND NOTES TO THE ASSETS**

**1. Information related to cash equivalents and the account of the Central Bank of the Republic of Turkey (the “CBRT”):**

**1. Information on cash equivalents and the account of the CBRT:**

	Current Period 31 March 2012		Prior Period 31 December 2011	
	TL	FC	TL	FC
Cash/Foreign Currency	185.735	90.461	172.437	95.618
The CBRT	204.931	1.450.610	160.475	1.355.074
Other	-	58.591	-	15.965
<b>Total</b>	<b>390.666</b>	<b>1.599.662</b>	<b>332.912</b>	<b>1.466.657</b>

(\*) Account of precious metal amounting to TL 58.591 (31 December 2011: TL 15.953) as of 31 March 2012.

**2. Information related to the account of the CBRT:**

	Current Period 31 March 2012		Prior Period 31 December 2011	
	TL	FC	TL	FC
Demand Unrestricted Account	204.931	284.476	160.475	257.862
Time Unrestricted Account	-	-	-	-
Time Restricted Account	-	-	-	-
Reserve Requirement	-	1.166.134	-	1.097.212
<b>Total</b>	<b>204.931</b>	<b>1.450.610</b>	<b>160.475</b>	<b>1.355.074</b>

**3. Explanation on reserve requirements:**

Banks that are performing their operations in Turkey are subject to the Central Bank of the Republic of Turkey’s Communiqué numbered 2005/1 “Required Reserves” and have to establish required reserve in the CBRT for its Turkish Lira and foreign currency liabilities according to ratios that are given below.

**3 (i) For Turkish Lira liabilities:**

- For demand deposits, notice deposits and private current account 11%,
- For time deposit accounts up to 1-month maturity (including 1-month) 11%,
- For time deposit accounts up to 3-months maturity (including 3-months) 11%,
- For time deposit accounts up to 6-months maturity (including 6-months) 8%,
- For time deposit accounts up to 1-year 6%,
- For time deposit/participation accounts with 1-year and longer maturity 5%,
- For liabilities other than deposits up to 1-year 11%, up to 3-years 8%, longer than 3-years 5%.

**3(ii). For foreign currency liabilities:**

- For demand deposits, notice deposits, foreign currency private current accounts, foreign currency deposits up to 1-month, up to 3-months, up to 6-months and up to 1-year 11%,
- For foreign currency/participation foreign currency accounts with 1-year and longer 9%,
- For foreign currency other liabilities up to 1-year (including 1-year) 11%,
- For foreign currency other liabilities up to 3-years (including 3-years) 9%,
- For foreign currency other liabilities with longer than 3-years 6%.



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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

**I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)**

**2. Information on financial assets at fair value through profit or loss:**

**1. Financial assets blocked as collateral or subject to repurchase agreements :**

The Bank has no financial assets at fair value through profit or loss as collateral/blocked as of 31 March 2012 and 31 December 2011.

The Bank has no financial assets at fair value through profit or loss subject to repurchase agreement as of 31 March 2012 and 31 December 2011.

The Bank has financial assets at fair value through profit or loss in unrestricted account amounting to TL 940.041 as of 31 March 2012. (31 December 2011: TL 188.296).

**2. Positive differences table related to trading derivative financial assets:**

	Current Period 31 March 2012		Prior Period 31 December 2011	
	TL	FC	TL	FC
Forward Transactions	20.711	5.178	13.644	3.031
Swap Transactions	60.879	14.888	117.483	22.877
Futures Transactions	-	311	-	311
Options	-	11.706	-	10.602
Other	-	-	-	-
<b>Total</b>	<b>81.590</b>	<b>32.083</b>	<b>131.127</b>	<b>36.821</b>

**3. Information on banks:**

**1. Information on banks and other financial institutions:**

	Current Period 31 March 2012		Prior Period 31 December 2011	
	TL	FC	TL	FC
<b>Banks</b>	<b>1.063.158</b>	<b>434.285</b>	<b>97.216</b>	<b>269.329</b>
Domestic	1.007.643	63.031	60.088	134.581
Foreign	55.515	371.254	37.128	134.748
Foreign Head Office and Branches	-	-	-	-
<b>Total</b>	<b>1.063.158</b>	<b>434.285</b>	<b>97.216</b>	<b>269.329</b>

**2. Information on foreign banks account:**

Presentation of this disclosure is not required in interim review report.

**4. Information on available for sale financial assets, net values:**

**1. Financial assets blocked as collateral or subject to repurchase agreements:**

The Bank has financial assets at fair value through profit or loss as collateral/blocked amounting to 1.645.960 as of 31 March 2012 (31 December 2011: TL 1.763.915).

The Bank has financial assets at fair value through profit or loss subject to repurchase agreement amounting to TL 267.453 as of 31 March 2012 (31 December 2011: TL 921.839) .

The Bank has no financial assets at fair value through profit or loss in unrestricted account as of 31 March 2012 (31 December 2011: TL 47.546).

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

**I. EXPLANATIONS AND NOTES TO THE ASSETS (Continued)**

**2. Information on available-for-sale financial assets:**

	Current Period 31 March 2012	Prior Period 31 December 2011
<b>Debt Securities</b>	<b>1.917.141</b>	<b>2.769.032</b>
Quoted to Stock Exchange	1.917.141	2.769.032
Not Quoted	-	-
<b>Share Certificate</b>	<b>3.000</b>	<b>3.000</b>
Quoted to Stock Exchange	-	-
Not Quoted (*)	3.000	3.000
<b>Impairment Provision (-)</b>	<b>3.728</b>	<b>35.732</b>
<b>Total</b>	<b>1.916.413</b>	<b>2.736.300</b>

(\*) Equity investment in Kredi Garanti Fonu is security representing a share in capital and classified in available for sale financial assets.

**5. Information related to loans:**

**1. Information on all types of loans and advances given to shareholders and employees of the Bank :**

	Current Period 31 March 2012		Prior Period 31 December 2011	
	Cash	Non Cash	Cash	Non Cash
<b>Direct Loans Granted to Shareholders</b>	<b>85</b>	<b>17.395</b>	<b>1.352</b>	<b>15.984</b>
Corporate Shareholders	85	17.395	1.352	15.984
Real Person Shareholders	-	-	-	-
<b>Indirect Loans Granted to Shareholders</b>	<b>4.231</b>	<b>1.694.102</b>	<b>7.509</b>	<b>471.991</b>
<b>Loans Granted to Employees</b>	<b>29.257</b>	<b>-</b>	<b>30.587</b>	<b>-</b>
<b>Total</b>	<b>33.573</b>	<b>1.711.497</b>	<b>39.448</b>	<b>487.975</b>

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

**I. EXPLANATIONS AND NOTES TO THE ASSETS (Continued)**

**2. Information on the first and second group loans and other receivables including loans that have been restructured or rescheduled:**

	Standard Loans and Other Receivables		Loans and Other Receivables under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
<b>Non-specialized Loans</b>	<b>13.023.869</b>	<b>522.509</b>	<b>464.560</b>	<b>40.276</b>
Discount And Purchase Notes	78.547	138.641	13.064	425
Export Loans	567.566	67	27.329	-
Import Loans	-	-	-	-
Loans Granted to Financial Sector	271.363	-	-	-
International Loans	223.620	25.361	1.954	-
Consumer Loans (Including Overdraft Loans)	3.560.906	86.730	71.257	1.295
Credit Cards	3.078.541	-	44.099	-
Precious Metals Loans	12.913	-	-	-
Other (*)	5.230.413	271.710	306.857	38.556
<b>Specialized Loans</b>	-	-	-	-
<b>Other Receivables</b>	-	-	-	-
<b>Total</b>	<b>13.023.869</b>	<b>522.509</b>	<b>464.560</b>	<b>40.276</b>

(\*) Consist of factoring receivables amounting to TL 184.364.

**3. Breakdown of loans according to their maturities:**

Presentation of this disclosure is not required in interim review report.

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

**I. EXPLANATIONS AND NOTES TO THE ASSETS (Continued)**

**4. Information on consumer loans, personal credit cards, personnel loans and personnel credit cards:**

	Short-term	Medium and Long-term	Total
<b>Consumer Loans-TL</b>	<b>54.763</b>	<b>3.411.995</b>	<b>3.466.758</b>
Mortgage Loans	511	1.559.763	1.560.274
Automotive Loans	553	41.961	42.514
Consumer Loans	53.699	1.810.271	1.863.970
Other	-	-	-
<b>Consumer Loans- Indexed to FC</b>	<b>-</b>	<b>38.315</b>	<b>38.315</b>
Mortgage Loans	-	35.584	35.584
Automotive Loans	-	10	10
Consumer Loans	-	2.721	2.721
Other	-	-	-
<b>Consumer Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Individual Credit Cards-TL</b>	<b>3.071.999</b>	<b>-</b>	<b>3.071.999</b>
With Installment	1.363.725	-	1.363.725
Without Installment	1.708.274	-	1.708.274
<b>Individual Credit Cards-FC</b>	<b>7.404</b>	<b>-</b>	<b>7.404</b>
With Installment	-	-	-
Without Installment	7.404	-	7.404
<b>Personnel Loans-TL</b>	<b>1.051</b>	<b>19.210</b>	<b>20.261</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	1.051	19.210	20.261
Other	-	-	-
<b>Personnel Loans- Indexed to FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Personnel Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Personnel Credit Cards-TL</b>	<b>8.974</b>	<b>-</b>	<b>8.974</b>
With Installment	4.687	-	4.687
Without Installment	4.287	-	4.287
<b>Personnel Credit Cards-FC</b>	<b>22</b>	<b>-</b>	<b>22</b>
With Installment	-	-	-
Without Installment	22	-	22
<b>Credit Deposit Account-TL (Real Person)</b>	<b>194.854</b>	<b>-</b>	<b>194.854</b>
<b>Credit Deposit Account-FC (Real Person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Consumer Loans</b>	<b>3.339.067</b>	<b>3.469.520</b>	<b>6.808.587</b>

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

**I. EXPLANATIONS AND NOTES TO THE ASSETS (Continued)**

**5. Information on commercial installment loans and corporate credit cards:**

	<b>Short-term</b>	<b>Medium and Long-term</b>	<b>Total</b>
<b>Commercial Installment Loans-TL</b>	<b>100.802</b>	<b>768.256</b>	<b>869.058</b>
Mortgage Loans	-	12.051	12.051
Automotive Loans	2.527	41.890	44.417
Consumer Loans	98.249	714.315	812.564
Other	26	-	26
<b>Commercial Installment Loans- Indexed to FC</b>	<b>9.247</b>	<b>248.751</b>	<b>257.998</b>
Mortgage Loans	-	3.564	3.564
Automotive Loans	616	7.402	8.018
Consumer Loans	8.631	237.785	246.416
Other	-	-	-
<b>Commercial Installment Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mortgage Loans	-	-	-
Automotive loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Corporate Credit Cards-TL</b>	<b>33.901</b>	<b>-</b>	<b>33.901</b>
With Installment	11.399	-	11.399
Without Installment	22.502	-	22.502
<b>Corporate Credit Cards-FC</b>	<b>340</b>	<b>-</b>	<b>340</b>
With Installment	-	-	-
Without Installment	340	-	340
<b>Credited Deposit Account-TL (Legal Person)</b>	<b>139.517</b>	<b>-</b>	<b>139.517</b>
<b>Credited Deposit Account-FC (Legal person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>283.807</b>	<b>1.017.007</b>	<b>1.300.814</b>

**6. Loans according to types of borrowers:**

Presentation of this disclosure is not required in interim review report.

**7. Distribution of domestic and foreign loans: Loans are classified according to the locations of the:**

	<b>Current Period 31 March 2012</b>	<b>Prior Period 31 December 2011</b>
Domestic Loans	13.800.279	13.637.038
Foreign Loans	250.935	248.305
<b>Total</b>	<b>14.051.214</b>	<b>13.885.343</b>

(\*) Consists of factoring receivables amounting to TL 184.364 (31 December 2011: TL 222.971).

**8. Loans granted to investments in associates and subsidiaries:**

	<b>Current Period 31 March 2012</b>	<b>Prior Period 31 December 2011</b>
Direct Loans Granted to Investments in Associates and Subsidiaries	29	12
Indirect Loans Granted to Investments in Associates and Subsidiaries	-	-
<b>Total</b>	<b>29</b>	<b>12</b>

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

**I. EXPLANATIONS AND NOTES TO THE ASSETS (Continued)**

**9. Specific provisions accounted for loans:**

	<b>Current Period</b>	<b>Prior Period</b>
	<b>31 March 2012</b>	<b>31 December 2011</b>
Loans and Receivables with Limited Collectability	24.256	18.998
Loans and Receivables with Doubtful Collectability	51.711	41.565
Uncollectible Loans and Receivables	399.483	376.148
<b>Total</b>	<b>475.450</b>	<b>436.711</b>

**10. Information on non-performing loans (Net):**

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

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and Other</b>	<b>Loans and Other</b>	<b>Uncollectible</b>
	<b>Receivables with</b>	<b>Receivables with</b>	<b>Loans and</b>
	<b>Limited</b>	<b>Doubtful</b>	<b>Other</b>
	<b>Collectability</b>	<b>Collectability</b>	<b>Receivables</b>
<b>Current Period: 31 March 2012</b>	<b>3.211</b>	<b>10.779</b>	<b>18.120</b>
<b>(Gross Amounts Before Specific Provisions)</b>			
Restructured Loans and Other Receivables	3.209	8.527	10.654
Rescheduled Loans and Other Receivables	2	2.252	7.466
<b>Prior Period: 31 December 2011</b>	<b>269</b>	<b>11.201</b>	<b>16.862</b>
<b>(Gross Amounts Before Specific Provisions)</b>			
Restructured Loans and Other Receivables	267	8.932	14.237
Rescheduled Loans and Other Receivables	2	2.269	2.625

**10(ii). Information on the movement of total non-performing loans:**

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and Other</b>	<b>Loans and Other</b>	<b>Uncollectible</b>
	<b>Receivables with</b>	<b>Receivables with</b>	<b>Loans and</b>
	<b>Limited</b>	<b>Doubtful</b>	<b>Other</b>
	<b>Collectability</b>	<b>Collectability</b>	<b>Receivables</b>
<b>Prior Period End Balance: 31 December 2011</b>	<b>79.264</b>	<b>83.752</b>	<b>444.552</b>
Additions (+)	77.177	101	3.184
Transfers from Other Categories of Non-Performing Loans (+)	416	54.305	37.659
Transfers to Other Categories of Non-Performing Loans (-)	57.203	34.672	505
Collections (-)	12.041	7.306	18.917
Write-offs (-)	-	-	647
Corporate and Commercial Loans	-	-	-
Retail Loans	-	-	403
Credit Cards	-	-	244
Other	-	-	-
<b>Balance at the End of the Period: 31 March 2012</b>	<b>87.613</b>	<b>96.180</b>	<b>465.326</b>
Specific Provisions (-)	24.256	51.711	399.483
<b>Net Balance on Balance Sheet</b>	<b>63.357</b>	<b>44.469</b>	<b>65.843</b>

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

**I. EXPLANATIONS AND NOTES TO THE ASSETS (Continued)**

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

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and Other Receivables with Limited Collectability</b>	<b>Loans and Other Receivables with Doubtful Collectability</b>	<b>Uncollectible Loans and Other Receivables</b>
<b>Current Period: 31 March 2012</b>			
Balance at the End of the Period	-	-	14.498
Specific Provisions (-)	-	-	14.498
<b>Net Balance on Balance Sheet</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Prior Period: 31 December 2011</b>			
Balance at the End of the Period	-	33	14.427
Specific Provisions (-)	-	33	13.693
<b>Net Balance on Balance Sheet</b>	<b>-</b>	<b>-</b>	<b>734</b>

**10(iv). Breakdown of non-performing loans according to their gross and net values:**

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and Other Receivables with Limited Collectability</b>	<b>Loans and Other Receivables with Doubtful Collectability</b>	<b>Uncollectible Loans and Other Receivables</b>
<b>Current Period (Net): 31 March 2012</b>			
Loans granted to corporate entities and real persons (Gross)	<b>63.357</b>	<b>44.469</b>	<b>65.843</b>
Specific Provisions Amount(-)	87.613	96.180	453.583
Loans granted to corporate entities and real persons (Net)	24.256	51.711	387.740
Banks (Gross)	63.357	44.469	65.843
Specific Provisions Amount (-)	-	-	11.743
Banks (Net)	-	-	11.743
Other Loans and Advances (Gross)	-	-	-
Specific Provisions Amount (-)	-	-	-
Other Loans and Advances (Net)	-	-	-
<b>Prior Period (Net): 31 December 2011</b>			
Loans granted to corporate entities and real persons (Gross)	<b>60.266</b>	<b>42.187</b>	<b>68.404</b>
Specific Provisions Amount(-)	79.264	83.752	432.809
Loans granted to corporate entities and real persons (Net)	18.998	41.565	364.405
Banks (Gross)	60.266	42.187	68.404
Specific Provisions Amount (-)	-	-	11.743
Banks (Net)	-	-	11.743
Other Loans and Advances (Gross)	-	-	-
Specific Provisions Amount (-)	-	-	-
Other Loans and Advances (Net)	-	-	-

**11. Information on the collection policy of non-performing loans and other receivables:**

The Bank tries to agree with the customers whose loans have the characteristics of bed debt. In case of disagreement, the receivables are classified as non-performing loan in according to legal regulation that is determined by Board of Directors.

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

**I. EXPLANATIONS AND NOTES TO THE ASSETS (Continued))**

**12. Information on the write-off policy of the Bank:**

Write-off policy of the Bank for receivables under follow up is to retire the receivables from assets in case of verification of the inability of collection through the legal follow-up process.

**f. Held-to-maturity Investments:**

**1. Information on financial assets subject to repurchase agreements and those given as collateral/blocked:**

The Bank has no held to maturity investments as collateral/blocked and subject to repurchase agreements as of 31 March 2012 and 31 December 2011.

**2. Information on Held-to-maturity government debt securities:**

The Bank has no held to maturity investments as government debt securities as of 31 March 2012 and 31 December 2011.

**3. Information on Held-to-maturity Investments:**

The Bank has no held to maturity investments as of 31 March 2012 and 31 December 2011.

**4. The movement of investment securities Held-to-maturity:**

The Bank has no movement of held to maturity investments as of 31 March 2012 and 31 December 2011.

**g. Information on investments in associates (Net):**

The Bank has no investments in associates as of 31 March 2012 and 31 December 2011.

**h. Information on subsidiaries (Net):**

**1. Information on unconsolidated subsidiaries:**

**a) Unconsolidated subsidiaries:**

<b>Title</b>	<b>Address (City / Country)</b>	<b>Bank's share percentage - If different voting percentage (%)</b>	<b>Bank's risk group share percentage (%)</b>
1 HSBC Ödeme Sistemleri ve Bilgisayar Teknolojileri Basın Yayın ve Müşteri Hizmetleri A.Ş.	Esentepe Mahallesi Büyükdere Caddesi No:128 Şişli 34394, İSTANBUL	100,00	-
2 HSBC İnternet ve Telekomunikasyon Hizmetleri A.Ş.	Esentepe Mahallesi Büyükdere Caddesi No:128 Şişli 34394, İSTANBUL	96,00	4,00



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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

**I. EXPLANATIONS AND NOTES TO THE ASSETS (Continued)**

**b) Main financial figures of subsidiaries, in the order of the above table (\*):**

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit / Loss	Prior Period Profit / Loss (**)	Fair Value
1	4.250	4.094	138	43	-	319	350	-
2	86	88	-	1	-	(4)	3	-

(\*) Prepared with unaudited financial statements.

(\*\*) The prior period balances present amounts of 31 March 2011.

**2. Information on consolidated subsidiaries:**

HSBC Yatırım was established as Demir Yatırım in 23 December 1996. The merger of the Demir Yatırım and HSBC Yatırım was determined and merger agreement was signed, with the Board of Directors decision No. 222 and dated 6 December 2001 based on the authority given to the Board of Directors in accordance with General Assembly decision dated 30 October 2001. Also dissolution of HSBC Yatırım and modification of the new merged company to HSBC Yatırım Menkul Değerler A.Ş. was determined and merger of these two companies was accomplished as of 11 January 2002.

**a) Consolidated subsidiaries:**

Title	Address (City / Country)	Bank's share percentage - If different voting percentage (%)	Bank's risk group share percentage (%)
1 HSBC Yatırım ve Menkul Değerler A.Ş.	Esentepe Mahallesi Büyükdere Caddesi No:128 Şişli 34394, İSTANBUL	99,87	0,13

**b) Main financial figures of subsidiaries, in the order of the above table (\*):**

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Prior Period Profit / Loss (**)	Fair Value	Total Assets
1	83.515	72.678	28	2.686	2.307	2.947	4.322	-

(\*) Prepared with unaudited financial statements

(\*\*) The prior period balances present amounts of 31 March 2011.

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

**I. EXPLANATIONS AND NOTES TO THE ASSETS (Continued)**

**3. Movement schedule of consolidated subsidiaries:**

	<b>Current Period</b>	<b>Prior Period</b>
	<b>31 March 2012</b>	<b>31 December 2011</b>
<b>Balance at the Beginning of the Period</b>	<b>34.753</b>	<b>34.753</b>
<b>Movements During the Period</b>	<b>-</b>	<b>-</b>
Purchases	-	-
Bonus Shares and Contributions to Capital	-	-
Dividends From Current Year Income	-	-
Sales/Liquidation	-	-
Revaluation Increase	-	-
Increase /decrease of valuation	-	-
<b>Balance at the End of the Period</b>	<b>34.753</b>	<b>34.753</b>
<b>Capital Commitments</b>	<b>-</b>	<b>-</b>
<b>Share Percentage at the End of the Period (%)</b>	<b>99,87</b>	<b>99,87</b>

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

	<b>Current Period</b>	<b>Prior Period</b>
	<b>31 March 2012</b>	<b>31 December 2011</b>
<b>Subsidiaries</b>		
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Subsidiaries	34.753	34.753

**5. Subsidiaries quoted on a stock exchange:**

The Bank has no subsidiaries quoted on a stock exchange as of 31 March 2012 and 31 December 2011.

**i. Information on joint ventures:**

- The Bank has no joint ventures as of 31 March 2012 and 31 December 2011.
- The accounting method of joint ventures is not determined since The Bank has no subsidiaries quoted on a stock exchange as of 31 March 2012 and 31 December 2011.

**j. Information on leasing receivables (Net):**

The Bank has no leasing receivables as of 31 March 2012 and 31 December 2011.

**k. Information on hedging derivative financial assets:**

The Bank has no hedging derivative financial assets as of 31 March 2012 and 31 December 2011.

**l. Explanations on property and equipment:**

Presentation of this disclosure is not required in interim review report.

**m. Information on intangible assets:**

Presentation of this disclosure is not required in interim review report.

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

---

**I. EXPLANATIONS AND NOTES TO THE ASSETS (Continued)**

**n. Information on the investment properties**

The Bank has no investment properties as of 31 March 2012 and 31 December 2011.

**o. Information on deferred tax asset:**

As of 31 March 2012 deferred tax asset of the Bank is TL 18.161 (31 December 2011: None). Amount of deferred tax which is calculated on the temporary differences arising between applicable accounting policies and valuation principles and tax legislation, has been accounted in the financial statements as net deferred tax assets.

There are no temporary deductions which were not subject to deferred tax assets and accounted balance sheet.

There is no impairment provision for deferred tax.

**p. Information on property and equipment held for sale and related to discontinued operations:**

As of 31 March 2012 property and equipment held for sale of the Bank is TL 8.095 (31 December 2011: TL 7.801).

**r. Information on other assets:**

1. There are no further explanations of the Bank related to prepaid expenses, tax and other operations.

2. Other assets of the balance sheet consist of debited suspense accounts amounting to TL 306.616 (31 December 2011: TL 62.521), prepaid expenses amounting to TL 7.325 (31 December 2011: TL 10.933), other rediscount income amounting to TL 13.781 (31 December 2011: TL 14.573), miscellaneous receivables amounting to TL 5.146 (31 December 2011: TL 5.363).

**s. Information on receivables from forward sale of the assets classified in the miscellaneous receivables:**

The Bank has no receivables from forward sale of the assets classified in the miscellaneous receivables as of 31 March 2012 and 31 December 2011.

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

**II. EXPLANATIONS AND NOTES TO THE LIABILITIES**

**a. Information on deposits:**

**1. Information on maturity structure of the deposits:**

There are no deposits with 7 days notification and accumulative deposits.

**1(i). Current Period - 31 March 2012:**

	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1 - 3 Months</b>	<b>3 - 6 Months</b>	<b>6 Months -1 Year</b>	<b>1 Year and Over</b>	<b>Total</b>
Saving Deposits	483.705	129.547	2.823.122	1.529.577	146.875	55.692	5.168.518
Foreign Currency Deposits	1.315.254	959.261	2.319.472	310.582	204.565	105.354	5.214.488
Residents in Turkey	1.136.021	926.325	1.991.350	231.313	110.972	56.883	4.452.864
Residents Abroad	179.233	32.936	328.122	79.269	93.593	48.471	761.624
Public Sector Deposits	53.312	40	339	1.000	-	-	54.691
Commercial Deposits	392.895	1.146.176	285.335	772.429	6.955	1.878	2.605.668
Other Institutions Deposits	9.829	28.496	309.947	195.596	9.114	1.534	554.516
Gold Vault	333.569	-	-	-	-	-	333.569
Bank Deposits	136.572	79.968	-	-	4.310	23.342	244.192
The CBRT	-	-	-	-	-	-	-
Domestic Banks	102.884	79.968	-	-	4.310	23.342	210.504
Foreign Banks	33.688	-	-	-	-	-	33.688
Participation Banks	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total</b>	<b>2.725.136</b>	<b>2.343.488</b>	<b>5.738.215</b>	<b>2.809.184</b>	<b>371.819</b>	<b>187.800</b>	<b>14.175.642</b>

**1(ii). Prior Period - 31 December 2011:**

	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1 - 3 Months</b>	<b>3 - 6 Months</b>	<b>6 Months -1 Year</b>	<b>1 Year and Over</b>	<b>Total</b>
Saving Deposits	437.609	230.524	3.552.853	906.433	135.144	53.095	5.315.658
Foreign Currency Deposits	1.272.687	881.857	1.976.294	243.713	207.846	129.316	4.711.713
Residents in Turkey	1.100.424	858.288	1.634.409	185.001	114.529	70.533	3.963.184
Residents Abroad	172.263	23.569	341.885	58.712	93.317	58.783	748.529
Public Sector Deposits	21.877	40	330	-	136	-	22.383
Commercial Deposits	447.304	1.282.759	380.415	157.918	21.880	1.824	2.292.100
Other Institutions Deposits	12.352	26.310	98.500	35.499	35.993	1	208.655
Gold Vault	320.869	-	-	-	-	-	320.869
Bank Deposits	154.294	191.710	-	-	10.535	18.864	375.403
The CBRT	-	-	-	-	-	-	-
Domestic Banks	112.883	190.548	-	-	10.535	18.864	332.830
Foreign Banks	41.411	1.162	-	-	-	-	42.573
Participation Banks	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total</b>	<b>2.666.992</b>	<b>2.613.200</b>	<b>6.008.392</b>	<b>1.343.563</b>	<b>411.534</b>	<b>203.100</b>	<b>13.246.781</b>

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

**II. EXPLANATIONS AND NOTES TO THE LIABILITIES (Continued)**

**2. Information on saving deposits insurance:**

**2(i). Information on saving deposits under the guarantee of the saving deposits insurance fund and amounts exceeding the limit of the deposit insurance fund:**

	Under the Guarantee of Deposit Insurance		Exceeding the Limit of Deposit Insurance	
	Current Period 31 March 2012	Prior Period 31 December 2011	Current Period 31 March 2012	Prior Period 31 December 2011
Saving Deposits	2.215.237	2.227.202	2.750.655	2.889.431
Foreign Currency Saving Deposits	845.954	777.308	2.634.132	2.201.175
Other Deposits in the Form of Saving Deposits	27.792	23.312	232.139	224.914
Foreign Branches' Deposits under Foreign Authorities' Insurance	172.483	172.814	207.644	192.922
Off-Shore Banking Regions' Deposits under Foreign Authorities' Insurance	-	-	-	-
<b>Total</b>	<b>3.261.466</b>	<b>3.200.636</b>	<b>5.824.570</b>	<b>5.508.442</b>

**2(ii).** Since the head office of the Bank is not in abroad, saving deposit in Turkey is not under the guarantee of the saving deposits insurance.

**2(iii). Saving deposits of real persons which are not under the guarantee of saving deposit insurance fund:**

	Current Period 31 March 2012	Prior Period 31 December 2011
Foreign Branches' Deposits and other accounts	207.644	192.922
Saving Deposits and Other Accounts of Controlling Shareholders and Deposits of their Mother, Father, Spouse, Children in care	-	-
Saving Deposits and Other Accounts of President and Members of Board of Directors, CEO and Vice Presidents and Deposits of their Mother, Father, Spouse, Children in care	5.073	5.373
Saving Deposits and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in Article 282 of Turkish Criminal Law No:5237 dated 26.09.2004	-	-
Saving Deposits in Deposit Bank Which Established in Turkey in Order to Engage in Off-shore Banking Activities Solely	-	-

**b. Information on trading derivative financial liabilities:**

**Table of negative differences for trading derivative financial liabilities:**

	Current Period 31 March 2012		Prior Period 31 December 2011	
	TL	FC	TL	FC
Forward Transactions	10.370	5.837	10.044	15.141
Swap Transactions	60.621	24.972	41.968	40.528
Future Transactions	-	300	-	103
Options	-	12.008	-	10.275
Other	-	-	-	-
<b>Total</b>	<b>70.991</b>	<b>43.117</b>	<b>52.012</b>	<b>66.047</b>

**c. Information on repurchase agreements:**

The Bank has repurchase agreements amounting to TL 266.218 as of 31 March 2012 (31 December 2011: TL 889.994).

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

**II. EXPLANATIONS AND NOTES TO THE LIABILITIES (Continued)**

**d. Information on borrowings:**

**1. Information on banks and other financial institutions:**

	Current Period 31 March 2012		Prior Period 31 December 2011	
	TL	FC	TL	FC
Borrowings from the CBRT	-	-	-	-
From Domestic Bank and Institutions	13.994	8.934	10.631	6.537
From Foreign Banks, Institutions and Funds	891.055	4.247.777	1.703.097	3.750.071
<b>Total</b>	<b>905.049</b>	<b>4.256.711</b>	<b>1.713.728</b>	<b>3.756.608</b>

**2. Information on maturity structure of borrowings:**

	Current Period 31 March 2012		Prior Period 31 December 2011	
	TL	FC	TL	FC
Short-term	13.787	2.453.361	847.789	3.057.575
Medium and Long-term	891.262	1.803.350	865.939	699.033
<b>Total</b>	<b>905.049</b>	<b>4.256.711</b>	<b>1.713.728</b>	<b>3.756.608</b>

**3. Further information is disclosed for the areas of liability concentrations:**

The Bank has diversified its funding resources with customer deposits and borrowing from foreign markets.

**e. Information on other liabilities:**

Other liabilities of the Bank do not exceed 10% of the total liabilities

**f. Information on financial leasing agreements:**

The Bank has no payable for financial leasing.

	Current Period 31 March 2012		Prior Period 31 December 2011	
	Gross	Net	Gross	Net
Less Than 1 Year	-	-	1	1
Between 1-4 Years	-	-	-	-
More Than 4 Years	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>

The Bank makes a contract which is operating lease agreement for its some branches and ATMs. Lease agreements are made on an annual basis and annual lease payment is paid in advance. In accordance with that payment is accounted under prepaid expenses of "Other Assets" account. The Bank has no liabilities from operating lease agreements.

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

**II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued)**

**g. Information on derivative financial liabilities for hedging purposes:**

The Bank has no derivative financial liabilities for hedging purposes as of 31 March 2012 and 31 December 2011.

**1. Negative differences on derivative financial liabilities for hedging purposes:**

None.

**h. Information on provisions::**

**1. Information on general provisions:**

	<b>Current Period 31 March 2012</b>	<b>Prior Period 31 December 2011</b>
<b>General Provisions</b>	<b>199.111</b>	<b>184.137</b>
Provisions for Group I. Loans and Receivables	158.573	148.482
Provisions for Group II. Loans and Receivables	13.141	13.036
Provisions for Non-cash Loans	17.762	15.738
Other	9.635	6.881

Information regarding the number of change in payment plan and the extended payment period as per the amendment to the Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables and Provisions to be Set Aside dated 28 May 2011:

**1 (i). Loans and other receivables classified under Group I which have been made changes in payment plan:**

<b>Current Period 31 March 2012</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 Years And Over</b>		<b>Total</b>
Number of the loans change in payment plan	291	58	751	5.174	83		<b>6.357</b>
Risk Amount	6.921	12.679	237.380	257.508	8.021		<b>522.509</b>

<b>Prior Period 31 December 2011</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 Years And Over</b>		<b>Total</b>
Number of the loans change in payment plan	194	77	691	1.453	37		<b>2.452</b>
Risk Amount	5.922	62.565	430.682	187.887	9.330		<b>696.386</b>

**1 (ii). Loans and other receivables classified under Group II which have been made changes in payment plan:**

<b>Current Period 31 March 2012</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 Years And Over</b>		<b>Total</b>
Number of the loans change in payment plan	-	-	21	200	2		<b>223</b>
Risk Amount	-	-	2.983	29.936	7.357		<b>40.276</b>

<b>Prior Period 31 December 2011</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 Years And Over</b>		<b>Total</b>
Number of the loans change in payment plan	1	-	31	119	3		<b>154</b>
Risk Amount	12	-	26.183	20.768	2.747		<b>49.710</b>

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

**II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued)**

**2. Information on provisions related to foreign currency difference of foreign indexed loans:**

As of 31 March 2012, the provision related to foreign currency difference of foreign currency indexed loans, which amounts to TL 12.708 (31 December 2011: TL 3.048), which is offset with the balance of foreign currency indexed loans in these financial statements.

**3. Information on specific provisions for non-cash loans that are non-funded and non-transformed into cash:**

Provision for non-cash loans that are non-funded and non-transformed into cash as of 31 March 2012 is amounting to TL 8.595 (31 December 2011: TL 7.627).

**4. Information on other provisions:**

**4 (i). Information on general provisions for possible risks**

The Bank has no general provisions for possible risks as of 31 March 2012 and 31 December 2011.

**4 (ii). The names and amounts of sub-accounts of other provision under the condition of other provision exceeds 10% of total provision:**

Provision for accumulated credit card bonus amounting to TL 14.354 (31 December 2011: TL 14.344), provisions for checks under follow-up amounting to TL 4.196 (31 December 2011: TL 4.196), specific provision for non-cash loans that are non-funded and non-transformed into cash amounting to TL 8.595 (31 December 2011: TL 7.627) and other provision amounting to TL 13.421 (31 December 2011: TL 12.653) are classified under other provisions.

**i. Explanations on tax liability:**

**1. Explanations on current tax liability:**

The tax calculation of the Bank is explained in Note XVIII of Section Three.

**1(i). Information on taxes payable:**

	<b>Current Period 31 March 2012</b>	<b>Prior Period 31 December 2011</b>
Corporate Taxes Payable	17.617	-
Taxation on Marketable Securities	11.368	12.349
Property Tax	1.202	1.046
Banking Insurance Transaction Tax (BITT)	10.276	11.601
Foreign Exchange Transaction Tax	12	15
Value Added Tax Payable	245	1.379
Other (*)	14.281	9.506
<b>Total</b>	<b>55.001</b>	<b>35.896</b>

(\*) Consists of payroll tax amounting to TL 11.322 (31 December 2011: TL 7.758), self-employed income tax amounting to TL 196 (31 December 2011: TL 194), stamp tax amounting to TL 387 (31 December 2011: TL 514) and other taxes amounting to TL 2.376 (31 December 2011: TL 1.040) as of 31 March 2012.



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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

**II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued)**

**1(ii). Information on premium payables:**

	<b>Current Period</b>	<b>Prior Period</b>
	<b>31 March 2012</b>	<b>31 December 2011</b>
Social Security Premiums - Employee	3.306	2.844
Social Security Premiums - Employer	3.463	2.985
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	246	224
Unemployment Insurance - Employer	485	429
Other	-	-
<b>Total</b>	<b>7.500</b>	<b>6.482</b>

**2. Information on deferred tax liability:**

The Bank has no deferred tax liability as of 31 March 2012 (31 December 2011: TL 257). Amount of deferred tax which is calculated on the temporary differences arising between applicable accounting policies and valuation principles and tax legislation, has been accounted in the financial statements as net deferred tax assets.

**j. Information on liabilities for property and equipment held for sale purpose and held from terminated operations:**

The Bank has no liabilities for property and equipment held for sale purpose and held from terminated operations as of 31 March 2012 and 31 December 2011.

**k. Explanations on the number, maturity, interest rate, provider organization of subordinated loans used by the Bank and if exists option for convertible to shares:**

Presentation of this disclosure is not required in interim review report.

**l. Information on shareholder's equity:**

**1. Presentation of paid-in capital:**

	<b>Current Period</b>	<b>Prior Period</b>
	<b>31 March 2012</b>	<b>31 December 2011</b>
Common Stock Provision	-	-
Preferred Stock Provision	652.290	652.290

Amount of paid-in capital has presented in notional amount. The Bank has TL 272.693 capital reserve due to adjustment of the paid-in capital for inflation as of 31 March 2012.

According to the statement published by BRSA dated 28 April 2005, capital reserve due to adjustment of the paid-in capital for inflation amounting to TL 272.693 has been classified under the other capital reserve sub-account.

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

**II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued)**

**2. Amount of paid-in-capital, explanations as to whether the registered share capital system is applied, if so, the amount of registered share capital ceiling**

Registered share capital system is not applied.

	<b>Current Period 31 March 2012</b>	<b>Prior Period 31 December 2011</b>
Common Stock Provision	-	-
Preferred Stock Provision	652.290	652.290

**3. Information on the share capital increases during the period and their sources:**

The Bank has not increased its share capital during the current period.

**4. Information on share capital increases from capital reserves during the current period:**

The Bank has no share capital increases from capital reserves during the current period.

**5. Information on capital commitments, the purpose and the sources until the end of the fiscal year and the subsequent interim period:**

The Bank has no capital commitments.

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

The Bank acts to strengthen its shareholders' equity according to the assessment of financial figures for prior periods regarding the Bank's income, profitability and liquidity, and the anticipations regarding accounting standards changes.

**7. Information on privileges given to shares representing the capital:**

The shares of the foreign shareholder are Group "A" shares and all members of the Board of Directors are selected from among the candidates to be suggested by the Group "A" share certificate holders.

**8. Information on marketable securities value increase fund:**

	<b>Current Period 31 March 2012</b>		<b>Prior Period 31 December 2011</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	(10.451)	-	(37.857)	(600)
Foreign Currency Difference	-	-	-	-
<b>Total</b>	<b>(10.451)</b>	<b>-</b>	<b>(37.857)</b>	<b>(600)</b>

**9. Information on revaluation value increase fund:**

The Bank has no revaluation value increase fund as of 31 March 2012 and 31 December 2011.

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

**II. EXPLANATIONS AND NOTES TO THE LIABILITIES (Continued)**

**10. Information on legal reserves:**

	<b>Current Period</b>	<b>Prior Period</b>
	<b>31 March 2012</b>	<b>31 December 2011</b>
First Legal Reserve	130.467	116.522
Second Legal Reserve	45.444	45.444
Legal Reserves according to Special Legislation	-	-
<b>Total</b>	<b>175.911</b>	<b>161.966</b>

**11. Information on extraordinary reserves:**

	<b>Current Period</b>	<b>Prior Period</b>
	<b>31 March 2012</b>	<b>31 December 2011</b>
Reserves Allocated per General Assembly Minutes	1.700.049	1.505.822
Undivided Profit	32.615	-
Accumulated Loss	-	-
Foreign Currency Share Capital Exchange Difference	-	-
<b>Total</b>	<b>1.732.664</b>	<b>1.505.822</b>

**12. Information on shareholders having more than 10% share in capital and/or voting right:**

The whole capital of the Bank belongs to HSBC Bank plc, a bank established according to the laws of the United Kingdom, whose headquarters is located in the UK.

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

**III. EXPLANATIONS AND NOTES TO THE OFF-BALANCE SHEET ACCOUNTS**

**a. Explanations on off-balance sheet commitments:**

**1. Type and amount of irrevocable commitments:**

The Bank has TL 10.730.714 (31 December 2011: TL 8.088.555) irrevocable commitments as of 31 March 2012.

**2. Type and amount of probable losses and obligations arising from off-balance sheet items:**

The Bank has no probable losses arising from off-balance sheet items. Obligations arising from the off-balance sheet are disclosed in "Off-balance sheet commitments".

**2 (i). Non-cash loans including guarantees, bank acceptances, collaterals and others that are accepted as financial commitments and other letters of credit:**

The Bank has letter of credit amounting to TL 921.978 (31 December 2011: TL 926.753), acceptances amounting to TL 887.291 (31 December 2011: TL 918.131) and commitments and contingencies due to letter of credit amounting to TL 662.269 (31 December 2011: TL 738.090) as of 31 March 2012. Also the Bank has other commitments and contingencies amounting to TL 287.174 (31 December 2011: TL 241.019) as of 31 March 2012.

**2 (ii). Certain guarantees, temporary guarantees, surety ships and similar transactions:**

The Bank has no certain guarantees, temporary guarantees, surety ships and similar transactions except explained above in the section 2(i).

**3. Information on the non-cash loans:**

**3 (i). Total non-cash loans:**

	Current Period 31 March 2012	Prior Period 31 December 2011
<b>Non-Cash Loans for Providing Cash Loans</b>	<b>1.873</b>	<b>1.978</b>
With Original Maturity of One Year or Less	1.873	1.978
With Original Maturity of More than One Year	-	-
<b>Other Non-Cash Loans</b>	<b>2.756.839</b>	<b>2.822.015</b>
<b>Total</b>	<b>2.758.712</b>	<b>2.823.993</b>

**3 (ii). Non Cash Information on sectoral risk concentrations of non-cash loans**

Presentation of this disclosure is not required in interim review report.

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

Presentation of this disclosure is not required in interim review report.

**b. Explanations on derivative transactions:**

The Bank has forward transactions amounting to TL 6.874.046 (31 December 2011: TL 3.493.413), currency swap amounting to TL 20.315.826 (31 December 2011: TL 16.494.159), currency option amounting to TL 3.670.636 (31 December 2011: TL 1.536.400), interest rate option amounting to TL 2.138.388 (31 December 2011: TL 2.258.388), interest rate swap amounting to TL 3.248.816 (31 December 2011: TL 3.188.098), interest rate future amounting to TL 727.056 (31 December 2011: TL 1.716.384) and other derivative transactions amounting to TL 272.822 as of 31 March 2012. Transactions to decrease foreign currency and interest rate risk have been classified trading derivative financial instrument and valued with their fair value by the Bank.

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

---

**III. EXPLANATIONS AND NOTES TO THE OFF-BALANCE SHEET ACCOUNTS (Continued)**

**c. Explanations on contingent assets and liabilities:**

For contingent assets, if the probability of condition is almost ultimate, this asset is recognised, if the probability is high, this asset is explained in the notes. There is no contingent asset that should be explained as of 31 March 2012.

For contingent liabilities, if the probability of the condition is high and it can be measured reliably, provisions are set aside, if it cannot be measured reliably or there is no possibility for the condition to be realised or if it is low, this liability is explained in the notes.

The Bank has certain contingent liabilities relating to various lawsuits due to the transactions it performed in the scope of banking operations. As of 31 March 2012, the total amount of these lawsuits filed against the Bank is TL 9.108 (31 December 2011: TL 11.222). TL 1.904 (31 December 2011: TL 1.467) has been set aside as provision for those with the probability of being concluded against the bank is higher than the probability of their concluding in its favor.

**d. Explanations on services in the name of others:**

The Bank gives buy and sell marketable securities and custodian services in the name of others.

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

**IV. EXPLANATIONS AND NOTES TO THE INCOME STATEMENT**

**a. Information on interest income:**

**1. Information on interest income from loans (\*):**

	Current Period 31 March 2012		Prior Period 31 December 2011	
	TL	FC	TL	FC
Short-term Loans	249.275	14.553	173.115	8.081
Medium and Long-term Loans	145.654	23.240	111.505	11.808
Interest on Loans Under Follow-Up Premiums Received from the Resource Utilization Support Fund	7.109	-	11.651	-
	-	-	-	-
<b>Total</b>	<b>402.038</b>	<b>37.793</b>	<b>296.271</b>	<b>19.889</b>

(\*) Fee and commission income from cash loans are included.

**2. Information on interest income on banks:**

	Current Period 31 March 2012		Prior Period 31 December 2011	
	TL	FC	TL	FC
From the CBRT	-	-	-	-
From Domestic Banks	13.764	754	6.981	41
From Foreign Banks	436	14	256	23
Headquarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>14.200</b>	<b>768</b>	<b>7.237</b>	<b>64</b>

**3. Information on interest income on marketable securities:**

Presentation of this disclosure is not required in interim review report.

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

The Bank has no interest income received from investments in associates and subsidiaries as of 31 March 2012 and 31 March 2011.

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

**IV. EXPLANATIONS AND NOTES TO THE INCOME STATEMENT (Continued)**

**b. Information on interest expense:**

**1. Information on interest expense on borrowings (\*):**

	Current Period 31 March 2012		Prior Period 31 December 2011	
	TL	FC	TL	FC
Banks	49.373	23.160	37.524	9.712
The CBRT	-	-	-	-
Domestic Banks	347	121	252	22
Foreign Banks	49.026	23.039	37.272	9.690
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	-	-	-
<b>Total</b>	<b>49.373</b>	<b>23.160</b>	<b>37.524</b>	<b>9.712</b>

(\*) Fee and commission income from cash loans is included.

**2. Information on interest expense given to associates and subsidiaries:**

	Current Period 31 March 2012	Prior Period 31 March 2011
Interest Expenses Given to Subsidiaries and Associates	283	310

**3. Information on interest expense given on securities issued:**

Presentation of this disclosure is not required in interim review report.

**4. Maturity structure of the interest expense on deposits:**

Presentation of this disclosure is not required in interim review report.

**5. Information on interest expense given on repurchase agreement:**

The Bank has interest expense given on repurchase agreement amounting to TL 16.941 (31 March 2011: TL 4.087) as of 31 March 2012.

**6. Information on financial leasing expense:**

The Bank has no financial leasing expense as of 31 March 2012 and 31 March 2011.

**7. Information on interest expenses given on factoring payables:**

The Bank has no interest expenses given on factoring payables as of 31 March 2012 and 31 March 2011.

**c. Explanations on dividend income:**

The share of the Bank from profit distribution of HSBC Yatırım is TL 7.415 (31 March 2011: TL 15.981) as of 31 March 2012.

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

**IV. EXPLANATIONS AND NOTES TO THE INCOME STATEMENT (Continued)**

**d. 1. Information on trading profit/loss (net):**

	<b>Current Period 31 March 2012</b>	<b>Prior Period 31 March 2011</b>
<b>Profit</b>	<b>2.805.395</b>	<b>3.665.593</b>
Income from Capital Market Transactions	22.240	11.885
From Derivative Financial Transactions	112.229	97.672
Foreign Exchange Gains	2.670.926	3.556.036
<b>Loss (-)</b>	<b>2.875.212</b>	<b>3.679.651</b>
Loss from Capital Market Transactions	23.668	11.292
From Derivative Financial Transactions	185.697	152.724
Foreign Exchange Loss	2.665.847	3.515.635
<b>Total (Net)</b>	<b>(69.817)</b>	<b>(14.058)</b>

**2. Information on profit/loss on derivative financial operations:**

	<b>Current Period 31 March 2012</b>	<b>Prior Period 31 March 2011</b>
Effect of the change in exchange rates on profit/loss	(75.511)	(54.924)
Effect of the change in interest rates on profit/loss	2.043	(128)
<b>Total (Net)</b>	<b>(73.468)</b>	<b>(55.052)</b>

**e. Information on other operating income:**

Other operating income consists of reverse of the previous year provision amounting to TL 693 (31 March 2011: TL 53.609), telecommunication income amounting to TL 1.055 (31 March 2011: TL 890), income from assets sale amounting to TL 618 (31 March 2011: None) and other income amounting to TL 9.775 (31 March 2011: TL 6.630) as of 31 March 2012.

**f. Provision expenses related to loans and other receivables of the Bank:**

	<b>Current Period 31 March 2012</b>	<b>Prior Period 31 March 2011</b>
Specific Provisions for Loans and Other Receivables	39.469	32.863
III. Group Loans and Receivables	1.918	4.368
IV. Group Loans and Receivables	10.932	695
V. Group Loans and Receivables	26.619	27.800
General Provision Expenses	14.974	134
Provision Expense for Possible Risks	-	-
Marketable Securities Impairment Expense	131	11.875
Financial Assets at Fair Value Through Profit or Loss	19	1
Available-for-sale Financial Assets	112	11.874
Investments in Associates, Subsidiaries and Held-to-Maturity Securities Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Held-to-maturity Investments:	-	-
Other	1.929	4.675
<b>Total</b>	<b>56.503</b>	<b>49.547</b>



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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

**IV. EXPLANATIONS AND NOTES TO THE INCOME STATEMENT (Continued)**

**g. Information related to other operating expenses:**

	<b>Current Period 31 March 2012</b>	<b>Prior Period 31 March 2011</b>
Personnel Expenses	114.658	110.980
Reserve for Employee Termination Benefits	1.919	1.595
Bank Social Aid Provision Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	14.583	17.129
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expenses	-	-
Amortization Expenses of Intangible Assets	1.969	1.934
Impairment Expenses of Equity Participations for Which Equity Method is Applied	-	-
Impairment Expenses of Assets Held for Resale	-	-
Depreciation Expenses of Assets Held for Resale	44	49
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	99.513	97.196
Operational Leasing Expenses	33.702	29.806
Maintenance Expenses	4.172	4.765
Advertisement Expenses	9.334	10.635
Other Expenses	52.305	51.990
Loss on Sales of Assets	100	35
Other	37.596	27.606
<b>Total</b>	<b>270.382</b>	<b>256.524</b>

**h. Explanation on income/loss before tax for the period for continued and discontinued operations:**

Presentation of this disclosure is not required in interim review report.

**i. Information on tax provision for continuing and discontinued operations:**

The Bank has corporate tax provision expense amounting to TL 33.645 (31 March 2011: TL 33.832) and deferred tax expense amounting to TL 18.418 (31 March 2011: TL 15.122) as of 31 March 2012.

The whole amount of deferred tax income, which is TL 18.418, mentioned in the financial statements of the Bank in the current period consists of the temporary differences calculated over the timing differences between the accounting policies applied and valuation principles and the tax legislation.

**j. Explanation on net income/loss for the period for continued and discontinued operations:**

There is no explanation related to operating profit/loss after tax.

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

---

**IV. EXPLANATIONS AND NOTES TO THE INCOME STATEMENT (Continued)**

**k. Explanation on net profit and loss:**

**1. Any further explanation on operating results needed for a proper understanding of the Bank's performance :**

Net interest income, which is TL 337.913 (31 March 2011: TL 255.568), and net wage and commission income, amounting to TL 114.079 (31 March 2011: TL 93.804), have an important role among the income items in the interim accounting period ending on 31 March 2012. The wage and commission income received from cash loans are indicated in the net interest income. Considering the distribution in interest income, the most important sources of the Bank's interest income are the interests received from loans, securities and interbank money market. The biggest portion of the interest expenses consists of the interests paid for deposits and loans received. The most important portion of the commission income consists of the commissions received from credit card transactions and other banking transactions.

**2. Any changes in estimations that might have a material effect on current and subsequent period results:**

No changes have been made in the accounting estimates which may have a material effect in current period and materially affect subsequent periods.

**l. Explanation on other items stated in the income statement:**

"Other fee and commissions" stated in the income statement, consist of commissions received from credit card transactions and investment fund.

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

---

**V. EXPLANATIONS AND NOTES TO THE CHANGES IN SHAREHOLDERS' EQUITY**

**a. Information on the current year adjustments made in accordance with the requirements of the accounting Standard on Financial Instruments:**

**1. Increases after the revaluation of available-for-sale investments:**

Presentation of this disclosure is not required in interim review report.

**2. Information on increases in cash flow hedges:**

Presentation of this disclosure is not required in interim review report.

**b. Information on adjustments made for the application of Standard on Accounting for Financial Instruments in the current year :**

**1. Information on available-for-sale investments:**

Presentation of this disclosure is not required in interim review report.

**2. Information on cash flow hedges:**

Presentation of this disclosure is not required in interim review report.

**c. Information on profit distribution:**

None.

**d. Information on issuance of common stock:**

Presentation of this disclosure is not required in interim review report.

**e. Effects of the adjustments to prior periods on the opening balance sheets:**

Presentation of this disclosure is not required in interim review report.

**f. Offsetting prior period's losses:**

Presentation of this disclosure is not required in interim review report.

**VI. EXPLANATIONS AND NOTES TO THE STATEMENT OF CASH FLOWS**

**a. Explanations about other cash flows items and the effect of changes in foreign exchange rates on cash and cash equivalents:**

Presentation of this disclosure is not required in interim review report.

**b. Information on cash flows arising from acquisition of associates, subsidiaries and other investments:**

Presentation of this disclosure is not required in interim review report.

**c. Information on disposals of associates, subsidiaries or other investments:**

Presentation of this disclosure is not required in interim review report.

**d. Information on cash and cash equivalents:**

Presentation of this disclosure is not required in interim review report.

**e. Additional information:**

Presentation of this disclosure is not required in interim review report.

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

**VII. EXPLANATIONS AND NOTES RELATED TO THE BANK'S RISK GROUP**

**Volume of related party transactions, income and expense amounts involved and outstanding loan and deposit balances:**

**1. Current Period - 31 March 2012:**

Risk Group of the Bank	Subsidiaries, Associates and Entities Under Common Control (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						
Opening Balance	12	205	8.861	487.975	-	-
Closing Balance	29	1.037	4.316	1.711.497	-	-
Interest and Commissions Income (*)	-	-	805	280	-	-

**2. Prior Period - 31 December 2011:**

Risk Group of the Bank	Subsidiaries, Associates and Entities Under Common Control (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						
Opening Balance	11	201	4.836	308.871	13	3
Closing Balance	12	205	8.861	487.975	-	-
Interest and Commissions Income (*)	-	1	392	62	-	-

(\*) The prior period balances present amounts of 31 March 2011.

**3. Deposits held by the Bank's risk group:**

Risk Group of the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)		Direct or Indirect Shareholders of the Bank		Other Real and Legal Persons in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
	31 March 2012	31 December 2011	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Deposit						
Opening Balance	18.461	20.653	112.325	26.369	3.788	6.893
Closing Balance	18.393	18.461	18.557	112.325	5.356	3.788
Interest and Commissions Income (*)	283	310	-	-	88	13

(\*) The prior period balances present amounts of 31 March 2011.

**4. Information on forward transactions, option agreements and similar transactions between the Bank's risk group:**

Risk Group of the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)		Direct or Indirect Shareholders of the Bank		Other Real and Legal Persons in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
	31 March 2012	31 December 2011	31 March 2012	31 December 2011	31 March 2012	31 December 2011
The Fair Value Differences Through Profit and Loss						
Opening Balance	-	-	16.338.478	12.369.158	-	-
Closing Balance	-	-	23.377.391	16.338.478	-	-
Total Profit/Loss (*)	-	-	(166.721)	(59.477)	-	-
Transactions for Hedging Purposes						
Opening Balance	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-
Total Profit/Loss	-	-	-	-	-	-

(\*) The prior period balances present amounts of 31 March 2011.

**5. Explanations on total remuneration and other benefits which are paid by the Bank to top executives of the Bank:**

As of 31 March 2012, payment is made to top executives of the Bank amounting to TL 1.257 TL (31 March 2011: TL 1.716).

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

---

**VIII. EXPLANATIONS AND NOTES TO THE DOMESTIC, FOREIGN, OFF-SHORE BRANCHES OR AFFILIATES AND FOREIGN REPRESENTATIVES OF THE BANK**

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

Presentation of this disclosure is not required in interim review report

**IX. EXPLANATIONS AND NOTES TO THE SUBSEQUENT EVENTS**

**1. Transactions that have not been finalized and their effect on the unconsolidated financial statements:**

None.

**2. Information about the effect on foreign currency transactions and financial statements of significant changes in foreign exchange rates after the balance sheet date and foreign operations of the Bank:**

There is no significant change appeared after balance sheet date and needed to be explained in foreign currency rates.

**3. Executive vice presidents :**

Erol Sakalhođlu has resigned from his duty as of 30 March 2012 and there is not any assignment instead of him.

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

**HSBC BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012**

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

---

**SECTION SIX**

**OTHER EXPLANATIONS**

**I. OTHER EXPLANATIONS ON THE BANK'S OPERATIONS**

None.

**SECTION SEVEN**

**EXPLANATIONS ON INDEPENDENT AUDITOR'S REVIEW REPORT**

**I. EXPLANATIONS ON INDEPENDENT AUDITOR'S REVIEWREPORT**

As of 31 March 2012, unconsolidated financial statements and explanatory notes of the Bank disclosed herein were reviewed by Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of PricewaterhouseCoopers) and Independent Auditor's Review Report dated 14 May 2012 is presented preceding the financial statements.

**II. EXPLANATIONS AND NOTES PREPARED BY THE INDEPENDENT AUDITOR**

None.

.....